

THE CRYPT SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

THURSDAY



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THE CRYPT SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members and Trustees	R D James, Chair of Trustees G Webster, Vice Chair G Stevens, Parent Trustee J Bird, Parent Trustee Mrs B Whitman D Preece N Dyer, Headmaster and Accounting Officer (appointed 1 April 2015) Miss P Burdett (resigned 31 March 2015) G Taylor, Staff Trustee (resigned 31 March 2015) J Standen, Headmaster and Accounting Officer (resigned 31 March 2015) J Horsey (resigned 30 September 2014)
Trustees	Mrs C Chad-Daniels, Staff Trustee M Evans D Green (appointed 1 April 2015) Mrs A Borley (appointed 1 April 2015) D Hall (appointed 6 July 2015) R Blade (appointed 12 October 2015) J Price (appointed 12 October 2015)
Company registered number	07489196
Principal and registered office	Podsmead Road Gloucester GL2 5AE
Company secretary	Mrs J Hitchings
Senior management team	N Dyer, Headmaster A Courtenay, Assistant Headteacher J Waterston, Assistant Headteacher P Stanlake, Deputy Headteacher R Biggs, Assistant Headteacher C Sturge, Assistant Headteacher Mrs J Hitchings, Bursar Mrs H Baldwin, Estates and Payroll Manager
Statutory auditors	Davies Mayers Barnett LLP Pillar House 113/115 Bath Road Cheltenham Gloucestershire GL53 7LS
Bankers	Yorkshire Bank Ground Floor Epsilon House The Square Gloucester Business Park Brockworth Gloucester GL3 4AD

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

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 2015

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a trustees' report, and a directors' report under 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 901 pupils as at the census dated Friday 2nd October 2015.

Structure, governance and management

Constitution

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

The Trustees of The Crypt School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Crypt School.

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

Members' liability

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

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 Board of Trustees. In addition there will be a minimum of 2 parent Trustees who are elected by parents of registered pupils at the Academy. A parent Trustee must be a parent of a pupil 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 Trustees ensures that all Trustee's attend any mandatory training required for their roles and keeps them informed of any optional training available through the Local Authority and local professional firms. All new Trustees are given a role description and are required to read the most recent copy of the Academies Handbook.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 Board of Trustees meets 5 times per year. The committees, authorised by the Board of Trustees, are Resources, Staff and Pay, Property Health and Safety, Audit and Admissions which meet according to their terms of reference. The Board of Trustees has an approved scheme of delegation which sets out appropriate levels for decision making for committees and senior management. Certain key decisions, such as the overall approval of pay levels and budget approval are reserved for the Board of Trustees. The Trust's Accounting Officer is the Headmaster.

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 between the school and any Trustee or party related to a Trustee during the year.

Trustees' indemnities

There are no qualifying third party indemnity provisions in place.

Objectives and Activities

Objects and aims

The Crypt School is an 11-18 selective boys' grammar school with a co-educational sixth form. We have a long and distinguished tradition of academic excellence dating back to 1539, when the school was founded at the church of St. Mary de Crypt in the centre of Gloucester. We moved to our present site in 25 acres of grounds on the Southern Outskirts of the city in the 1940's. There are currently 901 students on roll, including 273 in the Sixth Form, an increase of 25 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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:

- Embedding improvements in VI form, and maintaining excellence at GCSE.
- Reviewing the school curriculum in light of national educational changes at both GCSE and A Level
- Increasing the percentage of students going on to study at high quality value university courses and on apprenticeships with local and nationally recognised firms which include sponsored Higher Education.
- Developing our role as a National Teaching School and a National Support School.
- The outcomes of students in receipt of Pupil Premium Funding.
- Completing the building of a new Teaching Block, to address increases in student numbers which has placed undue stress on Science Laboratories and Mathematics classrooms.
- Ensuring that our broad range of extra-curricular and enrichment opportunities offered by staff is maintained at an excellent level.

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.

Strategic report

Achievements and performance

Key financial performance indicators

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key financial performance indicators (continued)

Key Performance Indicators include:

