

THE CRYPT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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THE CRYPT SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	R D James G Webster G Stevens J Bird B Whitman D Preece N Dyer
Trustees	R D James, Chairman G Webster, Vice Chair N Dyer, Headmaster and Accounting Officer J Bird R Blade (appointed 12 October 2015, resigned 9 February 2016) A Borley, Parent Trustee C Chad-Daniels, Staff Trustee (resigned 13 July 2016) J D Coates (appointed 23 March 2016) M Evans (resigned 13 July 2016) D Green, Parent Trustee D Hall D Preece J Price (appointed 12 October 2015) G Stevens B Whitman
Company secretary	J Hitchings
Senior management team	N Dyer, Headmaster P Stanlake, Deputy Headteacher J Waterston, Assistant Headteacher A Courteney, Assistant Headteacher R Biggs, Assistant Headteacher C Sturge, Assistant Headteacher J Hitchings, Bursar H Baldwin, Estates and Payroll Manager
Company name	The Crypt School
Principal and registered office	Podsmead Road Gloucester GL2 5AE
Company registered number	07489196
Statutory auditors	Davies Mayers Barnett LLP Pillar House 113/115 Bath Road Cheltenham Gloucestershire GL53 7LS

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Bankers	Yorkshire Bank Ground Floor Epsilon House The Square Gloucester Business Park Brockworth Gloucester GL3 4AD
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Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
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THE CRYPT SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The annual report serves the purpose of both a trustees' report, and a directors' report company law.

The trust operates as a Grammar School for boys aged 11-16 with a co-educational sixth form. It currently has on role 930 pupils as at the census dated 6th October 2016.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum and articles of Association is the primary governing document of the academy trust.

The Trustees of The Crypt School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Crypt School.

Details of the Trustees who served during the 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.

Trustees' indemnities

There are no qualifying third party indemnity provisions in place.

Method of recruitment and appointment or election of Trustees

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

Policies and procedures adopted for the induction and training of Trustees

Induction is carried out by the Headmaster and Chair of Trustees. The Clerk to the Governors ensures that all Trustees 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. All new trustees are given a role description and are required to read the most recent copy of the Academy and Governance Handbooks. Trustee training for the whole governing body is provided throughout the year by both internal and external providers.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

The Trustees who have served throughout the year are set out on page 1. Trustees 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 (changed to Pupil Welfare from September 2016)
- Audit
- Admissions

All of 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 budget approval are reserved for the Full Governing Body. The Trust's Accounting Officer is the Headmaster.

Arrangements for setting pay and remuneration of key management personnel

With the exception of the Headmaster and any staff trustees, no Trustees receive remuneration from the Academy. The Headmaster and staff Trustees do not receive any specific remuneration for their role as Trustee; their remuneration is set by the role they perform within the school.

The setting of pay and remuneration for the senior management team is considered and approved by the Resources, Staff and Pay committee. The Academy continues to follow the recommendations of the national School Teachers Pay and Conditions Document and the Green Book which is followed by Local Authority run schools when awarding pay rises for these members of staff.

Connected organisations, including related party relationships

The Crypt School was designated as a Teaching School and a National Support School by the National College for Teaching and Leadership in February 2013. The Crypt School works with its partners in the secondary and primary school sectors and with Higher Education providers to:

- ensure high quality initial teacher training;
- support high quality professional development for teachers and leaders; and
- to broker and provide support for schools where improvement is required.

There were no financial transactions amounting to more than £2,500 with "The Creative Consortium" a company where a party related to the accounting officer is a director.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 1940s. There are currently 930 students on roll, including 281 in the Sixth Form, an increase of 29 pupils on the number on roll as at the same time last year.

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. Continuing Professional Development 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.

Objectives, strategies and activities

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 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:

- moving towards the new A Level specifications and grading system at GCSE;
- ensuring consistency in standards across the school;
- creating a business case and plan for the school to move to co-educational entry in September 2018;
- bidding for monies to refurbish the Sports Hall and create a new teaching block;
- increasing the percentage of students going on to study at high value university courses and on apprenticeships with locally and nationally recognised firms which include sponsored Higher Education;
- developing our role as a National Teaching School and a National Support School.

Public benefit

The Trustees 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 the Trustees feel that it has met its requirements through its focus on the aforementioned strategies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic Report

Achievements and performance

Key performance indicators

The Board of Trustees developed a range of Key Performance Indicators in 2011, and these are monitored throughout the school year.

Key Performance Indicators include:

