

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

THE CRYPT SCHOOL
(A company limited by guarantee)

CONTENTS

| | Page |
|--|---------|
| Reference and administrative details | 1 |
| Governors' report | 2 - 6 |
| Governance statement | 7 - 9 |
| Statement on regularity, propriety and compliance | 10 |
| Governors' responsibilities statement | 11 |
| Independent auditors' report | 12 - 13 |
| Independent reporting accountant's assurance report on regularity | 14 - 15 |
| Statement of financial activities | 16 - 17 |
| Balance sheet | 18 |
| Cash flow statement | 19 |
| Notes to the financial statements | 20 - 37 |

THE CRYPT SCHOOL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

| | |
|--|---|
| Governors | R D James, Chairman G Webster, Vice Chair G Stevens, Parent Governor, Responsible Officer A Campbell, Parent Governor (resigned 28 January 2013) Mrs K Barrett, Parent Governor J Horsey Miss P Burdett J Bird, Parent Governor G Taylor, Staff Governor J Standen, Headmaster and Accounting Officer Mrs C Chad-Daniels, Staff Governor (appointed 5 November 2012) Mrs B Whitman (appointed 7 October 2013) M Evans (appointed 7 October 2013) D Preece (appointed 7 October 2013) |
| Company secretary | Mrs J Hitchings |
| Senior management team | J Standen, Headmaster N Dyer, Deputy Headmaster A Courteney, Assistant Headteacher J Waterston, Assistant Headteacher P Stanlake, Assistant Headteacher R Biggs, Assistant Headteacher C Sturge, Assistant Headteacher Mrs J Hitchings, Finance Manager Mrs H Baldwin, Business Manager |
| Principal and registered office | Podsmead Road Gloucester GL2 5AE |
| Company registered number | 07489196 |
| Statutory auditors | Davies Mayers Barnett LLP Pillar House 113/115 Bath Road Cheltenham Gloucestershire GL53 7LS |
| Bankers | Yorkshire Bank Ground Floor Epsilon House The Square Gloucester Business Park Brockworth Gloucester GL3 4AD |
| Solicitors | Stone King LLP 13 Queen Square Bath BA1 2HJ |

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as governors for The Crypt School and are also directors of the charitable company for the purposes of company law) present their annual report together with the audited financial statements of The Crypt School (the Academy Trust) for the ended 31 August 2013. The Governors confirm that the annual report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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

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

MEMBERS' LIABILITY

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

GOVERNORS' INDEMNITIES

The Crypt School has Governors Liability insurance with Zurich Municipal.

PRINCIPAL ACTIVITIES

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

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

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

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

ORGANISATIONAL STRUCTURE

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

RISK MANAGEMENT

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

Day to day financial and academic and staff performance risks are monitored at each meeting of the Resources Staff and Pay committee through the Key Performance Indicators. Site management and Health and Safety risks are reviewed by the Property Health and Safety committee.

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.

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 855 students on roll, including 257 in the Sixth Form.

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

The school is forward looking and will continue to embrace new teaching technologies and methodologies to ensure high quality outcomes for our students. 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.

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

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 working environment where students enjoy school and there is an excellent relationship between the school and its parents.

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

- Securing high quality results at GCSE, AS and A2
- The percentage of students going on to study at university and on apprenticeships with local and nationally recognised firms which include Higher Education
- Securing the Teaching School and National Support School status
- Securing Investors in People Gold award

PUBLIC BENEFIT

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

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

Achievements and performance

- 2012-2013 academic year has been highly successful again in all the core areas: academic results;
- enrichment and extra-curricular activities; and in working to support high quality educational standards in local schools;
- Results at A levels were similar overall to those achieved in 2012, with again around third of the Cohort securing places at the most selective Universities in the land. 100% of students wishing to go to university succeeded in their goal, with 75% securing a place at their first choice university. At GCSE 97% achieved 5+ A* to C passes including English and Maths. The % achieving 5 or more and 8 or more A* to A passes was the second best achieved, despite the toughening of marking standards in the three separate science GCSEs. The AS results were the best ever achieved by the school. This achievement is all the more remarkable given the well-publicised issues of grade deflation and tougher marking.
- The school has preserved its broad and balanced curricula offer despite the difficult financial times faced by the public sector.
- The school is full and oversubscribed in every year group due to the growing reputation of the school for academic excellence and the decisions of the independent appeal panel. Numbers rose again to the highest ever number on role of 855 in September 2013.
- There was a low level turnover of staff in 2013 and it was pleasing to note the strength of the various fields of applicants enabling the school to recruit high calibre teachers and professional support staff.
- The award of Teaching School Status is very significant. It recognises the quality of education at The Crypt School, and its ability to support educational standards amongst its partner schools. The Headmaster was also awarded National Leader of Education status.
- 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.

