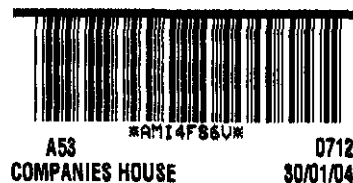


GREIG CITY ACADEMY

REPORT AND AUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

Charity Registration Number: 1088610
Company Registration Number: 4220486



**REPORT AND AUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2003**

CONTENTS	Page
Legal and Administrative Information	2
Report of the Trustees	3-10
Report of the Auditors	11-12
Statement of Financial Activities	13
Income and Expenditure Account	14
Balance Sheet	15
Cash Flow Statement	16
Notes forming part of the Financial Statements	17-28
Detailed Income and Expenditure	29-32

LEGAL AND ADMINISTRATIVE INFORMATION

Greig City Academy - A company limited by guarantee					
Charity Registration Number: 1088610 Company Registration Number: 4220486					
Governing Document: Articles and Memorandum of Association					
Trustees & Directors	Date of Appointment	Appointing Body			
Nigel Greig	17/4/02	HS & SV Greig Trust			
Sylvia Hinder	19/7/01	HS & SV Greig Trust			
Thomas Peryer	21/5/01	London Diocesan Board for Schools			
Owenna Griffiths	1/6/02	London Diocesan Board for Schools			
Mitford O'Dean	20/5/02	East Haringey Deanery			
Jonathan Trigg	16/7/01	West Haringey Deanery Synod			
Ben Reynolds	11/9/02	Members of the Trust			
Peter Wheatley	22/11/01	Bishop of Edmonton			
Marion Foran	1/4/02	Elected Teacher Governor			
Serkan Kemal	1/4/02	Elected Support Staff Governor			
Ama Iyoyo	1/3/03	Elected Parent Governor			
Penelope Cox	1/3/03	Elected Parent Governor			
Graham Horsewood	1/9/02 - 31/5/03	Principal			
Richard Bassett	1/6/03	Principal			
Company Secretary Elizabeth Barthaud 7/10/02 - 31/8/03					
Registered Office Hornsey High St Hornsey London N8 <table> <tr> <td>Solicitors Winkworth Sherwood The Old Deanery Deans Court St Paul's London EC4V 5AA</td> <td>Auditors Baxter & Co. Lynwood House Crofton Road Orpington Kent BR6 8QE</td> <td>Bankers HSBC Bank Woodside Green Branch Cheapside London</td> </tr> </table>			Solicitors Winkworth Sherwood The Old Deanery Deans Court St Paul's London EC4V 5AA	Auditors Baxter & Co. Lynwood House Crofton Road Orpington Kent BR6 8QE	Bankers HSBC Bank Woodside Green Branch Cheapside London
Solicitors Winkworth Sherwood The Old Deanery Deans Court St Paul's London EC4V 5AA	Auditors Baxter & Co. Lynwood House Crofton Road Orpington Kent BR6 8QE	Bankers HSBC Bank Woodside Green Branch Cheapside London			

REPORT OF THE TRUSTEES

Preamble

1. The Trustees of Greig City Academy (The City Academy), who are also Directors of the company for the purposes of the Companies Act, present their report and the audited financial statements for the period ended 31 August 2003. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing this annual report and financial statements of the City Academy.

Legal Status

2. The City Academy is a company limited by guarantee and a registered charity. The company does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

The Objects of the Greig City Academy

3. The objects of the City Academy are to advance, for the public benefit, education in The United Kingdom, by establishing, maintaining, operating and developing a Church of England secondary school offering a broad curriculum with a strong emphasis on technology, in particular Information Communications Technology to be conducted in accordance with the principles and practices of The Church of England.
4. The sole activity of the company is the operation of the Greig City Academy to provide education for pupils of different abilities between the ages of 11 and 19.