Results and Academic Performance

- a. The 2015-2016 academic year saw continued success in examination results at A Level, although there was a small fall in top grades at GCSE. A2 results were judged by ALPs as excellent (3) and were the best ever in terms of raw results recorded by the School in recent times. AS results were ALPs 4 - very good. GCSE results fell at the A*-A range and in terms of value added, although the new national measurement (Progress 8) showed positive value added. These results confirm that the School has maintained its "outstanding status" awarded by Ofsted in 2012. The raw results as AS and A2 are all higher (with GCSE being the same) than those achieved in the 2011 academic year, which underpinned the 2012 Ofsted judgement.
- b. GCSE: 95% achieved 5+ A*-C including English and Maths. 41% of grades were A*-A, short of last year's 49%. 48% of boys achieved 5+ A*-A grades, and 23% achieved 8+ A*-A grades. 100% of pupil premium students achieved 5+ A*-C EM and 55% (37.5% in 2015) of pupil premium students achieved 5+ A*-A grades. Overall, Pupil Premium students achieve better than their peers at the school.
- c. AS results in raw terms were very pleasing given the recent reforms to specifications: 49% (54% in 2015) of grades at A-B. This bodes well for A level performance in 2017.
- d. A level results were ALPs 3 - the best in the School's recent history. 62% of grades were A*-B.
- e. Destination data for the Year 13 cohort was very good indeed. 50% (34% in 2015) gained places at highly selective universities (those on the Sutton Trust 30 list, which includes the Russell Group); 73% of the year group went onto University, 6% to apprenticeships, 1.5% to employment, 5.5% into a gap year (most deferred entry), 3% into further education, 1.5% (two students) into the Forces and 1 student is resitting Year 13. Crucially there were no NEETs.
- f. The school has preserved its broad and balanced curricula offer despite the difficult financial times faced by the public sector.
- g. The school is full and oversubscribed in every year group and numbers are up on those of a year ago. With 930 on roll the school remains clearly very popular with parents.
- h. Attendance (Years 7-11) remains high at 96% overall (target 97%), with the majority of the 4% explained by permission granted for study leave and a small number of students who are suffering from health related absences.

Parental Perceptions

- a. A Krikland Rowell parental survey is due to be carried out in November 2016. Regular parental feedback via internal questionnaires indicates the school is held in high esteem.
- b. There was just 1 complaint resolved at Headmaster level in 2015-16, and 1 referred onwards to the Governing Body which was resolved.
- c. The number on roll as mentioned previously is a key indicator of the strength of parental perceptions.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

External Judgements

- a. The 2015 GCSE results were given a 0.36 measure on the new Progress 8 judgement - which is very positive and well above national expectations. The 2016 result was lower, at 0.16 - but critically still showing positive value added. A Level results were deemed to be excellent and AS results very good.

Curriculum and Staffing

- a. Extra-curricular provision (music, performing arts, sports, educational visits and lunchtime clubs) remains a key priority, and the numbers of key activities and those participating was preserved.
- b. Staff turnover in 2015-16 was normal 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. Crucially we were able to appoint in chemistry, computing and physics, three shortage subjects.

Teaching and Learning

- a. The percentage of lessons graded good and outstanding by internal audits rose.
- b. The school works closely with its Teaching School partners, and has supported other schools' development during 2015-16.

Going concern

After making appropriate enquiries, the Board of Trustees 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial Review

The school has a good level of funds with unrestricted reserves at £476k and restricted reserves of £535k before the pension deficit of £775k. For the first year since becoming an Academy the level of reserves before allowing for the pension liability have fallen slightly. It has been the Trust's policy to add to reserves in recent years in order to maintain and improve the site and to support the significant increase in staffing costs as a result of increases in NI, employer pension contributions, unfunded pay rises and the introduction of the living wage, all of which began to impact the school in 2015/16. These additional costs are ongoing and will continue to significantly increase the school's staffing costs in future years. The implications of the increase in the pension liability for support staff can be seen in the balance sheet with the deficit increasing by £248k to £775k. Although contributions are only revised every 3 years the increasing deficits will mean that employer contributions will continue to rise increasing staff costs further.

Plans have been made to grow the size of the school which will help ensure its financial viability in future years. The school will therefore need to call on these reserves over the next few years not only to fund the increased staffing costs but to meet the cost of expanding pupil numbers. The school added an additional form of entry into Year 7 in September 2015, another in September 2016 and a further one is planned for September 2017. As school funding is based on lagged numbers the school will receive no funding for these pupils until they reach Year 8. Therefore the school will need to call on reserves to fund the education of these pupils until pupil numbers reach a steady state in 2019. The school has also applied to become a fully Co-educational Grammar school and will need to incur expenditure on improving facilities and additional pastoral and teaching care from 2018 if the application is successful.

In addition to these calls on reserves there have been significant changes to the curriculum and examination structure. The school has had to meet the costs of providing new text books for the revised courses and increased training for teachers. These changes continue to be implemented over the next 2 years.

The school has maintained a broad curriculum so far without staff reductions. The Trustees believe that their plan for controlled expansion, together with cost reductions, fundraising and the careful deployment of reserves will enable the school to meet the challenging financial times ahead.

The school was successful in winning a bid from the Academies Capital Improvement Fund worth £753k in April 2016 to refurbish the Sports Hall and to provide 3 additional classrooms. Work began in September 2016 and is expected to be completed by March 2017. The School expects to provide funds of £120k from reserves to support this development.

The continued support from parents through School Fund donations and contributions via The Crypt School Parent Teachers Association are fundamental to enabling the school to continue to provide its extensive list of extra-curricular activities and improved facilities at the school. The Crypt School Parent Teachers Association have already agreed to support the school with a sizeable donation towards a new Pavilion which will provide essential changing rooms for the school.

Reserves policy

The Trustees have agreed to maintain GAG plus unrestricted reserves at a minimum level of 3% of income. Reserves can only fall below this level with the prior agreement of the Resources, Staff and Pay Committee and approval will only be given where a plan is presented to replenish the reserves back to this level. This level of reserves is felt to be prudent given expected reductions in income in the forthcoming Academic years while ensuring that it does not affect the School's current operational activities. The School's level of reserves is currently much higher than this although they are planned to fall in the next 3 years to cover the expansion of the school.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Investment Policy

The Trustees follow a low risk investment policy with all balances held within bank accounts which are currently immediately accessible. This policy is not expected to change over the next 12 months when liquidity will be an essential part of cashflow management.