1. Results and Academic Performance

- (a) The 2014-2015 academic year saw continued success in examination results. A2 results were judged by ALPs as – good grade 4, AS results in terms of raw scores were the best in the school's history and GCSE results will once again be judged as outstanding. All results shows significant "value added". These results confirm the school has maintained its "Outstanding Status", awarded by Ofsted in 2012. The raw results at GCSE, AS and A2 are all higher than those achieved in the 2011 academic year, which underpinned the 2012 Ofsted judgment.
- (b) GCSE: 97.5% achieved 5+A*-C including English and Maths. 49% of grades were A* or A, just short of last year's 49.5%. 56% of boys achieved 5+ A*-A grades, and 35.5% achieved 8+A*-A grades. Therefore at the top end the school has maintained the drive for improved standards. 100% of Pupil Premium Students achieved 5+A*-C EM as per the previous year, and 37.5% of Pupil Premium Students achieved 5+A*-A – this was lower than last year but affected by one student's results. Overall, Pupil Premium students achieve as well as their peers at the school.
- (c) AS results in raw terms were the best recorded, with 54% (2014 - 41%) of grades at A-B. This bodes well for A Level performance in 2016.
- (d) A level results were ALPS 4, in line with 2011 and better than 2012 and 2013 but under those achieved in 2014 (Alps 3). In raw terms results were 52% A*-B compared with 59.5% at A*-B in 2014.
- (e) Destination data for the year 13 cohort was affected by the lower percentage of A*-B grades achieved, with some students missing out on their first choice university as a consequence. One student gained his place at Oxford; 34% 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, 8% to apprenticeships, 4% to employment, 6% gap year (most deferred entry) 8% further education, 0.5% (one student) forces and 0.5% 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 901 on roll the school remains clearly very popular with parents.
- (h) Attendance remains high at 96% overall, 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.

2. Parental Perceptions

- (a) Kirkland Rowell were engaged once again to conduct an independent parental perception survey in December 2013. This was the fifth such survey. The overall approval rating was 91%, up from 87.5% in the previous survey. Kirkland Rowell indicate that 80% is the threshold for "outstanding."
- (b) A further survey will be carried out in November 2015.
- (c) There were 0 complaints resolved at Headmaster level in 2014-2015, and none referred onwards to the Governing Body.
- (d) The number on roll as mentioned previously is a key indicator of the strength of parental perceptions.

3. External Judgments

- (a) Dave Peck, our School Improvement Partner, visited the School in late September to carry out an Ofsted style review and agreed with senior leaders' judgment that the school is outstanding in all areas. Crucially he concluded that the school has the leadership capacity to continue to develop.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key financial performance indicators (continued)

4. Curriculum and Staffing

- (a) Extra-curricular provision (music, performing arts, sports, educational visits and lunchtime clubs) remains a key priority, and the numbers of activities and those participating was preserved.
- (b) There was a slightly higher level turnover of staff in 2015 - this was mainly due to retirements and staff moving on to promotion. It was pleasing to note the strength of the various fields of applicants enabling the school to recruit high caliber teachers and professional support staff.

5. Teaching and Learning

- (a) The percentage of lessons graded good and outstanding by internal audits was maintained.
- (b) The school works closely with its Teaching School partners, and has supported other schools development during 2014-2015.

Going concern

After making appropriate enquiries, the Board of Trustees believes that the Academy Trust has adequate resources to continue 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.

Financial review

- The School has a good level of reserves and has managed to add to them in 2014/15 with both unrestricted funds reserves and the restricted general funds reserves increasing. It has been the Trust's policy to add to reserves in recent years in order to maintain and improve the site and to meet the significant increase in staffing costs that needs to be met from 2015/16 onwards as a result of increases in NI, employer pension contributions and unfunded pay rises. The School wishes to maintain a level of reserves that will enable it to manage in year unpredicted costs and fund the necessary costs of change.
- This will become increasingly difficult over the next few years as per pupil funding is not expected to rise. The School has had to absorb annual increases in teaching and support staff pay and employer pension contributions to the Local Government Pension Scheme. From September 2015 onwards there will be further increases in staffing costs due to rises in employer pension contributions to the Teacher's Pension scheme, employers National Insurance contributions and the introduction of the living wage. None of these additional costs have been matched by a rise in funding.
- The School has maintained the curriculum so far without staff reductions, due to good financial management and the increase in the number of pupils on role thereby increasing funding:- 835 in 2012/13, 855 in 2013/14 to 876 in 2014/15 and 901 in 2015/16. The school plans to continue to expand and introduced 5 forms of entry in Year 7 in September 2015. This controlled expansion, together with cost reductions, fundraising and the careful deployment of reserves is how the school will meet the challenging financial times ahead.
- The School was successful in winning a bid from the Academies Capital Maintenance Fund worth £1.8 million in April 2014 to expand the school with a new teaching block. Work on the new block started in October 2014 and was finished in April 2015 providing much needed facilities in the form of two science laboratories and 5 new classrooms.
- The School was able to equip the New Block and to replace obsolete IT equipment with a generous donation of £75k from Gloucester United Schools. In addition the Crypt School Association provided £35k of funding for a new mini bus.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Reserves policy

The Trustees have agreed to maintain 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 higher than this although they are planned to fall in the next 3 years.

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 KPI's, Management accounts and Budget forecasts which are reviewed by the Resources, Staff and Pay Committee and the Board of Trustees. The risk register is reviewed by the senior management team and the Board of Trustees.