Governance and Organisational Structure of Greig City Academy

5. Greig City Academy was established on 21 May 2001 in place of the St David's and St Katherine's School, which ceased to exist on 31 August 2002. The company's memorandum and articles of association are the primary governing documents of the City Academy. The sponsors and of the Company are the HS & SV Greig Trust, the London Diocesan Board for Schools and the Department for Education & Skills; the sponsors nominate the principal members of the Company. The Members of the Company are as set out below:
 - a) The London Diocesan Board for Schools ("the LDBS").
 - b) The Chair for the time being of The Greig Trust. (*Mr John Footman*)
 - c) One person appointed by the LDBS (*Mr Thomas Peryer*)
 - d) One person appointed by The Greig Trust (*Revd Geoffrey Seabrook*)
 - e) One person appointed by the Secretary of State (*Vacancy*)
 - f) Any further members appointed by the above (*None*)
6. The affairs of the company and the strategic management of the City Academy are the responsibility of the governors of the school, who are also the trustees of the charity and directors of the company. The articles of association provide for the appointment or election of 15 governors, as follows:

- (a) Two governors appointed by the London Diocesan Board for Schools
 - (b) Two governors appointed by the Greig Trust
 - (c) The Bishop of Edmonton or his appointee
 - (d) 1 governor appointed by the West Haringey Deanery of the Diocese of London
 - (e) 1 governor appointed by the East Haringey Deanery of the Diocese of London
 - (f) The principal of the City Academy
 - (g) Two elected parent governors
 - (h) 1 elected teacher governor
 - (i) 1 elected support staff governor
 - (j) 1 parent governor appointed by members of the Trust
 - (k) 2 governors drawn from the local community appointed by the members of the trust
7. During the period ending 31 August 2003, the full Governing Body met on 6 occasions. The Governing Body has adopted a system of committees and terms of reference for those committees. The committees are as follows:
- Finance, Personnel & Premises Committee
 - Students & Community Committee
 - Audit Committee
 - Standing Committee
8. The Governing Body has also adopted a set of procedures (in addition to the Articles of Association) and these will be reviewed and adapted as the Company develops. The School is also bound to comply with the provisions of the Funding Agreement which is an agreement between the school and the Department for Education & Skills.
-

Review of Activities for the Year Ending 31 August 2003

Opening

9. The Greig City Academy was officially opened with a service of dedication led by the Bishop of London, Rt. Hon. & Rt. Rev. Richard Chartres, on Friday 6 September 2002 with a subsequent reception in the City of London on Tuesday 15 October 2002. All pupils in the school of St David & St Katharine were offered a place in the new school and most transferred. The Academy was one of three new Academies to open at the same time and are the forerunners of what will eventually become around 50 Academies in England.
10. This first year has been exceptionally challenging for a variety of reasons. There has been progress but also some setbacks. However, the school ended the year (and began the new school year 2003/04) in a stronger position and with clear signs not

only of physical improvement and change, but also of improvements to the educational climate of the school.

11. The most visible sign of the change to Academy status has been the improvements and additions to the existing buildings. At the start of the year, the budget for the capital programme was £13 million. Following negotiations with the DfES, the budget was increased during the year to £16.9 million. The additional funds were to pay for VAT, a greatly increased ICT programme and additional building works.
12. Phase 1 of the building programme was completed by the autumn of 2002. Phase 1 comprised a new Learning Support Centre; new staffroom; new food technology facilities; new reprographics areas and improvements to the ICT infrastructure, as well as external elements such as new boundary fencing.
13. Phase 2 is the largest phase of work and took place throughout the year and into the autumn of 2003. Phase 2 consists of a new Science block, new ICT area, new reception and administration; new link block; new all-weather pitch; new car-park and refurbished changing facilities for the Sports Hall. Phase 2 was completed at the end of October 2003. A formal opening ceremony for these new facilities took place on 21st November 2003.
14. In August 2003, preliminary work began on Phase 3 which consists of:- refurbished accommodation for Art & Music; the construction of a new Drama Studio; refurbished teaching accommodation for Maths and a new link block.
15. For most of 2002/03 the school roll was around 850 (slightly down on the previous year). Recruitment into year 7 was around 120 which was a disappointing figure. However recruitment into Year 7 for September 2003 was 139 and the number of first choices had risen.
16. GCSE results in the summer of 2003 were encouraging and were at the top end of the school's targets. 35% of students achieved 5 or more grades A*- C. The comparable figure for the last year of the Academy's predecessor school was 25%. Results at Key Stage 3 were more disappointing and failed to reach the Academy's targets. In English 47% of students achieved level 5 or higher; in Maths it was 34% and in Science 36%.
17. In March 2003, the school experienced a 'mini-inspection' commissioned by the Academies Division of the DfES and carried out according to Ofsted criteria by experienced Ofsted inspectors. This was a follow-up to the HMI monitoring review of June 2002. Although the inspection team found evidence of tangible improvements and progress at the Greig City Academy, they nevertheless judged that there were a number of weaknesses still to the school. The governors in conjunction with the DfES have taken steps to accelerate the rate of progress and by the end of the year it was apparent that the school was indeed improving in a number of areas. Nevertheless there is still much to be done to make it a truly successful school, which is the fundamental aim of the governors and of the Academies programme.