Principal risks and uncertainties

The School continues to monitor its risks through KPIs, Management accounts and Budget forecasts which are reviewed by the Resources, Staff and Pay Committee and the Governing Body. The risk register is reviewed by the senior management team, Audit Committee and the Full Governing Body.

The principal financial risk facing the School continues to be the significant rise in staffing costs and the uncertainty surrounding the school's funding. The implementation of a National Funding or Fairer Funding formula has been delayed by the Education Funding Agency. Gloucestershire is one of the lowest funded authorities and any move to Fairer Funding is expected to benefit the majority of schools in the area.

Trustees have carefully considered these risks as part of a 5 year budget plan and are aware of critical times in the financial years ahead. The trustees plan a controlled increase in pupil numbers in both the lower school and the sixth form which they intend to achieve without a significant increase in costs, through curriculum and timetable management. They have carefully considered the strain this will put on the teaching and non-teaching resources and are currently preparing a 10 year plan for the school estate. The school reserves will be used to implement these plans. Part of this strategy includes the movement to a fully co-educational school and as this has yet to be agreed there is a risk that the application will be declined in the Secretary of State to whom it has now been referred.

In addition, to cover any shortfall in government funding for curricular and extra-curricular activities the school continues to fundraise from parents and other stakeholders.

The School's level of reserves held in liquid assets mean that cashflow has not been a significant issue for the school. Although as costs rise it is expected that cashflow management will become increasingly important.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

Teaching and Learning

The school has always strongly focussed on the quality of its teaching and of the pupils' learning. All teachers at the school must be committed to improving their practice with the requirement that all teaching is at least good and an ambition that teachers work to make their teaching outstanding on a daily basis. CPD is aligned to this aim and all teachers are required to undertake CPD which is focussed on the quality of their teaching. In 2015-16 98% of lessons were graded as being either good or outstanding. The main issue for this year is to ensure teaching meets the needs of the more able pupils, especially at GCSE. If the School does become co-educational in 2018, we shall ensure appropriate CPD is provided to ensure teachers are skilled up to teach the girls.

Attainment and the curriculum

Results in 2016 were outstanding at AS and A Level, and at GCSE they are above national expectations, although there was a fall in the percentage of A*-B grades at GCSE. A Level results at A*-B were 62%, the best ever. GCSE results at A*-C were the same as in 2015. The School will aim to continue to work to improve attainment, with particular focus on 2016-17 on the top grades at GCSE. Significant curriculum reform continues at both GCSE and A Level, which absorbs a considerable amount of teacher time in preparing for these changes. At GCSE in Year 10, almost all of the subjects being taught are reformed and assessed under the new 9-1 grading system. Boys will study between 9 and 11 GCSEs. At A Level, we have moved to offering students three options: 4 A Levels over two years, 3 A Levels plus 1 AS sat in Year 12, or 3 A Levels studied across two years. We shall again offer that choice for 2017 entry, and then move to three (or four for a few high ability students) A Levels for all students in 2018. This year we shall be reviewing our curriculum at KS3 to ensure it is fit for a co-ed entry in 2018.

Leadership and management

The strength of leadership at all levels continues to be outstanding - as confirmed by Ofsted in 2012 and by an external review carried out in September 2015. The SMT is strongly focussed on standards and has put in place some changes to ensure reviews and audits carried out are done so more swiftly with a focus on impact. The Headmaster has delegated significant responsibility for Conduct and Capability to SMT thereby increasing responsibility and accountability for their "reports".

Enrichment

Despite budgetary challenges, the School continues to provide plenty of enrichment opportunities to all year groups. Activities include: sporting and other recreational activities, such as DofE; discussion activities in tutorials and assemblies and through other organised events; charity and school council work; leadership roles; VI form co-curricular enrichment; educational trips and visits and so on. To help fund these activities parents have been asked to contribute to a school development fund.

VI form

The VI form continues to make excellent progress under its leadership team. Results at A Level in 2016 were the best ever, and strong at AS level. The numbers in the VI form continue to grow with over 150 now in Year 12. Progression to university and higher level apprenticeships in 2016 was very impressive. We will continue to offer the opportunity for students to embark on co-curricular study through the Open University and the EPQ. The new A Levels are more challenging than their predecessors, but results at AS in 2016 showed that our pupils can cope with that additional challenge. We will continue to plan for a VI form of 300 students, and keep the curriculum under review. Our focus will remain on ensuring all students progress onto top rated universities or apprenticeship programmes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Co-education and Primary School

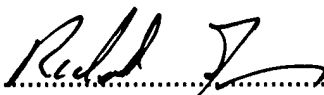
The school intends to become a fully co-educational school from September 2018, through admitting girls into Year 7. At present, we are awaiting approval from ministers for this change in status. As part of our vision for the future of our school, there are also plans to create a primary Free School on site. This new school would be a mixed gender, one form entry school from Reception to Year 6. The school would be a 'free school' and help support the aims of the school which are to remain a city-based school with at least 50% of its intake from the City of Gloucester thereby ensuring the school's role meets the best traditions of the Grammar school ethos. The primary school students would be taught in years 4, 5 and 6 by specialist teachers from the main school supporting local children's transfer into the main school via the 11+ test. Students would have full access to the facilities of the main school, in particular all sport would be taught by teachers from the sports department in the main school.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