In addition additional strategic Trustee meetings have taken place during the year to give the Full Governing Body the chance to discuss in particular the strategy for dealing with the financial challenges ahead. The principal risk facing the School is the significant and unavoidable rise in staffing costs. This is exacerbated by the uncertainty as to whether any National Funding or Fairer Funding formula will be introduced 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 3 year budget plan and are well aware of critical times in the financial years ahead. The management team has prepared a range of options for reducing costs for 2015/16 and beyond. The Trustees plan a controlled increase in pupil numbers in both the lower school and the 6th 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.

In addition to cover any shortfall in government funding for curricular and extra-curricular activities the School has embarked on a fundraising programme from parents and other stakeholders and is looking at alternative ways to increase its income from non-government sources.

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.

In terms of non-financial risks facing the School, the transition in Headmaster has gone smoothly with new Headmaster, Mr Nicholas Dyer, taking over from the outgoing Headmaster, Mr Jonathan Standen in April 2015.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future years

Teaching & Learning

The School already holds the prestigious Teaching School designation and in the 2012 Ofsted report, Teaching and Learning was graded as outstanding. It will therefore be important for the School to focus on both maintaining its reputation as an outstanding Teaching and Learning School and improving upon its current position. All teachers at the School must be committed to improving their practice with an ambition that all teaching is at least good with an ambition that teachers work to make their teaching outstanding on a daily basis. This will require a continued commitment by the School to provide, and its teaching staff to undertake effective school-based and, where appropriate, locally and nationally provided CPD. In 2014-15 96% of lessons were graded as being either good or outstanding. The main issue for this year is to ensure consistency across the School and within departments.

Attainment and the curriculum

Results in 2015 were outstanding at both GCSE and at AS level, although there was a slight fall in the percentage of A*-B grades at A Level. However, A Level results at A*-C remained at 80%, the same as in 2014. The School will aim to continue to work to improve attainment, with a particular focus on driving standards further in the VI form, whilst successfully implementing curriculum change. With significant curriculum change from 2015, the School will ensure that its curriculum matches its aspiration to provide a genuinely grammar school curriculum, whilst providing breadth and choice for its pupils. At GCSE, a new curriculum has been introduced in September 2015, reducing slightly the number of GCSEs boys will study, to ensure that the boys studying for the new harder linear exams are as well prepared as they can be for public examinations in the summer of 2017. A new assessment regime has been put in place to both replace existing NC levels at KS3 and to provide an assessment continuum from Year 7 through to Year 11. This system now needs to bed down and be evaluated to assess its impact. At A Level, we plan to move to fixed blocks from 2016 in order to more effectively plan a two year curriculum which, whilst maintaining choice for students, will reduce the overall cost of the curriculum.

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 School has established a new middle leaders training programme for 2015-16 which is focused on ensuring consistency of standards across the whole School and also ensures succession planning. The revised leadership team structure has bedded down well, but will need to develop further through the course of this year. Trustee numbers have been increased and a new Trustee's training programme has also been established.

Enrichment

As budgetary challenges impact on the School, it will remain vitally important that the School continues to invest in developing pupils' wider personal qualities, knowledge and skills. The School will work to ensure genuine enrichment is provided to all of its pupils through providing opportunities for pupils to take part in: sporting and other recreational activities, such as the 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. For 2016 entry, the School will offer high achieving students the opportunity to study for 4 full A Levels; however, it is anticipated that most students will join on 3 full A Levels and 1 AS, whilst some will be allowed to join on 3 full A Levels. We will continue to offer the opportunity for students to embark on co-curricular study through the Open University and the EPQ. However, as stated above we will be moving to fixed blocks for 2016 entry and reviewing the number of subjects offered and the amount of teaching time allocated to subjects where pupil numbers are low. Consideration will be given to moving to a 3 A Level curriculum for all but the most able, subject to changes in local school VI form offers.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 November 2015 and signed on the board's behalf by:


.....
R D James, Chair of Trustees

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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 Trustees' responsibilities statement. The Board of Trustees has formally met 5 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 (Chair of Trustees)	5	5
G Webster (Vice Chair)	4	5
G Stevens	2	5
J Bird	2	5
Mrs B Whitman	4	5
D Preece	5	5
N Dyer, Headmaster and Accounting Officer (appointed 01/04/2015)	2	2
Miss P Burdett (resigned 31/03/2015)	2	3
G Taylor (resigned 31/03/2015)	5	5
J Standen, Headmaster and Accounting Officer (resigned 31/03/2015)	3	3
J Horsey (resigned 30/09/2014)	0	0
Mrs C Chad-Daniels	5	5
M Evans	1	5
D Green (appointed 01/04/2015)	1	2
Mrs A Borley (appointed 01/04/2015)	2	2
D Hall (appointed 06/07/2015)	1	1
R Blade (appointed 12/10/2015)	0	0
J Price (appointed 12/10/2015)	0	0

Governance reviews:

The trust held an extra meeting in March 2015 to carry out a self- evaluation of its governance and to consider strategy for the school moving forward. The governors identified that they required at least 2 new Governors and 3 have now joined the board. Whilst it was generally believed that Governance is good it was agreed that a programme of 5 training sessions would take place during 2015/16 to assist the new and existing Governors in their role. The sessions started in September and will cover:

- The role of Governors and school governance
- Understanding school finance
- Understanding school exam and performance data
- Building high performing teams
- Managing systems and processes

The programme will be led by both members of staff and external training providers. It will be evaluated at the end of the year when Governors undertake their review of Governance and a new programme will be set for 2016/17.