Greig City Academy 2002/03

18. The year saw significant changes in the leadership of the school. Mr Modi, a longstanding deputy at St David & St Katharine and subsequently vice principal at GCA was appointed to the headship of a secondary school in Ealing and left in July 2003. Mr Cloke, also vice-principal moved to another post in a London secondary school in January 2003. In the summer term Mr Horsewood, Principal of the Academy resigned his post having previously been headteacher of St David & St Katharine. He had been at the heart of the Academy project since its conception in September 2000. Governors were very appreciative of all efforts and commitment that Mr Horsewood had shown towards both schools.
19. The new leadership of the school was appointed on an interim basis from June 2003. Mr Richard Bassett was appointed as the full-time Principal with responsibility for the day-to-day operations of the school and Mr David Triggs, Principal of Greensward College in Essex was appointed as the Executive Principal on a part-time basis and with responsibility for the overall direction of the school. In addition Mr Hugh Bowen (also from Greensward College) and Mr Dan Bowmaker were appointed on a temporary basis as vice-principals. The DfES has agreed separate funding to enable Mr Triggs to accelerate the rate of progress and in particular to build strong links with the community. This enhanced leadership team has had a significant and positive impact on the school.
20. One of the challenges faced by the Academy is changing the negative view of the school which was attached to the predecessor school. Prior to the opening and subsequently during the year, the school suffered further from adverse publicity. However, this trend was reversed towards the end of the year through the adoption of a much more proactive communications and PR strategy.
21. Throughout the year, close contact has been maintained with the Academies Division of the DfES and regular meetings are held with the senior personnel from the Division to monitor progress at the school.
22. In terms of formal business and the adoption of specific policies, the governors have adopted the following specific policies during the course of the 2002/03 year, namely:
 - Child Protection
 - Behaviour Management and Discipline
 - Race Equality
 - Staff Code of Conduct
 - Post Threshold Pay Progression
 - Remodelling of the Workforce
 - Health & Safety
 - School Targets
 - School Improvement Plan

2003/04 and Beyond

23. The school improvement journey from that of a failing school to a successful school is rarely smooth or easy. That is our experience at Greig City Academy.

However, the second full year of operation as an Academy finds the school further down that school improvement road with increasing signs of confidence amongst staff, students and those involved with the school. The enhanced facilities and buildings are having a positive effect on all concerned but the parallel work of raising standards of teaching and learning is also having a marked effect.

24. The governors are wholeheartedly committed to the endeavour of making Greig City Academy a first-class school. Our goals are summed up in the statement that now stands over the main entrance 'Achievement in a Christian Community'. The practical outworking of that statement will be seen in the following:
- Enhanced standards of teaching and learning
 - Steadily improving results at Key Stage 3, Key Stage 4 and Key Stage 5
 - High standards of behaviour, attendance and punctuality from the students
 - Rising numbers at the lower end of the school and in a reinvigorated sixth form
 - A school community which is proud of the school and loyal to the school
 - A school community which shows care, respect and commitment to all its members
 - A school which is increasingly valued by the wider local community
 - A school with a workforce which is committed, professional and well supported by the governors and the leadership of the school
 - A curriculum which meets the needs of its students
 - A place where high expectations and aspirations are part of the culture
 - A school which takes seriously its Christian roots and heritage and which lives out the Christian faith on a daily basis
-

Key Relationships with Related Parties

25. In order to pursue its objects, the Trust has entered into a formal agreement with the Secretary of State for Education & Skills regarding the funding of the City Academy and the management of affairs of the City Academy.
26. The London Diocesan Board for Schools is a sponsor of Greig City Academy and also provides a number of services for the school as it does for all Church of England schools in the Diocese of London. The current chairman of the Greig City Academy is also the Diocesan Director of Education. The LDBS is providing £500,000 towards the capital programme spread over the first five years of the Company's life.
27. The HS & SV Greig Trust is a sponsor of the City Academy and is providing the majority of the private financing of the capital programme, approximately £1.5 million pounds over five years.
28. Greig City Academy continues to maintain a relationship with the local education authority, Haringey. Some statutory funds for the Academy come through the LEA

and the LEA is required to provide certain statutory functions for the City Academy, even though the City Academy is independent of the LEA.