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

GOING CONCERN

After making appropriate enquiries, the Governing Body believes that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

KEY FINANCIAL PERFORMANCE INDICATORS

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

Financial review

- The school's financial position is strong and the accounts show a modest surplus
- The school estate has continued to be developed. The £800k secured from Academies Capital Maintenance Fund at the end of the 2012 financial year has been spent on a new roof and essential maintenance around the school. In addition the school secured a further £144k in 2012/13 to remove asbestos and refurbish science laboratories.
- The school numbers continue to increase with a rise from 835 in 2012/13 to 855 in 2013/14. The school intends to continue to improve facilities and if possible expand facilities to meet the increased demand.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The school continues to monitor its financial risks through the Risk Register and Management accounts which are reviewed by the Resources, Staff and Pay Committee. In addition the school has a Responsible Officer and Audit Committee which provide regular checks on the policies and processes carried out in the Finance Department and report back to Full Governors.

Under Financial Reporting Standard 17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to the restricted fund. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions are lower as an Academy than they were previously as a maintained school.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the Academy continues to be the uncertainty surrounding the Academy's income. The Funding Formula for the 2013-2014 academic year was revised at the direction of Central Government and it is proposed that by 2015/16 it will be revised again with the introduction of a National Funding Formula. In particular the school is susceptible to the Department for Education's plan to reduce per head funding in the 6th form for 2 years. Strong VI form recruitment in September 2012 and 2013 and retention for the last 2 academic years, allied to the minimum funding guarantee protection in place for the 2013-2014 and 2014-2015 minimise the risk. In addition demand for places in years 7 to 11 is strong with each year currently oversubscribed. Governors have carefully considered these risks as part of a 3 year budget plan and are well aware of critical times in the financial year. The management team has prepared a range of options for reducing costs should they be required.

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

RESERVES POLICY

The Governor's agreed during the year 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.

INVESTMENTS POLICY

The Governors follow a low risk investment policy with all balances held within bank accounts which are currently immediately accessible. A review of the current banking arrangements was carried out this year and resulted in an improved deal with the Schools current bank including credit interest on all current accounts and free banking. The Governor's plan over the next 12 months to invest some reserves in longer term accounts but will continue to follow a low risk investment policy.

Plans for future years

Governors agreed a set of Key Performance Indicators, which are reported against at Resources, Staff and Pay Committee, and then to Full Governing Body. Progress against the KPIs is very strong. The award of Teaching School Status and Investors in People Gold were significant achievements. The KPIs aim is to maintain these standards in coming years.

FUNDS HELD AS CUSTODIAN

There are 4 funds which the school holds as custodian for the award of prizes and these funds are treated as restricted.

STATEMENT AS TO 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 Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by order of the Governing Body on 20 November 2013 and signed on its behalf by:

.....
G Webster, Vice Chair

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Crypt School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

| Governor | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| R D James | 5 | 5 |
| G Webster | 5 | 5 |
| G Stevens | 3 | 5 |
| A Campbell (resigned 28 January 2013) | 0 | 2 |
| Mrs K Barrett | 4 | 5 |
| J Horsey | 3 | 5 |
| Miss P Burdett | 4 | 5 |
| J Bird | 5 | 5 |
| G Taylor | 3 | 5 |
| J Standen | 5 | 5 |
| Mrs C Chad-Daniels (appointed 5 November 2012) | 4 | 4 |

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 regularly reviewing the Risk register and 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:

| Governor | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| R D James | 7 | 7 |
| G Webster | 6 | 7 |
| G Stevens | 7 | 7 |
| J Horsey | 6 | 7 |
| Miss P Burdett | 3 | 7 |
| J Standen | 7 | 7 |

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

GOVERNANCE (continued)

The Audit Committee is also a sub-committee of the main Governing Body. The audit committee is responsible for ensuring that the school complies with its policies, controls and systems. In association with the Responsible Officer and the RSP committee they review the risks to internal financial control and carry out reviews of the internal systems highlighting any failures in procedure.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Mrs K Barrett | 1 | 1 |
| J Bird | 1 | 1 |
| Miss P Burdett | 1 | 1 |

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 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Resources, Staff and Pay Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed G Stevens, a Governor, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources, Staff and Pay Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 20 November 2013 and signed on their behalf, by:

.....
G Webster, Vice Chair

.....
J Standen, 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 Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the Academy Trust Governing Body are able to identify any material, irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

.....
**J Standen, Headmaster and
Accounting Officer**

THE CRYPT SCHOOL
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (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 Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Governors 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 Governors 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 20 November 2013 and signed on its behalf by:

.....
G Webster, Vice Chair

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 2013 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 2013 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2013 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 2013 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 Governors' 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 Governors' 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

20 November 2013

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 20th September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, 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 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Crypt School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Crypt School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Crypt School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE CRYPT SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Crypt School's funding agreement with the Secretary of State for Education dated 29th March 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. 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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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)

In this regard, we have carried out the following:

- specific testing of a sample of items of income and of 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 procedures for establishing and maintaining systems of control and documentation regarding these matters.

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 2012 to 31 August 2013 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

20 November 2013

THE CRYPT SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

| | Note | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Restricted fixed asset funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|---|------|------------------------------------|----------------------------------|---|----------------------------|----------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | 187,517 | 231,664 | 9,750 | 428,931 | 467,163 |
| Activities for generating funds | 3 | 20,505 | - | - | 20,505 | 15,290 |
| Investment income | 4 | - | 1,033 | - | 1,033 | 1,995 |
| Incoming resources from charitable activities: | | | | | | |
| Funding for the Academy Trust's educational operations | 5 | - | 3,919,128 | 160,854 | 4,079,982 | 4,741,410 |
| TOTAL INCOMING RESOURCES | | 208,022 | 4,151,825 | 170,604 | 4,530,451 | 5,225,858 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds: | | | | | | |
| Costs of generating voluntary income | | 138,850 | 211,028 | - | 349,878 | 352,186 |
| Costs of activities for generating funds | | 4,877 | - | - | 4,877 | - |
| Charitable activities: | | | | | | |
| Academy Trust's educational operations | | - | 3,735,671 | 566,345 | 4,302,016 | 4,084,973 |
| Governance costs | 9 | - | 21,104 | - | 21,104 | 15,558 |
| TOTAL RESOURCES EXPENDED | 6 | 143,727 | 3,967,803 | 566,345 | 4,677,875 | 4,452,717 |
| NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS | | 64,295 | 184,022 | (395,741) | (147,424) | 773,141 |

THE CRYPT SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

| | Note | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Restricted fixed asset funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|---|------|------------------------------------|----------------------------------|---|----------------------------|----------------------------|
| Transfers between Funds | 17 | - | (83,276) | 83,276 | - | - |
| NET INCOME / (EXPENDITURE) FOR THE YEAR | | 64,295 | 100,746 | (312,465) | (147,424) | 773,141 |
| Actuarial gains and (losses) on defined benefit pension schemes | | - | 17,000 | - | 17,000 | (52,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 64,295 | 117,746 | (312,465) | (130,424) | 721,141 |
| Total funds at 1 September 2012 | | 203,864 | 44,873 | 19,777,122 | 20,025,859 | 19,304,718 |
| TOTAL FUNDS AT 31 AUGUST 2013 | | 268,159 | 162,619 | 19,464,657 | 19,895,435 | 20,025,859 |

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 20 to 37 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2013

| | Note | £ | 2013 £ | £ | 2012 £ |
|--|------|-------------------|--------------------------|-------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | | 19,411,418 | | 18,939,672 |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 176,221 | | 786,559 | |
| Cash at bank and in hand | | 1,032,721 | | 929,528 | |
| | | <u>1,208,942</u> | | <u>1,716,087</u> | |
| CREDITORS: amounts falling due within one year | 16 | <u>(451,925)</u> | | <u>(356,900)</u> | |
| NET CURRENT ASSETS | | | <u>757,017</u> | | 1,359,187 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>20,168,435</u> | | 20,298,859 |
| Defined benefit pension scheme liability | 25 | | <u>(273,000)</u> | | <u>(273,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u><u>19,895,435</u></u> | | <u><u>20,025,859</u></u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 17 | 435,619 | | 317,873 | |
| Restricted fixed asset funds | 17 | 19,464,657 | | 19,777,122 | |
| Restricted funds excluding pension liability | | <u>19,900,276</u> | | <u>20,094,995</u> | |
| Pension reserve | | <u>(273,000)</u> | | <u>(273,000)</u> | |
| Total restricted funds | | | <u>19,627,276</u> | | 19,821,995 |
| Unrestricted funds | 17 | | <u>268,159</u> | | 203,864 |
| TOTAL FUNDS | | | <u><u>19,895,435</u></u> | | <u><u>20,025,859</u></u> |