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GOVERNANCE STATEMENT (continued)

The Resources, Staff and Pay (RSP) Committee is a sub-committee of the main governing body. 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. At each meeting the committee reviews the KPI's 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 Policy's and have overall responsibility for Performance reviews and remuneration.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Webster, Vice Chair	5	5
G Stevens	4	5
Miss P Burdett (resigned 31/03/2015)	2	3
R D James (Chair of Trustees)	5	5
N Dyer, Headmaster and Accounting Officer (appointed 01/04/2015)	2	2
D Preece	1	1
J Standen, Headmaster and Accounting Officer (resigned 31/03/2015)	3	3

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 2014/15 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
M Evans	1	2
J Bird	2	2
Miss P Burdett (resigned 31/03/2015)	1	1
D Preece	2	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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- 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 has culminated in a workshop in November 2015 for teaching and support staff led by Professor Damien Hughes and a joint programme of training for Middle Leaders.

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GOVERNANCE STATEMENT (continued)

- The school has been through 2 major tendering exercises this year for both photocopying and catering. As a result the photocopying costs have been substantially reduced. The school selected the potential suppliers through the Crown Purchasing Consortium framework thereby gaining access to the photocopier supplier for central government. The supplier matched the offer that it had made to central government and the school thereby procured the copiers at the prices obtained by a large significant purchaser rather than a small individual school.
- After a formal tender process and presentations by suppliers the school appointed the existing caterer a 3 year contract with an option to extend to 5 years. The prices from all the suppliers were comparable but the successful caterer agreed to a significant investment of £53,000 into the schools catering facilities. They also agreed to a contract in which there is no risk to the school should their sales fall below budgeted levels. This was not offered by their competitors.
- 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 in some years and the school is currently considering minimum set sizes for optional subjects at GCSE and A level. The school recognises the need to balance a broad curriculum with a cost effective curriculum.
- The school has just completed a benchmarking exercise with Gloucestershire Association of Business Mangers which will be used to focus on potential areas for cost cutting. Parents have also been asked in 2015/16 to increase their donations to the school in order to maintain the wide variety of extra-curricular and exam support that the school has been previously able to fund.

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 2014 to 31 August 2015 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 2014 to 31 August 2015 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.

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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.

The Audit Committee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

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

On a quarterly basis, the Audit Committee reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The schedule of visits was completed as agreed by the committee at the start of the year no material control issues were found and this was reported to the Board of Trustees.

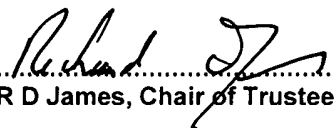
Review of Effectiveness

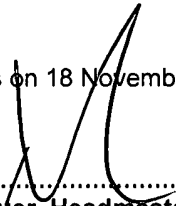
As Accounting Officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of 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 address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 November 2015 and signed on its behalf, by:


.....
R D James, Chair of Trustees


.....
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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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 (2014).

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: 18 November 2015

THE CRYPT SCHOOL
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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 (including the Strategic report) and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Annual Accounts Requirements issued by the Education Funding Agency 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:

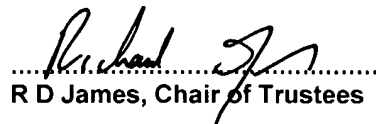
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 18 November 2015 and signed on its behalf by:


.....
R D James, Chair of Trustees

THE CRYPT SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CRYPT SCHOOL

We have audited the financial statements of The Crypt School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 Academy 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 Trustees' responsibilities statement, 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 Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

THE CRYPT SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CRYPT SCHOOL

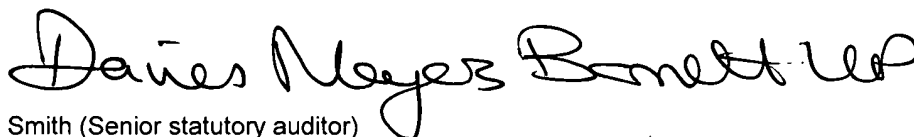
Opinion on other matter prescribed by the Companies Act 2006

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
18 November 2015

THE CRYPT SCHOOL
(A company limited by guarantee)

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

This report is made solely to The Crypt School and 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 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 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 29th March 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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:

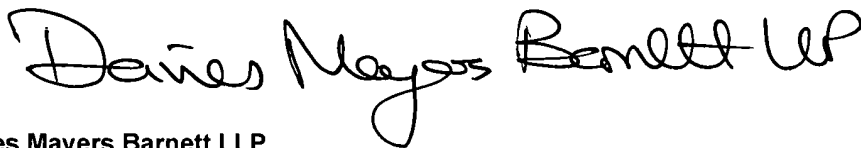
- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the EFA regarding Academy governance matters during 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.