This report incorporating the Strategic Report, was approved by order of the Board of Trustees as the company directors, on 5 December 2016 and signed on its behalf by:


.....
R D James, Chairman

THE CRYPT SCHOOL
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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Crypt 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 board of trustees has delegated the day-to-day responsibility to the Headmaster, 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 board of trustees 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 board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R D James, Chairman	6	6
G Webster, Vice Chair	4	6
N Dyer, Headmaster and Accounting Officer	6	6
J Bird	2	6
R Blade	2	3
A Borley, Parent Trustee	5	6
C Chad-Daniels, Staff Trustee	6	6
J D Coates	2	3
M Evans	0	6
D Green, Parent Trustee	3	6
D Hall	5	6
D Preece	5	6
J Price	2	6
G Stevens	4	6
B Whitman	6	6

Governance reviews

The Governors have carried out a series of training sessions throughout the year run by internal and external experts.

- The role of Governors and school governance (external provider 2 sessions);
- Understanding school finance (internal ran by the Bursar);
- Understanding school exam and performance data (external provider);
- A Guide to Governor School visits (external provider)

In addition in May they employed a specialist consultant to help them identify areas for improvement and evaluate where future training is required. She has already provided support sessions to the Clerk to Governors to improve the clarity of minutes and other clerk duties and has provided extensive guidance on School Governor Visits. In 2016/17 she will provide further training on running Governor Appeals panels. Governors have evaluated their performance in July 2016 and have agreed focus in 2016/17 will be on improving the number and quality of Governor visits into the school. They have also agreed to revise the Committee structure to put a greater emphasis on pastoral care and Teaching and Learning. The Property Health and Safety Committee will now be renamed the Pupil Welfare committee and in addition to its current remit of Health and Safety and Estate management issues, will focus on pastoral care for pupils.

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GOVERNANCE STATEMENT (continued)

Governance reviews (continued)

The Resources, Staff and Pay (RSP) Committee is a sub-committee of the Board of Trustees. Its purpose is to provide guidance and assistance to the Headmaster and the Governing Body on matters relating to staff and pay, budgeting and finance. In particular, the RSP committee review the financial priorities made in the annual budget and examine the assumptions made before recommending it to full Governors. They quarterly monitor income and expenditure against the budget and review the year end accounts before presenting them to full Governors.

The RSP committee is responsible for approving the Finance Manual and for monitoring the financial, strategic, and governance risks to the school. The committee regularly review the KPIs for the school and ensures that action plans are in place to rectify any areas where there is underperformance.

The committee is responsible for setting the Headmaster's targets and reviewing his performance against them. They formulate and agree Pay Policies and have overall responsibility for Performance reviews and remuneration.

The committee is also responsible for initially reviewing exam and performance data and Teaching and Learning issues although all data is also presented and discussed at Full Governing Board. In 2016/17 there will be a greater emphasis on teaching and learning within the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R D James, Chairman	4	4
G Webster, Vice Chair	4	4
N Dyer, Headmaster and Accounting Officer	4	4
D Preece	4	4
G Stevens	1	4

The Audit Committee is also a sub-committee of the main Board of Trustees. The Audit Committee is responsible for ensuring that the school complies with its policies, controls and systems. In association with the RSP committee they review the risks to internal financial control and carry out reviews of the internal systems highlighting any failures in procedure. In 2015/16 members of the committee took over the responsibilities of the Responsible officer and carried out 4 visits during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Bird	2	2
A Borley, Parent Trustee	2	2
J Price	1	2

Review of Value for Money

As Accounting Officer, the Headmaster 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 Academy 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 in several areas but particularly in professional development and procurement.

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GOVERNANCE STATEMENT (continued)

Review of Value for Money (continued)

The school has worked closely with its teaching school partners to provide joint Professional Development in an effort to share best practice and to save money. This collaboration included a workshop in November 2015 for teaching and support staff led by Professor Damien Hughes and a joint programme of training for Middle Leaders. In 2016 a further joint inset on "Chimp Management" is being held in November. In addition more training is being carried out online to reduce travel expenses.

The school made the decision this year to bring the telephone systems in-house at the end of the current equipment's lease term. The school has purchased the equipment through a tender exercise and substantially reduced expensive leases for equipment and servicing. A one off cost of £6k will lead to savings of nearly £7k per annum.

Going forward the school appreciates with the continuing pressures on budgets that all areas of expenditure will need to be reviewed. Class sizes have already increased and the school is constantly monitoring set sizes for optional subjects at GCSE and A Level to evaluate if the curriculum offering needs to be changed. Some subjects have been dropped whilst additional sets of more popular subjects have been added. The school recognises the need to balance a broad curriculum with a cost effective curriculum.

The school completes an annual benchmarking exercise with Gloucestershire Association of School Business Managers. This year it highlighted potential areas for cost cutting particularly in cleaning. This led to a saving in this budget over the year. The school is due to participate in the benchmarking exercise again during the next month.

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 The Crypt School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees 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 board of trustees 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 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 board of trustees
- 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
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has agreed that the members of the Audit Committee will carry out the role of responsible officer.