The financial statements were approved by the Governors, and authorised for issue, on 20 November 2013 and are signed on their behalf, by:

.....
G Webster, Vice Chair

THE CRYPT SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

| | Note | 2013 £ | 2012 £ |
|---|------|------------------|-----------|
| Net cash flow from operating activities | 20 | 969,677 | 214,625 |
| Returns on investments and servicing of finance | 21 | 1,003 | 1,995 |
| Capital expenditure and financial investment | 21 | (867,487) | (324,391) |
| INCREASE/(DECREASE) IN CASH IN THE YEAR | | 103,193 | (107,771) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

| | 2013 £ | 2012 £ |
|--|------------------|-----------|
| Increase/(Decrease) in cash in the year | 103,193 | (107,771) |
| MOVEMENT IN NET FUNDS IN THE YEAR | 103,193 | (107,771) |
| Net funds at 1 September 2012 | 929,528 | 1,037,299 |
| NET FUNDS AT 31 AUGUST 2013 | 1,032,721 | 929,528 |

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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 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 Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. On review, the Governors have concluded 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 Trust 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 Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust'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 2013

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 Governors and they have concluded that the risk and rewards of ownership have substantially transferred to the Academy and therefore a Long Leasehold Buildings asset has been recognised within fixed assets and depreciated in line with the accounting policy. The valuation of the Long Leasehold Buildings has also been considered by the Governors and included at what they consider a reasonable and reliable estimate of current market value. Note 13 refers.

Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets and depreciation

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to 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 Trust'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 2013

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.

Finance Lease Commitments

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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.

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

Fund accounting

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

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

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

2. VOLUNTARY INCOME

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|---------------------|------------------------------------|----------------------------------|----------------------------|----------------------------|
| Capital grants | - | - | - | 10,702 |
| School Funds | 112,104 | 207,470 | 319,574 | 318,840 |
| Private sponsorship | - | 9,750 | 9,750 | 50,746 |
| Other donations | 75,413 | 24,194 | 99,607 | 86,875 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Voluntary income | 187,517 | 241,414 | 428,931 | 467,163 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|--------------------|------------------------------------|----------------------------------|----------------------------|----------------------------|
| Hire of facilities | 20,505 | - | 20,505 | 15,290 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

4. INVESTMENT INCOME

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|---------------------|------------------------------------|----------------------------------|----------------------------|----------------------------|
| Short term deposits | - | 1,033 | 1,033 | 1,995 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|--------------------------------|------------------------------------|----------------------------------|----------------------------|----------------------------|
| DfE/EFA grants | | | | |
| General Annual Grant (GAG) | - | 3,733,539 | 3,733,539 | 3,863,820 |
| Capital grant | - | 160,854 | 160,854 | 818,888 |
| Other DfE/EFA grants | - | 117,176 | 117,176 | 19,498 |
| | - | 4,011,569 | 4,011,569 | 4,702,206 |
| Other government grants | | | | |
| Local authority grants | - | 68,413 | 68,413 | 32,403 |
| Other Government Grants | - | - | - | 6,801 |
| | - | 68,413 | 68,413 | 39,204 |
| Other funding | | | | |
| | - | - | - | - |
| | - | 4,079,982 | 4,079,982 | 4,741,410 |

Capital grants

Capital grants for 2012 have been reclassified from voluntary income to income from charitable activities, in line with the requirements of the Annual Accounts Direction 2012/13 issued by the Education Funding Agency.

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

| | Staff costs 2013 £ | Other costs 2013 £ | Total 2013 £ | Total 2012 £ |
|--|--------------------------|--------------------------|--------------------|--------------------|
| Costs of generating voluntary income | - | 349,878 | 349,878 | 352,186 |
| Cost of generating funds | - | 4,877 | 4,877 | - |
| Educational operations - Direct costs | 2,711,395 | 354,195 | 3,065,590 | 3,011,143 |
| Educational operations - Support costs | 359,817 | 876,609 | 1,236,426 | 1,073,830 |
| Charitable activities | 3,071,212 | 1,230,804 | 4,302,016 | 4,084,973 |
| Governance | - | 21,104 | 21,104 | 15,558 |
| | 3,071,212 | 1,606,663 | 4,677,875 | 4,452,717 |