THE CRYPT SCHOOL
(A company limited by guarantee)

**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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Davies Mayers Barnett LLP

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

18 November 2015

THE CRYPT SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Year ended 2015 £	Year ended 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	214,032	265,691	96,830	576,553	505,614
Activities for generating funds	3	38,990	-	-	38,990	17,848
Investment income	4	-	4,247	-	4,247	3,579
Incoming resources from charitable activities:						
Funding for the Academy	5					
Trust's educational operations		-	4,047,785	18,662	4,066,447	5,899,628
TOTAL INCOMING RESOURCES		253,022	4,317,723	115,492	4,686,237	6,426,669
RESOURCES EXPENDED						
Charitable activities:						
Academy Trust's educational operations		153,054	4,250,738	685,638	5,089,430	4,898,871
Governance costs	8	-	12,235	-	12,235	14,155
TOTAL RESOURCES EXPENDED	6	153,054	4,262,973	685,638	5,101,665	4,913,026
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		99,968	54,750	(570,146)	(415,428)	1,513,643

THE CRYPT SCHOOL
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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Year ended 2015 £	Year ended 2014 £
	Note					
Transfers between Funds	16	-	(21,986)	21,986	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		99,968	32,764	(548,160)	(415,428)	1,513,643
Actuarial gains and (losses) on defined benefit pension schemes		-	(22,000)	-	(22,000)	(160,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		99,968	10,764	(548,160)	(437,428)	1,353,643
Total funds at 1 September 2014		314,839	161,989	20,772,250	21,249,078	19,895,435
TOTAL FUNDS AT 31 AUGUST 2015		414,807	172,753	20,224,090	20,811,650	21,249,078

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

The Statement of Financial Activities includes all gains and losses recognised in the year.

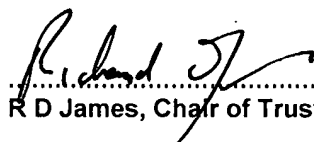
The notes on pages 25 to 42 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	2014 £
FIXED ASSETS				
Tangible assets	13		20,222,956	18,970,252
CURRENT ASSETS				
Debtors	14	229,121	1,467,279	
Cash at bank and in hand		1,281,558	1,751,763	
		<u>1,510,679</u>	<u>3,219,042</u>	
CREDITORS: amounts falling due within one year	15	(394,985)	(484,216)	
NET CURRENT ASSETS			1,115,694	2,734,826
TOTAL ASSETS LESS CURRENT LIABILITIES			21,338,650	21,705,078
Defined benefit pension scheme liability	23	(527,000)		(456,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>20,811,650</u>	<u>21,249,078</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	16	699,753	617,989	
Restricted fixed asset funds	16	20,224,090	20,772,250	
Restricted funds excluding pension liability		20,923,843	21,390,239	
Pension reserve		<u>(527,000)</u>	<u>(456,000)</u>	
Total restricted funds			20,396,843	20,934,239
Unrestricted funds	16		414,807	314,839
TOTAL FUNDS			<u>20,811,650</u>	<u>21,249,078</u>

The financial statements were approved by the Trustees, and authorised for issue, on 18 November 2015 and are signed on their behalf, by:


R D James, Chair of Trustees

THE CRYPT SCHOOL
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	19	1,348,398	328,142
Returns on investments and servicing of finance	20	4,247	3,579
Capital expenditure and financial investment	20	(1,822,850)	387,321
(DECREASE)/INCREASE IN CASH IN THE YEAR		(470,205)	719,042

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(470,205)	719,042
MOVEMENT IN NET FUNDS IN THE YEAR	(470,205)	719,042
Net funds at 1 September 2014	1,751,763	1,032,721
NET FUNDS AT 31 AUGUST 2015	1,281,558	1,751,763

The notes on pages 25 to 42 form part of these financial statements.

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable UK Accounting Standards, the Charity Commission "Statement of Recommended Practice : Accounting and Reporting by Charities" ("SORP 2005"), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, are set out below.

Going concern

The 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 one year from the date of approval of the financial statements. On review, the Trustees have concluded that they are to adopt the going concern basis in preparing the annual financial statements.

Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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. Note 13 refers.

Resources expended

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

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. 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

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

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

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

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

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.