The responsible officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The members of the Audit Committee carried out a range of checks on the Academy's financial systems in 2015/16. In particular these checks included testing:

- payroll systems
- purchasing and tendering systems
- accounting systems
- income recognition and accurate recording of restricted and non-restricted income

The schedule of visits was completed as agreed by the committee at the start of the year. On a regular basis the Audit Committee reports on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. No material control issues were found and this was reported to the Board of Trustees.

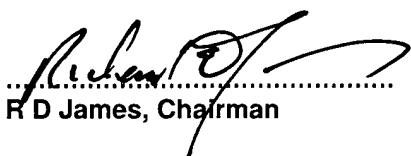
Review of Effectiveness

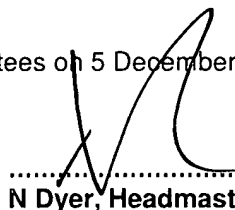
As Accounting Officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the Responsible Officer visits carried out by the Audit Committee
- the work of the external auditors;
- 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 ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5 December 2016 and signed on their behalf, by:


.....
R D James, Chairman


.....
N Dyer, Headmaster and Accounting Officer

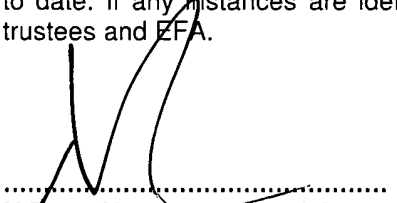
THE CRYPT SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Crypt School I have considered my responsibility to notify the academy trust board of trustees 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 2015.

I confirm that I and the academy trust board of trustees 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 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



.....
N Dyer, Headmaster and Accounting Officer

Date: 5 December 2016

THE CRYPT SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of The Crypt School and are also 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 of trustees on 5 December 2016 and signed on its behalf by:


.....
R D James, Chairman

THE CRYPT SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CRYPT SCHOOL**

We have audited the financial statements of The Crypt School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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 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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

THE CRYPT SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CRYPT SCHOOL**

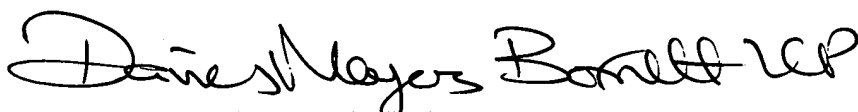
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic 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:

- 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.



Nicola Smith (Senior Statutory Auditor)

for and on behalf of

Davies Mayers Barnett LLP

Chartered Accountants
Statutory Auditors
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS
5 December 2016

THE CRYPT SCHOOL
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE CRYPT SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Crypt School during the year 1 September 2015 to 31 August 2016 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 Crypt School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Crypt School 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 Crypt School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Crypt School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Crypt School's funding agreement with the Secretary of State for Education dated 29 March 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

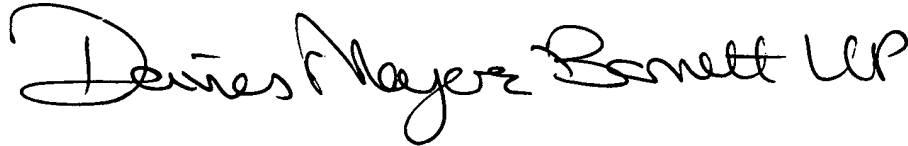
In this regard we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the intended purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of correspondence with the EFA regarding Academy governance matters during the year; and
- a general review and discussion of the Academy's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE CRYPT
SCHOOL 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 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink that reads "Davies Mayers Barnett LLP". The signature is written in a cursive, flowing style.

Davies Mayers Barnett LLP

Chartered Accountants
Reporting Accountants
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

5 December 2016

THE CRYPT SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	68,222	4,906	773,815	846,943	220,358
Charitable activities:	3					
Funding for the Academy's educational operations		84,960	4,266,001	-	4,350,961	4,422,642
Other trading activities	4	46,002	-	-	46,002	38,990
Investments	5	-	3,320	-	3,320	4,247
TOTAL INCOME		199,184	4,274,227	773,815	5,247,226	4,686,237
EXPENDITURE ON:						
Raising funds		38,536	-	-	38,536	-
Charitable activities:						
Academy's educational operations		99,258	4,451,392	714,587	5,265,237	5,111,665
TOTAL EXPENDITURE	6	137,794	4,451,392	714,587	5,303,773	5,111,665
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	61,390	(177,165)	59,228	(56,547)	(425,428)
		-	(43,256)	43,256	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		61,390	(220,421)	102,484	(56,547)	(425,428)
Actuarial losses on defined benefit pension schemes	21	-	(192,000)	-	(192,000)	(12,000)
NET MOVEMENT IN FUNDS		61,390	(412,421)	102,484	(248,547)	(437,428)
RECONCILIATION OF FUNDS:						
Total funds brought forward		414,807	172,753	20,224,090	20,811,650	21,249,078
TOTAL FUNDS CARRIED FORWARD		476,197	(239,668)	20,326,574	20,563,103	20,811,650