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

7. DIRECT COSTS

| | Restricted Funds £ | Total 2013 £ | Total 2012 £ |
|--|--------------------------|--------------------|--------------------|
| Educational supplies and services | 223,908 | 223,908 | 243,706 |
| Examination fees | 93,221 | 93,221 | 89,427 |
| Staff development | 16,571 | 16,571 | 20,781 |
| Other direct costs | 20,495 | 20,495 | 35,000 |
| Teaching and educational support staff | 2,711,395 | 2,711,395 | 2,622,229 |
| | <u>3,065,590</u> | <u>3,065,590</u> | <u>3,011,143</u> |

8. SUPPORT COSTS

| | Restricted Funds £ | Total 2013 £ | Total 2012 £ |
|--|--------------------------|--------------------|--------------------|
| Pension cost | 9,000 | 9,000 | 10,000 |
| Maintenance of premises and equipment | 59,887 | 59,887 | 80,305 |
| Cleaning | 9,230 | 9,230 | 7,955 |
| Rent and rates | 29,964 | 29,964 | 26,387 |
| Heat and light | 54,942 | 54,942 | 50,746 |
| Insurance | 54,470 | 54,470 | 50,997 |
| Security | 5,567 | 5,567 | 3,531 |
| Transport | 5,055 | 5,055 | 6,126 |
| Catering | 17,669 | 17,669 | 18,494 |
| Other support costs | 64,480 | 64,480 | 57,517 |
| Teaching and educational support staff | 359,817 | 359,817 | 325,994 |
| Depreciation | 566,345 | 566,345 | 435,778 |
| | <u>1,236,426</u> | <u>1,236,426</u> | <u>1,073,830</u> |

9. GOVERNANCE COSTS

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|---|------------------------------------|----------------------------------|----------------------------|----------------------------|
| Auditors' remuneration: Audit of financial statements | - | 11,150 | 11,150 | 7,500 |
| Auditors' remuneration: Other services | - | 6,500 | 6,500 | 1,000 |
| Legal and professional fees | - | 2,228 | 2,228 | 7,058 |
| Other expenses | - | 1,226 | 1,226 | - |
| | <u>-</u> | <u>21,104</u> | <u>21,104</u> | <u>15,558</u> |

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

| | 2013 | 2012 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 202,505 | 71,938 |
| - leased assets | 363,840 | 363,840 |
| Auditors' remuneration | 11,150 | 7,500 |
| Auditors' remuneration - non-audit | 6,500 | 1,000 |
| Governance Internal audit costs | - | - |
| Operating leases | 38,699 | 12,534 |
| | <u><u> </u></u> | <u><u> </u></u> |

11. STAFF COSTS

Staff costs during the year were:

| | 2013 | 2012 |
|-----------------------|-------------------------|-------------------------|
| | £ | £ |
| Wages and salaries | 2,493,541 | 2,404,835 |
| Social security costs | 186,508 | 180,863 |
| Pension costs | 350,671 | 338,643 |
| Supply teacher costs | 40,492 | 43,790 |
| | <u><u>3,071,212</u></u> | <u><u>2,968,131</u></u> |

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

| | 2013 | 2012 |
|----------------------------|-------------|------|
| | No. | No. |
| Teachers | 45 | 45 |
| Administration and support | 26 | 24 |
| Management | 8 | 8 |

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

| | 2013 | 2012 |
|-------------------|-------------|------|
| | No. | No. |
| £80,001 - £90,000 | 1 | 1 |
| £60,001 - £70,000 | 1 | - |

The above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2013 pension contributions for these members of staff amounted to £20,610 (2012: £11,882).

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

12. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Governors (2012 - 3) in respect of defined benefit pension schemes.

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Governors. The value of Governors' remuneration, including employer pension contributions, fell within the following bands:

| | 2013 | 2012 |
|------------------------------------|------------------------|----------------|
| | £ | £ |
| J Standen - Headteacher | 100,000-105,000 | 95,000-100,000 |
| A Birkett - Staff Governor | n/a | 35,000-40,000 |
| G Taylor - Staff Governor | 35,000-40,000 | 35,000-40,000 |
| Mrs C Chad-Daniels, Staff Governor | 15,000-20,000 | n/a |

During the year, no Governors received any reimbursement of expenses (2012 - £NIL).

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

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3.9 million on any one claim and the cost for the year ended 31 August 2013 was £1,400 (2012 - £1,400).