Leased assets

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

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Pensions (continued)

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 and include grants from the Education Funding Agency, Department for Education, Private Sponsors and School Fund account.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Year ended 2015 £	Year ended 2014 £
School Funds	131,315	231,147	362,462	376,136
Private sponsorship	-	96,830	96,830	31,264
Other donations	82,717	34,544	117,261	98,214
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	214,032	362,521	576,553	505,614
	<hr/>	<hr/>	<hr/>	<hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Year ended 2015 £	Year ended 2014 £
Hire of facilities	21,588	-	21,588	17,848
Uniform sales	17,402	-	17,402	-
	<hr/>	<hr/>	<hr/>	<hr/>
	38,990	-	38,990	17,848
	<hr/>	<hr/>	<hr/>	<hr/>

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Year ended 2015 £	Year ended 2014 £
Short term deposits	-	4,247	4,247	3,579

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Year ended 2015 £	Year ended 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,867,497	3,867,497	3,879,899
Capital grant	-	18,662	18,662	1,836,455
Other DfE/EFA grants	-	132,494	132,494	138,530
	-	4,018,653	4,018,653	5,854,884
Other government grants				
Local authority grants	-	47,794	47,794	44,744
	-	47,794	47,794	44,744
	-	4,066,447	4,066,447	5,899,628

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	2,786,013	-	740,000	3,526,013	3,489,509
Support costs	463,884	832,927	266,606	1,563,417	1,409,362
Charitable activities	3,249,897	832,927	1,006,606	5,089,430	4,898,871
Governance	-	-	12,235	12,235	14,155
	3,249,897	832,927	1,018,841	5,101,665	4,913,026

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. CHARITABLE ACTIVITIES

	Year ended 2015 £	Year ended 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff	2,786,013	2,702,293
Educational supplies and services	318,202	323,697
Examination fees	119,614	102,359
Staff development	22,884	22,950
Other direct costs	70,621	51,794
School funds	208,679	286,416
	<u>3,526,013</u>	<u>3,489,509</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	456,884	379,759
Depreciation	685,638	648,310
Pension cost	7,000	7,000
Maintenance of premises and equipment	55,616	62,255
Cleaning	10,231	9,656
Rent and rates	29,619	29,653
Heat and light	51,823	49,698
Insurance	42,312	49,000
Security	3,615	4,726
Transport	8,104	6,084
Catering	16,113	14,446
Technology costs	82,852	66,472
Other support costs	95,719	63,953
Professional fees	17,891	18,350
	<u>1,563,417</u>	<u>1,409,362</u>
	<u><u>5,089,430</u></u>	<u><u>4,898,871</u></u>

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Year ended 2015 £	Year ended 2014 £
Auditors' remuneration: Audit of financial statements	-	11,700	11,700	8,300
Auditors' remuneration: Other services	-	455	455	4,069
Legal and professional fees	-	8	8	1,450
Other expenses	-	72	72	336
	<u>-</u>	<u>12,235</u>	<u>12,235</u>	<u>14,155</u>
	<u><u>-</u></u>	<u><u>12,235</u></u>	<u><u>12,235</u></u>	<u><u>14,155</u></u>

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9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	307,135	284,470
- leased assets	378,503	363,840
Auditors' remuneration	11,700	8,300
Auditors' remuneration - non-audit	455	4,069
Operating leases	18,207	19,688
	<u> </u>	<u> </u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,603,006	2,516,611
Social security costs	187,571	183,594
Other pension costs (Note 23)	417,573	372,279
	<u> </u>	<u> </u>
	3,208,150	3,072,484
Pension finance cost	7,000	7,000
Supply teachers costs	34,747	9,568
	<u> </u>	<u> </u>
	3,249,897	3,089,052
	<u> </u>	<u> </u>

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	48	45
Administration and support	29	26
Management	8	9
	<u> </u>	<u> </u>
	85	80
	<u> </u>	<u> </u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1
	<u> </u>	<u> </u>

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10. STAFF (continued)

The above employee participated in the Teachers' Pension Scheme. During the year ended 31st August 2015 pension contributions for this member of staff amounted to £9,753 (2014: £21,087 for 2 employees).

11. 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 Headmaster and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headmaster 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:

	2015 £	2014 £
J Standen, Headmaster - Remuneration	60,000-65,000	90,000-95,000
J Standen, Headmaster - Employers pension contributions	5,000-10,000	10,000-15,000
G Taylor, Staff Trustee - Remuneration	15,000-20,000	30,000-35,000
G Taylor, Staff Trustee - Employers pension contributions	0-5,000	5,000-10,000
N Dyer, Headmaster - Remuneration	30,000-35,000	N/A
N Dyer, Headmaster - Employers pension contributions	0-5,000	N/A
Mrs C Chad-Daniels, Staff Trustee - Remuneration	25,000-30,000	20,000-25,000
Mrs C Chad-Daniels, Staff Trustee - Employers pension contributions	0-5,000	0-5,000

During the year travel and subsistence expenses totaling £72 (2014: £Nil) were reimbursed to 1 Trustee.

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

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department of 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 arising 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.

In the prior year the Academy purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provided cover up to £3.9 million on any one claim and the cost for the prior year was £1,151.