THE CRYPT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07489196

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	12		19,623,529	20,222,956
CURRENT ASSETS				
Debtors	13	706,598	229,121	
Cash at bank and in hand		1,483,911	1,281,558	
		<u>2,190,509</u>	<u>1,510,679</u>	
CREDITORS: amounts falling due within one year	14	(475,935)	(394,985)	
NET CURRENT ASSETS			<u>1,714,574</u>	<u>1,115,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,338,103</u>	<u>21,338,650</u>
Defined benefit pension scheme liability	21	(775,000)		(527,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>20,563,103</u></u>	<u><u>20,811,650</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	15	535,332	699,753	
Restricted fixed asset funds	15	<u>20,326,574</u>	<u>20,224,090</u>	
Restricted income funds excluding pension liability		20,861,906	20,923,843	
Pension reserve		<u>(775,000)</u>	<u>(527,000)</u>	
Total restricted income funds			<u>20,086,906</u>	<u>20,396,843</u>
Unrestricted income funds	15		<u>476,197</u>	<u>414,807</u>
TOTAL FUNDS			<u><u>20,563,103</u></u>	<u><u>20,811,650</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:


.....
R D James, Chairman

THE CRYPT SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>39,030</u>	<u>1,348,398</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,320	4,247
Purchase of tangible fixed assets		(115,160)	(1,938,342)
Capital grants from DfE/EFA		274,363	18,662
Capital funding received from sponsors and others		800	96,830
Net cash provided by/(used in) investing activities		<u>163,323</u>	<u>(1,818,603)</u>
Change in cash and cash equivalents in the year		202,353	(470,205)
Cash and cash equivalents brought forward		<u>1,281,558</u>	<u>1,751,763</u>
Cash and cash equivalents carried forward		<u><u>1,483,911</u></u>	<u><u>1,281,558</u></u>

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Crypt School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Crypt School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Crypt School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable (where there are no performance-related conditions), where it is probable and the amount can be measured reliably.

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

THE CRYPT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities and governance costs are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Agency arrangements

The Academy Trust acts as an agent in distributing certain monies to students, for example 16-19 Bursary funding from EFA in so far as these are not discretionary in nature. However, the Trustees believe the amounts to be immaterial in the period covered by these financial statements and have therefore not excluded this income and expenditure from the statement of financial activities.

Tangible fixed assets and depreciation

Assets costing £750 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

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

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold buildings	-	2% on cost
Leasehold improvements	-	10% on cost
Plant and machinery	-	20% on cost
Motor vehicles	-	20%-50% 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.

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 Trustees 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 Trustees and included at what they consider a reasonable and reliable estimate of current market value.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Taxation

The Academy 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 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

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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 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 quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised 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 at the discretion of the Trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency, Department for Education, Private Sponsors and School Fund account.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Private sponsorship	-	-	-	-	97,200
Other donations	68,222	4,906	-	73,128	104,496
Capital grants	-	-	773,815	773,815	18,662
	<u>68,222</u>	<u>4,906</u>	<u>773,815</u>	<u>846,943</u>	<u>220,358</u>

In 2015, of the total income from donations and capital grants, £93,190 was to unrestricted funds, £11,676 was to restricted funds and £115,492 was to restricted fixed asset funds.

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,842,448	3,842,448	3,836,136
Other DfE/EFA grants	-	85,853	85,853	87,405
	<u>-</u>	<u>3,928,301</u>	<u>3,928,301</u>	<u>3,923,541</u>
Other government grants				
Local authority grants	-	48,927	48,927	47,794
Special educational projects	-	45,702	45,702	76,450
	<u>-</u>	<u>94,629</u>	<u>94,629</u>	<u>124,244</u>
Other funding				
School Funds	39,320	167,740	207,060	269,792
Other income	45,640	75,331	120,971	105,065
	<u>84,960</u>	<u>243,071</u>	<u>328,031</u>	<u>374,857</u>
	<u><u>84,960</u></u>	<u><u>4,266,001</u></u>	<u><u>4,350,961</u></u>	<u><u>4,422,642</u></u>

In 2015, of the total income from charitable activities, £120,842 was to unrestricted funds, £4,301,800 was to restricted funds and £NIL was to restricted fixed asset funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	20,681	-	20,681	21,588
Uniform sales	25,321	-	25,321	17,402
	<u>46,002</u>	<u>-</u>	<u>46,002</u>	<u>38,990</u>

In 2015, of the total income from other trading activities, £38,990 was to unrestricted funds, £ NIL was to restricted funds and £NIL was to restricted fixed asset funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	-	3,320	3,320	4,247

In 2015, of the total investment income, £ NIL was to unrestricted funds, £4,247 was to restricted funds and £NIL was to restricted fixed asset funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	38,536	38,536	-
Funding for education:					
Direct costs	2,920,280	-	718,080	3,638,360	3,526,013
Support costs	498,179	895,528	233,170	1,626,877	1,585,652
	<u>3,418,459</u>	<u>895,528</u>	<u>989,786</u>	<u>5,303,773</u>	<u>5,111,665</u>

In 2015, of the total expenditure, £153,054 was to unrestricted funds, £4,272,973 was to restricted funds and £685,638 was to restricted fixed asset funds.