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

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

14. TANGIBLE FIXED ASSETS

| | Long Leasehold Buildings £ | Leasehold Improvements £ | Plant and machinery £ | Fixtures and fittings £ |
|-----------------------|-------------------------------------|--------------------------------|-----------------------------|-------------------------------|
| Cost | | | | |
| At 1 September 2012 | 18,192,000 | 1,104,952 | 49,184 | 50,651 |
| Additions | - | 974,814 | 1,050 | 56,069 |
| At 31 August 2013 | <u>18,192,000</u> | <u>2,079,766</u> | <u>50,234</u> | <u>106,720</u> |
| Depreciation | | | | |
| At 1 September 2012 | 515,440 | 33,989 | 6,214 | 6,685 |
| Charge for the year | 363,840 | 143,633 | 9,959 | 14,908 |
| At 31 August 2013 | <u>879,280</u> | <u>177,622</u> | <u>16,173</u> | <u>21,593</u> |
| Net book value | | | | |
| At 31 August 2013 | <u>17,312,720</u> | <u>1,902,144</u> | <u>34,061</u> | <u>85,127</u> |
| At 31 August 2012 | <u>17,676,560</u> | <u>1,070,963</u> | <u>42,970</u> | <u>43,966</u> |
| | | Computer equipment £ | Motor vehicles £ | Total £ |
| Cost | | | | |
| At 1 September 2012 | | 110,685 | 24,255 | 19,531,727 |
| Additions | | 6,158 | - | 1,038,091 |
| At 31 August 2013 | | <u>116,843</u> | <u>24,255</u> | <u>20,569,818</u> |
| Depreciation | | | | |
| At 1 September 2012 | | 26,523 | 3,204 | 592,055 |
| Charge for the year | | 28,974 | 5,031 | 566,345 |
| At 31 August 2013 | | <u>55,497</u> | <u>8,235</u> | <u>1,158,400</u> |
| Net book value | | | | |
| At 31 August 2013 | | <u>61,346</u> | <u>16,020</u> | <u>19,411,418</u> |
| At 31 August 2012 | | <u>84,162</u> | <u>21,051</u> | <u>18,939,672</u> |

The Academy lease land and buildings from Gloucester United Schools Limited. On conversion the Governor's 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.

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

15. DEBTORS

| | 2013 £ | 2012 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 8,111 | 6,845 |
| Other debtors | 35,313 | 73,307 |
| Prepayments and accrued income | 132,797 | 706,407 |
| | 176,221 | 786,559 |

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

| | 2013 £ | 2012 £ |
|------------------------------------|-----------|-----------|
| Trade creditors | 159,481 | 92,106 |
| Other taxation and social security | 53,493 | 55,361 |
| Other creditors | 76,056 | 122,913 |
| Accruals and deferred income | 162,895 | 86,520 |
| | 451,925 | 356,900 |

Deferred income

| | | |
|--------------------------------------|--|----------|
| Deferred income at 1 September 2012 | | 53,049 |
| Resources deferred during the year | | 82,347 |
| Amounts released from previous years | | (53,049) |
| | | 82,347 |

Income received during the year ended 31st August 2013 specific to funding for future years has been deferred accordingly.

17. 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 | 203,864 | 208,022 | (143,727) | - | - | 268,159 |
| | 203,864 | 208,022 | (143,727) | - | - | 268,159 |

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

17. STATEMENT OF FUNDS (continued)

Restricted funds

| | | | | | | |
|----------------------------|---------------|------------------|--------------------|-----------------|---------------|----------------|
| General Annual Grant (GAG) | 194,727 | 3,733,539 | (3,630,407) | (61,354) | - | 236,505 |
| Start up Grant | 7,522 | - | - | (7,522) | - | - |
| Other DfE/EFA grants | - | 117,176 | (51,448) | (14,400) | - | 51,328 |
| Other Government Grants | 4,277 | 68,413 | (57,918) | (4,277) | - | 10,495 |
| School Fund Account | 113,620 | 207,470 | (189,941) | - | - | 131,149 |
| Private Sponsorship | (4,671) | - | - | - | - | (4,671) |
| Investment Income | 2,398 | 1,033 | - | - | - | 3,431 |
| Other donations | - | 24,194 | (21,089) | 4,277 | - | 7,382 |
| Pension reserve | (273,000) | - | (17,000) | - | 17,000 | (273,000) |
| | <u>44,873</u> | <u>4,151,825</u> | <u>(3,967,803)</u> | <u>(83,276)</u> | <u>17,000</u> | <u>162,619</u> |