Operating and Financial Review

29. The financial statements have been prepared in accordance with current statutory requirements and the City Academy's governing documents.
30. Most of the City Academy's income in the period ended 31 August 2003 was obtained from the DfES in the form of capital and other grants, and from its main sponsors, the LDBS and The Greig Trust. The grants and sponsorship received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.
31. The balance sheet restricted fixed asset fund will be reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.
32. Expenditure for the period was covered by grants from the DfES and sponsorship income and the excess of incoming resources over resources expenditure for the period was £6,922,000 and of this, £7,246,000 has been capitalised in the financial statements as fixed assets.
33. Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the City Academy.

Fund Review

34. The City Academy also held restricted fund balances at the 31 August 2003 of £60,000. The fund balances are adequate to fulfil the obligations of the City Academy and provide a balance against most unforeseen future events. To achieve the Development Plan objectives and for other major capital projects, the City Academy remains dependent on the provision of grants from both the DfES and sponsors.

Investment Powers

35. The Trustees' investment powers are governed by the memorandum and articles of association, which permits the City Academy's funds, not immediately required for the furtherance of its objects, to be invested in or upon such investments, securities or property, as may be thought fit, subject to such conditions and consents as may for the time being be imposed or required by law.

Policy on Reserves and Investments

36. The Trustees have not yet formally reviewed their policies on reserves or investments, although, in practice, it is not expected that the City Academy will accumulate significant reserves. The Funding Agreement with the DfES provides for the revenue funding requirements of the City Academy and also places restrictions on the level of funds (accumulated from its General Grant) that the school can carry forward from one year to the next. The City Academy has a

number of restricted funds. The purpose of these funds is set out in Note 16. During the year any temporary cash surplus has been kept in a deposit account.

Policy on Risk Management

37. The Trustees have begun the process of drawing up a formal risk management process to assess business risks and implement risk management strategies. This process has not yet been finalised, but it will involve identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

Statement of Trustee Responsibilities for the Financial Statements

38. As Trustees we acknowledge that Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the Trustees have:
- selected suitable accounting policies and applied them consistently;
 - made judgements and estimates that are reasonable and prudent;
 - followed applicable accounting standards; and
 - prepared the financial statements on the going concern basis.
39. The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. We are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- Internal Controls***
40. The company's system of internal control is based on the City Academies Financial Handbook, a comprehensive handbook drawn up by the DfES and our own systems and procedures which have been approved by the Trustees. All these documents are available for inspection.
41. The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have appointed R Ashdown, a Registered Auditor, as Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the City Academy's financial systems. Monthly checks and reports are made by the Responsible Officer and these Reports are circulated to the senior management and appropriate governors.
42. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Equal Opportunities

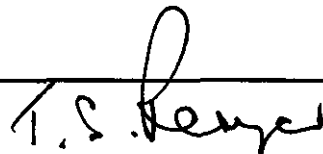
43. The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. The Trustees have formally adopted a policy in respect of Equal Opportunities.

Auditors

44. Baxter & Co, Chartered Certified Accountants and Registered Auditors were appointed during the year as the Charity's auditors.
45. A resolution proposing that Baxter & Co be re-appointed as auditors of the Charity will be put to the Annual General Meeting.

Approval

46. The AGM of the company was held on 1 December 2003. The report of the Trustees was approved on 1 December 2003 and signed on its behalf by:



T Peryer
Chair of Trustees

1 December 2003

AUDITORS REPORT TO THE MEMBERS OF GREIG CITY ACADEMY

We have audited the financial statements on pages 13 to 28, which have been prepared on the basis of the accounting policies set out on pages 17 to 20.