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13. TANGIBLE FIXED ASSETS

	Long Leasehold Buildings £	Leasehold Improvements £	Plant and machinery £	Fixtures and fittings £
Cost				
At 1 September 2014	18,279,694	2,125,556	58,262	128,783
Additions	1,671,922	90,170	24,819	51,915
At 31 August 2015	19,951,616	2,215,726	83,081	180,698
Depreciation				
At 1 September 2014	1,243,120	386,907	26,815	43,846
Charge for the year	378,503	209,605	14,415	30,383
At 31 August 2015	1,621,623	596,512	41,230	74,229
Net book value				
At 31 August 2015	18,329,993	1,619,214	41,851	106,469
At 31 August 2014	17,036,574	1,738,649	31,447	84,937
		Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2014		160,410	24,255	20,776,960
Additions		73,851	25,665	1,938,342
At 31 August 2015		234,261	49,920	22,715,302
Depreciation				
At 1 September 2014		92,804	13,216	1,806,708
Charge for the year		46,290	6,442	685,638
At 31 August 2015		139,094	19,658	2,492,346
Net book value				
At 31 August 2015		95,167	30,262	20,222,956
At 31 August 2014		67,606	11,039	18,970,252

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 would be 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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14. DEBTORS

	2015 £	2014 £
Trade debtors	9,394	9,503
Other debtors	52,715	61,127
Prepayments and accrued income	167,012	1,396,649
	<u>229,121</u>	<u>1,467,279</u>

**15. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	214,464	209,693
Other taxation and social security	53,245	50,617
Other creditors	48,884	90,429
Accruals and deferred income	78,392	133,477
	<u>394,985</u>	<u>484,216</u>

Deferred income

Deferred income at 1 st September 2014	72,873
Resources deferred during the year	24,756
Amounts released from previous years	<u>(72,873)</u>
Deferred income at 31 August 2015	<u>24,756</u>

Income received during the year ended 31st August 2015 specific to funding for future years has been deferred accordingly.

16. STATEMENT OF FUNDS

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

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	<u>314,839</u>	<u>253,022</u>	<u>(153,054)</u>	<u>-</u>	<u>-</u>	<u>414,807</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

16. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	384,708	3,867,497	(3,803,884)	(10,212)	-	438,109
Other Government Grants	18,278	47,794	(47,439)	-	-	18,633
School Fund Account	131,680	231,147	(207,202)	-	-	155,625
Private Sponsorship	(4,303)	370	-	-	-	(3,933)
Investment Income	7,010	4,247	-	-	-	11,257
Other DfE/EFA grants	74,158	132,494	(123,219)	(11,774)	-	71,659
Other donations	6,458	34,174	(32,229)	-	-	8,403
Pension reserve	(456,000)	-	(49,000)	-	(22,000)	(527,000)
	<u>161,989</u>	<u>4,317,723</u>	<u>(4,262,973)</u>	<u>(21,986)</u>	<u>(22,000)</u>	<u>172,753</u>

Restricted fixed asset funds

DfE/EFA Capital Grants	3,394,623	18,662	(206,537)	11,774	-	3,218,522
Predecessor School Surplus	137,511	-	(26,386)	-	-	111,125
Donations- Capital	16,988,846	-	(369,215)	(31,264)	-	16,588,367
Capital expenditure from GAG	226,006	-	(49,954)	10,212	-	186,264
Private Sponsorship	25,264	96,830	(33,546)	31,264	-	119,812
	<u>20,772,250</u>	<u>115,492</u>	<u>(685,638)</u>	<u>21,986</u>	<u>-</u>	<u>20,224,090</u>
Total restricted funds	<u>20,934,239</u>	<u>4,433,215</u>	<u>(4,948,611)</u>	<u>-</u>	<u>(22,000)</u>	<u>20,396,843</u>
Total of funds	<u>21,249,078</u>	<u>4,686,237</u>	<u>(5,101,665)</u>	<u>-</u>	<u>(22,000)</u>	<u>20,811,650</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. Partnership for Schools and Private Sponsors in respect of tangible fixed assets held for Academy use. Transfers between the GAG Fund and the Restricted Fixed Asset Fund relate to asset purchases from this fund.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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16. 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 2015.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st August 2015 are represented by:

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Year ended 2015 £	Year ended 2014 £
Tangible fixed assets	-	-	20,222,956	20,222,956	18,970,252
Current assets	414,807	1,094,738	1,134	1,510,679	3,219,042
Current liabilities	-	(394,985)	-	(394,985)	(484,216)
Pension scheme liability	-	(527,000)	-	(527,000)	(456,000)
	<u>414,807</u>	<u>172,753</u>	<u>20,224,090</u>	<u>20,811,650</u>	<u>21,249,078</u>