Restricted fixed asset funds

| | | | | | | |
|------------------------------|-------------------|------------------|--------------------|---------------|---------------|-------------------|
| DfE/EFA Capital Grants | 1,712,473 | 160,854 | (130,015) | - | - | 1,743,312 |
| Predecessor School Surplus | 182,953 | - | (19,056) | - | - | 163,897 |
| Donations- Capital | 17,700,310 | - | (371,364) | - | - | 17,328,946 |
| Capital expenditure from GAG | 126,044 | - | (28,982) | 83,276 | - | 180,338 |
| Private Sponsorship | 55,342 | 9,750 | (16,928) | - | - | 48,164 |
| | <u>19,777,122</u> | <u>170,604</u> | <u>(566,345)</u> | <u>83,276</u> | <u>-</u> | <u>19,464,657</u> |
| Total restricted funds | <u>19,821,995</u> | <u>4,322,429</u> | <u>(4,534,148)</u> | <u>-</u> | <u>17,000</u> | <u>19,627,276</u> |
| Total of funds | <u>20,025,859</u> | <u>4,530,451</u> | <u>(4,677,875)</u> | <u>-</u> | <u>17,000</u> | <u>19,895,435</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.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st August 2013 are represented by:

| | Unrestricted funds 2013 £ | Restricted funds 2013 £ | Restricted fixed asset funds 2013 £ | Year ended 2013 £ | Year ended 2012 £ |
|--------------------------|------------------------------------|----------------------------------|---|----------------------------|----------------------------|
| Tangible fixed assets | - | - | 19,411,418 | 19,411,418 | 18,939,672 |
| Current assets | 268,159 | 887,544 | 53,239 | 1,208,942 | 1,716,087 |
| Current liabilities | - | (451,925) | - | (451,925) | (356,900) |
| Pension scheme liability | - | (273,000) | - | (273,000) | (273,000) |
| | <u>268,159</u> | <u>162,619</u> | <u>19,464,657</u> | <u>19,895,435</u> | <u>20,025,859</u> |

19. CAPITAL COMMITMENTS

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Contracted for, but not provided in the financial statements | - | - |

20. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2013 £ | 2012 £ |
|--|----------------|----------------|
| Net incoming resources before revaluations | (147,424) | 773,141 |
| Interest receivable | (1,003) | (1,995) |
| Depreciation of tangible fixed assets | 566,345 | 435,778 |
| Capital grants from DfE and other capital income | (170,604) | (880,336) |
| Decrease in stocks | - | - |
| Interest receivable | - | - |
| Decrease/(increase) in debtors | 610,338 | (51,595) |
| Increase/(decrease) in creditors | 95,025 | (60,368) |
| FRS17 pension cost less contributions payable | 8,000 | (10,000) |
| FRS17 pension finance costs | 9,000 | 10,000 |
| Net cash inflow from operations | <u>969,677</u> | <u>214,625</u> |

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

| | 2013 £ | 2012 £ |
|--|--------------|--------------|
| Returns on investments and servicing of finance | | |
| Interest received | <u>1,003</u> | <u>1,995</u> |

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

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

| | 2013 £ | 2012 £ |
|---|------------------|------------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (1,038,091) | (1,204,728) |
| Capital grants from DfE and other capital income | 170,604 | 880,337 |
| | (867,487) | (324,391) |
| Net cash outflow capital expenditure | (867,487) | (324,391) |

22. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2012 £ | Cash flow £ | Other non-cash changes £ | 31 August 2013 £ |
|---------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 929,528 | 103,193 | - | 1,032,721 |
| Net funds | 929,528 | 103,193 | - | 1,032,721 |
| | 929,528 | 103,193 | - | 1,032,721 |

23. CONTINGENT LIABILITIES

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

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

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

24. 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.

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Costs incurred in the year relating to TPS were £269,674 (2012: £268,410) and relating to LGPS were £72,997 (2012: £70,233).

Contributions amounting to £44,312 were payable to the schemes at 31 August 2013 (2012 - 41,937) and are included within creditors (£36,036 TPS, £8,276 LGPS) (2012: £34,352 TPS, £7,585 LGPS).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

THE CRYPT SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme (continued)

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

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

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

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

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

25. PENSION COMMITMENTS (continued)

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 2013 was £97,000, of which employer's contributions totalled £73,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 23.9% for employers and for employees will vary according to salary banding and will be between 5.5%-7.5%.