7. SUPPORT COSTS

	Restricted Funds £	Total 2016 £	Total 2015 £
Pension finance cost	20,000	20,000	17,000
Technology costs	73,934	73,934	82,852
Premises costs	180,941	180,941	147,289
Other support costs	144,200	144,200	183,754
Governance costs	15,036	15,036	12,235
Support staff costs	478,179	478,179	456,884
Depreciation	714,587	714,587	685,638
	<u>1,626,877</u>	<u>1,626,877</u>	<u>1,585,652</u>

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8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	315,555	307,135
- leased assets	399,032	378,503
Auditors' remuneration - audit	10,015	10,505
Auditors' remuneration - other services	1,795	1,650
Operating lease rentals	13,765	18,207
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,645,709	2,603,006
Social security costs	214,864	187,571
Operating costs of defined benefit pension schemes	475,034	417,573
	<u>3,335,607</u>	<u>3,208,150</u>
Supply teacher costs	62,852	34,747
Pension finance cost	20,000	17,000
	<u><u>3,418,459</u></u>	<u><u>3,259,897</u></u>

The average number of persons employed by the Academy during the year was as follows:

	2016 No.	2015 No.
Teachers	56	60
Administration and support	64	65
Management	8	9
	<u>128</u>	<u>134</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	47	48
Administration and support	28	29
Management	8	8
	<u>83</u>	<u>85</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 No.	2015 No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31st August 2016 pension contributions for this member of staff amounted to £12,999 (2015 - £9,753).

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £528,783 (2015 - £497,255).

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FOR THE YEAR ENDED 31 AUGUST 2016**

10. 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 other 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:

		2016 £	2015 £
N Dyer, Headmaster and Accounting Officer	Remuneration	75,000-80,000	30,000-35,000
	Pension contributions paid	10,000-15,000	0-5,000
C Chad-Daniels, Staff Trustee	Remuneration	25,000-30,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
J Standen, Headmaster and Accounting Officer	Remuneration	N/A	60,000-65,000
	Pension contributions paid	N/A	5,000-10,000
G Taylor, Staff Trustee	Remuneration	N/A	15,000-20,000
	Pension contributions paid	N/A	0-5,000

During the year ended 31 August 2016, expenses totalling £152 (2015 - £72) were reimbursed to 1 Trustee (2015 - 1).

During the year travel and subsistence expenses totaling £152 (2015 - £72) were reimbursed to 1 Trustee.

Other related party transactions involving the Trustees are set out in the Related Party Transactions note.

11. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Long Leasehold Buildings £	Leasehold Improvements £	Plant and machinery £	Fixtures and fittings £
Cost				
At 1 September 2015	19,951,616	2,215,726	83,081	180,698
Additions	18,732	32,414	8,790	30,945
At 31 August 2016	19,970,348	2,248,140	91,871	211,643
Depreciation				
At 1 September 2015	1,621,623	596,512	41,230	74,229
Charge for the year	399,032	221,573	16,069	36,351
At 31 August 2016	2,020,655	818,085	57,299	110,580
Net book value				
At 31 August 2016	17,949,693	1,430,055	34,572	101,063
At 31 August 2015	18,329,993	1,619,214	41,851	106,469
		Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2015		234,261	49,920	22,715,302
Additions		24,279	-	115,160
At 31 August 2016		258,540	49,920	22,830,462
Depreciation				
At 1 September 2015		139,094	19,658	2,492,346
Charge for the year		31,698	9,864	714,587
At 31 August 2016		170,792	29,522	3,206,933
Net book value				
At 31 August 2016		87,748	20,398	19,623,529
At 31 August 2015		95,167	30,262	20,222,956

The Academy lease land and buildings from Gloucester United Schools Limited. On conversion the Trustees agreed to base their valuation of land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation was considered onerous compared with the additional benefit derived by the users of the accounts.

Due to the Academy buildings being deemed specialist in nature and therefore not traded in an open market, insurance valuation was deemed to be a reasonable estimate of depreciated replacement cost for recognition purposes.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. DEBTORS

	2016 £	2015 £
Trade debtors	12,043	9,394
Other debtors	55,994	52,715
Prepayments and accrued income	638,561	167,012
	<u>706,598</u>	<u>229,121</u>

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	110,966	214,464
Other taxation and social security	60,600	53,245
Other creditors	53,948	48,884
Accruals and deferred income	250,421	78,392
	<u>475,935</u>	<u>394,985</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	24,756	72,873
Resources deferred during the year	197,989	24,756
Amounts released from previous years	(24,756)	(72,873)
Deferred income at 31 August 2016	<u>197,989</u>	<u>24,756</u>

Income received during the year specific to funding for future years has been deferred accordingly. At the balance sheet date the Academy was holding funds received in advance for trips (School Funds), rates relief and devolved formula capital funding.

15. STATEMENT OF FUNDS

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

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	414,807	199,184	(137,794)	-	-	476,197

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	438,109	3,842,448	(3,889,458)	(16,106)	-	374,993
Other Government Grants	18,633	94,629	(110,757)	38,574	-	41,079
School Fund Account	155,625	167,740	(237,771)	-	-	85,594
Private Sponsorship	(3,933)	-	-	3,933	-	-
Investment Income	11,257	3,320	-	-	-	14,577
Other DfE/EFA grants	71,659	85,853	(80,744)	(65,641)	-	11,127
Other donations	8,403	80,237	(76,662)	(4,016)	-	7,962
Pension reserve	(527,000)	-	(56,000)	-	(192,000)	(775,000)
	<u>172,753</u>	<u>4,274,227</u>	<u>(4,451,392)</u>	<u>(43,256)</u>	<u>(192,000)</u>	<u>(239,668)</u>