18. CAPITAL COMMITMENTS

	2015 £	2014 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>-</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(415,428)	1,513,643
Interest receivable	(4,247)	(3,579)
Depreciation of tangible fixed assets	685,638	648,310
Capital grants from DfE and other capital income	(115,492)	(1,867,719)
Decrease/(increase) in debtors	1,238,158	(17,804)
(Decrease)/increase in creditors	(89,231)	32,291
FRS17 pension cost less contributions payable	42,000	16,000
FRS17 pension finance costs	7,000	7,000
Net cash inflow from operations	<u>1,348,398</u>	<u>328,142</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>4,247</u>	<u>3,579</u>

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20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,938,342)	(207,144)
Capital grants from DfE and other capital income	115,492	594,465
Net cash (outflow)/inflow capital expenditure	<u>(1,822,850)</u>	<u>387,321</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,751,763	(470,205)	-	1,281,558
Net funds	<u>1,751,763</u>	<u>(470,205)</u>	<u>-</u>	<u>1,281,558</u>

22. MEMBERS' LIABILITY

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

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23. 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, which is managed by Gloucestershire County Council. Both are defined benefit schemes.

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

Contributions amounting to £48,753 (£37,557 TPS and £11,196 LGPS) were payable to the scheme at 31 August 2015 (2014 - 48,456 (£38,774 TPS and £9,682 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%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £276,395 (2014: £273,063).

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

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23. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £129,076, of which employer's contributions totalled £99,178 and employees' contributions totalled £29,898. The agreed contribution rates for future years are 22.2% 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.

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.70	459,000	6.30	376,000
Government Bonds	3.70	146,000	3.20	109,000
Property	3.70	53,000	4.50	31,000
Cash/liquidity	3.70	7,000	3.30	5,000
Total market value of assets		<u>665,000</u>		<u>521,000</u>
Present value of scheme liabilities		<u>(1,192,000)</u>		<u>(977,000)</u>
Deficit in the scheme		<u><u>(527,000)</u></u>		<u><u>(456,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,192,000)	(977,000)
Fair value of scheme assets	<u>665,000</u>	<u>521,000</u>
Net liability	<u><u>(527,000)</u></u>	<u><u>(456,000)</u></u>

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

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(141,000)	(99,000)
Interest on obligation	(39,000)	(34,000)
Expected return on scheme assets	32,000	27,000
	<u>(148,000)</u>	<u>(106,000)</u>
Total	<u>(148,000)</u>	<u>(106,000)</u>
Actual return on scheme assets	<u>21,000</u>	<u>64,000</u>

The expected return on assets is based on the long term future expected investment return for each asset class described above as at the beginning of the period.

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

	2015 £	2014 £
Opening defined benefit obligation	977,000	685,000
Current service cost	141,000	99,000
Interest cost	39,000	34,000
Contributions by scheme participants	30,000	27,000
Actuarial Losses	12,000	136,000
Benefits paid	(7,000)	(4,000)
	<u>1,192,000</u>	<u>977,000</u>
Closing defined benefit obligation	<u>1,192,000</u>	<u>977,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	521,000	412,000
Expected return on assets	32,000	27,000
Actuarial gains and (losses)	(10,000)	(24,000)
Contributions by employer	99,000	83,000
Contributions by employees	30,000	27,000
Benefits paid	(7,000)	(4,000)
	<u>665,000</u>	<u>521,000</u>
	<u>665,000</u>	<u>521,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £217,000 loss (2014 - £195,000 loss).

The Academy expects to contribute £117,000 to its Defined benefit pension scheme in 2016.

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23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.00 %	3.90 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.90 %
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:

	2015	2014
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

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(1,192,000)	(977,000)	(685,000)	(541,000)	(375,000)
Scheme assets	665,000	521,000	412,000	268,000	154,000
Deficit	(527,000)	(456,000)	(273,000)	(273,000)	(221,000)
Experience adjustments on scheme liabilities	(12,000)	(136,000)	(15,000)	(62,000)	9,000
Experience adjustments on scheme assets	(10,000)	(24,000)	32,000	10,000	9,000

Change in assumptions at 31st August 2015	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	148
1 year increase in member life expectancy	3%	36
0.5% increase in the Salary Increase Rate	6%	74
0.5% increase in the Pension Increase Rate	6%	70

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24. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Other		
Within 1 year	-	8,148
Between 2 and 5 years	<u>13,765</u>	<u>11,540</u>

25. 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 a Trustees has 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 body of Trustees was also a councillor for Gloucester City Council during the year. This role does not involve any significant influence over pricing of Service Level Agreements or other Academy and Educational decisions, and the disclosure of transactions between Gloucester City Council and the Academy are therefore not disclosed.

During the year, the Trust purchased services totaling £12,475 (2014: £7,000) from The Creative Consortium, a company in which the Deputy Headteacher's wife is a shareholder and director. In entering these transactions, the Trust has complied with the requirements of the EFA's Academies Financial Handbook.