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

| | Expected return at 31 August 2013 % | Fair value at 31 August 2013 £ | Expected return at 31 August 2012 % | Fair value at 31 August 2012 £ |
|-------------------------------------|--|---|--|---|
| Equities | 6.60 | 297,000 | 5.50 | 172,000 |
| Government Bonds | 3.80 | 82,000 | 3.30 | 72,000 |
| Property | 47.70 | 25,000 | 3.70 | 16,000 |
| Cash/liquidity | 3.60 | 8,000 | 2.80 | 8,000 |
| Total market value of assets | | <u>412,000</u> | | <u>268,000</u> |
| Present value of scheme liabilities | | <u>(685,000)</u> | | <u>(541,000)</u> |
| (Deficit)/surplus in the scheme | | <u>(273,000)</u> | | <u>(273,000)</u> |

The amounts recognised in the Balance sheet are as follows:

| | 2013 £ | 2012 £ |
|-------------------------------------|-------------------------|-------------------|
| Present value of funded obligations | (685,000) | (541,000) |
| Fair value of scheme assets | <u>412,000</u> | <u>268,000</u> |
| Net liability | <u>(273,000)</u> | <u>(273,000)</u> |

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

| | 2013 £ | 2012 £ |
|----------------------------------|------------------------|-------------------|
| Current service cost | (81,000) | (60,000) |
| Interest on obligation | (24,000) | (22,000) |
| Expected return on scheme assets | <u>15,000</u> | <u>12,000</u> |
| Total | <u>(90,000)</u> | <u>(70,000)</u> |
| Actual return on scheme assets | <u>17,000</u> | <u>22,000</u> |

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

25. PENSION COMMITMENTS (continued)

Local Government Pension Scheme (continued)

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

| | 2013 | 2012 |
|--------------------------------------|----------------|-------------|
| | £ | £ |
| Opening defined benefit obligation | 541,000 | 375,000 |
| Current service cost | 81,000 | 60,000 |
| Interest cost | 24,000 | 22,000 |
| Contributions by scheme participants | 24,000 | 22,000 |
| Actuarial Losses | 15,000 | 62,000 |
| | <hr/> | <hr/> |
| Closing defined benefit obligation | 685,000 | 541,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2013 | 2012 |
|-------------------------------------|----------------|-------------|
| | £ | £ |
| Opening fair value of scheme assets | 268,000 | 154,000 |
| Expected return on assets | 15,000 | 12,000 |
| Actuarial gains and (losses) | 32,000 | 10,000 |
| Contributions by employer | 73,000 | 70,000 |
| Contributions by employees | 24,000 | 22,000 |
| | <hr/> | <hr/> |
| | 412,000 | 268,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £35,000 loss (2012 - £52,000 loss).

The Academy Trust expects to contribute £73,000 to its Defined benefit pension scheme in 2014.

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

| | 2013 | 2012 |
|--|----------------|---------|
| Discount rate for scheme liabilities | 4.60 % | 4.10 % |
| Rate of increase in salaries | 4.60 % | 4.00 % |
| Rate of increase for pensions in payment / inflation | 2.80 % | 2.20 % |
| Inflation assumption (CPI) | 2.90 % | 2.10 % |
| 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:

| | 2013 | 2012 |
|----------------------|-------------|------|
| Retiring today | | |
| Males | 21.7 | 21.7 |
| Females | 23.6 | 23.6 |
| Retiring in 20 years | | |
| Males | 23.5 | 23.5 |
| Females | 25.8 | 25.8 |

THE CRYPT SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

25. PENSION COMMITMENTS (continued)

Local Government Pension Scheme (continued)

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

Defined benefit pension schemes

| | 2013 £ | 2012 £ | 2011 £ |
|--|------------------|------------------|------------------|
| Defined benefit obligation | (685,000) | (541,000) | (375,000) |
| Scheme assets | 412,000 | 268,000 | 154,000 |
| Deficit | <u>(273,000)</u> | <u>(273,000)</u> | <u>(221,000)</u> |
| Experience adjustments on scheme liabilities | (15,000) | (62,000) | 9,000 |
| Experience adjustments on scheme assets | <u>32,000</u> | <u>10,000</u> | <u>9,000</u> |

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

| Change in assumptions at year ended 31st August 2013 | Approximate increase to employer liability | Approximate monetary amount £'000 |
|---|---|--|
| 0.5% increase in Real Discount Rate | 11% | 73 |
| 1 year increase in member life expectancy | 3% | 21 |
| 0.5% increase in the Salary Increase Rate | 4% | 28 |
| 0.5% increase in the Pension Increase Rate | 6% | 43 |

26. OPERATING LEASE COMMITMENTS

At 31 August 2013 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

| | 2013 £ | 2012 £ |
|-----------------------|---------------|---------------|
| Other | | |
| Between 2 and 5 years | <u>19,688</u> | <u>19,688</u> |

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

A member of the Governing Body 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.