Restricted fixed asset funds

DfE/EFA Capital Grants	3,218,522	773,015	(248,408)	-	-	3,743,129
Predecessor School Surplus	111,125	-	(21,084)	-	-	90,041
Donations - Capital	16,588,367	-	(364,132)	-	-	16,224,235
Capital expenditure from GAG	186,264	-	(46,716)	43,256	-	182,804
Private Sponsorship	119,812	800	(34,247)	-	-	86,365
	<u>20,224,090</u>	<u>773,815</u>	<u>(714,587)</u>	<u>43,256</u>	<u>-</u>	<u>20,326,574</u>
Total restricted funds	<u>20,396,843</u>	<u>5,048,042</u>	<u>(5,165,979)</u>	<u>-</u>	<u>(192,000)</u>	<u>20,086,906</u>
Total of funds	<u>20,811,650</u>	<u>5,247,226</u>	<u>(5,303,773)</u>	<u>-</u>	<u>(192,000)</u>	<u>20,563,103</u>

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 EFA, 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 EFA, CIF 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st August 2016 are represented by:

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	19,623,529	19,623,529	20,222,956
Current assets	476,197	919,412	794,900	2,190,509	1,510,679
Current liabilities	-	(384,080)	(91,855)	(475,935)	(394,985)
Pension scheme liability	-	(775,000)	-	(775,000)	(527,000)
	<u>476,197</u>	<u>(239,668)</u>	<u>20,326,574</u>	<u>20,563,103</u>	<u>20,811,650</u>

17. CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted for, but not provided in the financial statements	<u>178,000</u>	<u>-</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(56,547)	(425,428)
Adjustment for:		
Depreciation charges	714,587	685,638
Dividends, interest and rents from investments	(3,320)	(4,247)
Decrease in debtors	21,175	1,238,158
Increase/(decrease) in creditors	80,950	(89,231)
Capital grants from DfE and other capital income	(773,815)	(115,492)
Defined benefit pension scheme cost less contributions payable	36,000	42,000
Defined benefit pension scheme finance cost	20,000	17,000
Net cash provided by operating activities	<u>39,030</u>	<u>1,348,398</u>

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19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand and at bank	1,483,911	1,281,558
Total	<u>1,483,911</u>	<u>1,281,558</u>

20. 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.

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Costs incurred in the period relating to TPS were £322,064 and relating to LGPS were £116,970 (2015 - £276,395 (TPS), £99,178 (LGPS)).

Contributions amounting to £41,407 (TPS) and £12,807 (LGPS) were payable to the schemes at 31st August 2016 (2015 - £37,557 (TPS) and £11,196 (LGPS)) and are included within creditors.

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. 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%)

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21. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £311,421 (2015 - £276,395).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £148,034 (2015 - £129,076), of which employer's contributions totalled £116,800 (2015 - £99,178) and employees' contributions totalled £31,234 (2015 - £29,898). The agreed contribution rates for future years are 24% for employers and between 5.5 - 12.5% 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

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	2.40 %	4.00 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Inflation assumption (CPI)	2.10 %	2.60 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.4	24.4
Females	27.0	27.0

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21. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	639,000	459,000
Government Bonds	197,000	146,000
Property	66,000	53,000
Cash/liquidity	37,000	7,000
	<hr/>	<hr/>
Total market value of assets	939,000	665,000
	<hr/>	<hr/>

The actual return on scheme assets was £133,000 (2015 - £22,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Net interest cost	(20,000)	(17,000)
Current service cost (net of employee contributions)	(154,000)	(141,000)
	<hr/>	<hr/>
Total operating charge	(174,000)	(158,000)
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening defined benefit obligation	1,192,000	977,000
Current service cost	154,000	141,000
Interest cost	47,000	39,000
Employee contributions	33,000	30,000
Actuarial losses	298,000	12,000
Benefits paid	(10,000)	(7,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,714,000	1,192,000
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	665,000	521,000
Interest income	27,000	22,000
Return on plan assets (excluding net interest on the net defined pension liability)	106,000	-
Employer contributions	118,000	99,000
Employee contributions	33,000	30,000
Benefits paid	(10,000)	(7,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	939,000	665,000
	<hr/>	<hr/>

Changes in assumption at 31 August 2016

	Approximate % increase to Employer Liability %	Approximate monetary amount £
0.5% decrease in Real Discount Rate	13%	215,000
1 year increase in member life expectancy	3%	51,000
0.5% increase in the Salary Increase Rate	4%	71,000
0.5% increase in Pension Increase Rate	8%	139,000

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	5,676	13,765
Amounts due between one and five years	3,705	9,381
	<hr/>	<hr/>
Total	9,381	23,146
	<hr/>	<hr/>

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees 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 board of trustees during the prior year was also a councillor for Gloucester City Council. This role did not involve any significant influence over pricing of Service Level Agreements or other Academy and Educational decisions, and therefore details of transactions between Gloucester City Council and the Academy were not disclosed.

During the year, the Trust purchased services totaling £1,146 (2015 - £12,475) from The Creative Consortium, a company in which the Headteacher's wife was a shareholder and director. In entering these transactions, the Trust has complied with the requirements of the EFA's Academies Financial Handbook.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

24. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		21,249,078	20,811,650
Total funds reported under FRS 102		<u>21,249,078</u>	<u>20,811,650</u>

Reconciliation of net (expenditure)	Notes	31 August 2015 £
Net income/(expenditure) previously reported under UK GAAP		(415,428)
Change in recognition of LGPS interest cost	A	<u>(10,000)</u>
Net income/(expenditure) reported under FRS 102		<u>(425,428)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Change in recognition of LGPS interest cost.

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £10,000 and increase the credit in other recognised gains and losses in the SOFA by an equivalent amount.