Respective Responsibilities of Directors and Auditors

As described on page 8, the Governors (who are also the trustees of the charity and the directors of the company) are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- a) the financial statements give a true and fair view of the state of affairs of the Academy at 31 August 2003 and of its incoming resources and application of resources including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

AUDITORS REPORT TO THE MEMBERS OF GREIG CITY ACADEMY
(Continued)

- b) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education and Skills in respect of the relevant financial year;
- c) proper accounting records have been kept by the Academy throughout the financial year;
- d) grants made by the Department for Education and Skills have been applied for the purposes intended;

26/1/04
—



BAXTER & CO.
Registered Auditors
Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2003

		Unrestricted	Restricted Funds 2003		Total	Total
	Notes	General	Fixed	Capital	Funds	Funds
		Fund	Assets		2003	2002
		£'000	£'000	£'000	£'000	£'000
Incoming Resources						
Grants Receivable	2-4	-	-	6,830	4,975	11,805
Sponsorship	5	-	-	400	72	472
Other Income	6	74	-	-	70	144
		<u>74</u>	<u>-</u>	<u>7,230</u>	<u>5,117</u>	<u>12,421</u>
Resources Expended						
Costs of generating funds:						
Fundraising		-	-	-	-	-
Net incoming resources available for charitable application		<u>74</u>	<u>-</u>	<u>7,230</u>	<u>5,117</u>	<u>12,421</u>
Charitable Expenditure						
Costs in furtherance of the charity's objects:						
Provision of education	8	40	238	-	4,034	4,312
Education support costs	8	22	47	-	556	625
Management and Administration	8	12	32	-	518	562
Total Charitable Expenditure		<u>74</u>	<u>317</u>	<u>0</u>	<u>5,108</u>	<u>5,499</u>
Total Resources Expended	7	<u>74</u>	<u>317</u>	<u>0</u>	<u>5,108</u>	<u>5,499</u>
Net Income for the Year		-	-317	7,230	9	6,922
Transfers between funds		-	7,246	-7,237	-9	-
Net Movements in Funds		-	6,929	-7	-	6,922
Balance B/Fwd		-	1,740	67	-	1,807
Balance C/Fwd	16	£-	£8,669	£60	£-	£1,807

None of the Academy's activities were acquired or discontinued during the above financial years.

The Academy has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the net movement in funds stated above, and its historical cost equivalent.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2003

	Notes	2003 £'000	2002 £'000
Income			
General Annual Grant	2	4,239	-
DfES Capital Grant	3	6,830	2,081
Other DfES Grants	3	680	-
Other Government Grants	4	56	-
Private Sector Sponsorship	5	472	636
Other Income	6	144	1
Total Income		<u>12,421</u>	<u>2,718</u>
Expenditure	7,8		
General Annual Grant related expenditure		4,327	-
Other DfES Grants related expenditure		651	-
Other Government Grants related expenditure		56	-
Depreciation	11	317	-
Other expenditure		148	911
Total Expenditure		<u>5,499</u>	<u>911</u>
Excess of Income over Expenditure		<u>£6,922</u>	<u>£1,807</u>
Net transfer to/from funds			
Restricted funds	15	6,922	1,807
Unrestricted funds		-	-
		<u>£6,922</u>	<u>£1,807</u>

The Income and Expenditure Account is derived from the Statement of Financial Activities on page 12 which, together with the notes to the accounts on pages 16 to 27 provides full information on the movements during the year on all the funds of the Academy.

All items dealt with in arriving at the excess of income over expenditure for 2003 and 2002 relate to continuing operations.

The company has no recognised gains and losses other than those included in the above results and therefore no separate statement of gains and losses has been presented.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

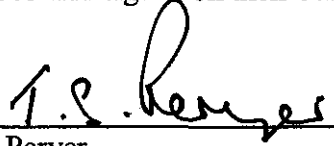
BALANCE SHEET AT 31 AUGUST 2003

	Notes	2003 £'000	2002 £'000
Fixed Assets			
Tangible Assets	12	8,669	1,740
Current Assets			
Debtors	14	1,030	121
Cash at bank and in hand		2,868	111
		<u>3,898</u>	<u>232</u>
Creditors: amounts falling due within one year	15	<u>3,838</u>	<u>165</u>
Net Current Assets		<u>60</u>	<u>67</u>
Total assets less current liabilities		<u><u>£8,729</u></u>	<u><u>£1,807</u></u>

Funds

Restricted Funds:	16		
Fixed Asset Fund		8,669	1,740
Capital Fund		60	67
DfES General Funds		-	-
Unrestricted Funds		<u>-</u>	<u>-</u>
Total Funds	17	<u><u>£8,729</u></u>	<u><u>£1,807</u></u>

The financial statements on pages 12 to 27 were approved by the Trustees on 1 December 2003 and signed on their behalf by:



T Peryer
Chair of Trustees

1 December 2003

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2003

	Year to 31.8.03 £'000	Period to 31.8.02 £'000
Notes		
Cash Inflow from Operating Activities		
Receipts		
Recurrent grant from DfES	4,239	-
Other receipts from DfES	613	-
Receipts from central or local government	14	675
Private Sector sponsorship	60	-
Other receipts	97	1
	<hr/>	<hr/>
Total Receipts	5,023	676
Payments		
Staff Costs	1,377	-
Other Cash Payments	1,709	584
	<hr/>	<hr/>
Total Payments	3,086	584
Net cash (outflow)/inflow from operating activities	1,937	92
Returns on investments and servicing of finance		
Investment income received	47	-
Capital Expenditure and financial investment		
Payments to acquire fixed assets	-5,742	-1,740
Management of liquid resources and financing		
Capital Grants from DfES	6,103	1,089
Capital Grants from Sponsors	412	670
	<hr/>	<hr/>
	6,515	1,759
	<hr/>	<hr/>
(Decrease)/Increase in cash in the year	£2,757	£111
	<hr/>	<hr/>
Analysis of changes in net funds		
	At 31 August 2002 £'000	Cash Flows At 31 August 2003 £'000
Cash at bank and in hand (including short term deposits)	<hr/> 111 <hr/>	<hr/> 2,757 <hr/>
		<hr/> 2,868 <hr/>

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003**

1. PRINCIPAL ACCOUNTING POLICIES

Format of Accounts

The Standard Format for the accounts as required by the Companies Act 1985 Schedule 4, part I has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice ("SORP 2000"). "Accounting and Reporting by Charities" and reflects the activities of the company.

Basis of Accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards.

Fund Accounting

Unrestricted General Funds are those monies which may be used towards meeting the charitable objectives of the Academy at the discretion of the Governors. Designated Funds comprise amounts set aside by Governors out of the unrestricted General Fund, for specific purposes.

Restricted Funds comprise grants from DfES and income from other sources including sponsors, which must be used for specific purposes.

Grants Receivable

Fixed asset grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted income fund on the balance sheet. The annual recurrent grant from the DfES which is intended to meet recurrent costs, is credited direct to the statement of financial activities.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and receivable by the balance sheet date.

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities at their value to the Academy, as determined by the Governors, in the period in which they are receivable, and where the benefit is both quantifiable and material.

Sponsorship

The value of sponsorship provided to the Academy is recognised in the statement of financial activities in the period in which it is receivable.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Investment Income and Interest Receivable

Investment income and interest receivable are included in the statement of financial activities on an accruals basis, and are stated inclusive of related tax credits.

Costs of Generating Funds

The costs of generating funds include all expenditure attributable to those activities. They are included in the financial statements on an accruals basis.

Management and administration

Management and administration costs include expenditure on administration of the Academy and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Allocation of Costs

Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Tangible Fixed Assets

The fixed assets of the Academy comprise those transferred to it on incorporation, together with subsequent additions. Assets transferred upon incorporation have not been valued in the Balance Sheet as the Trustees believe their value to be immaterial. The land and buildings occupied by the Academy are owned by a separate Charitable Trust, the "Site of the Greig City Academy, Haringey". Charity Reg 3983485. The land and buildings are occupied rent free by the Academy.

Where tangible fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to an appropriate restricted fund and subsequently transferred to an unrestricted fund over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Depreciation (Continued)

Tangible fixed assets are depreciated on a straight-line basis over their anticipated useful economic lives as follows:

	Annual Rate
Improvements to premises	5%
Furniture and office equipment	15%
Computer and related equipment	25%

Leased Assets

Rentals applicable to operating leases are charged to the statement of financial activities as incurred.

Stocks

Unused stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy is a registered charity and as such is exempt from Income and Corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of Value Added Tax incurred by the company has been included in the Income and Expenditure Account.

Pensions

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers Pensions on behalf of the Department for Education and Skills.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension costs are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the year.

Greig City Academy 2002/03

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)**

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Pensions (Continued)

Non-teaching members of staff employed under a contract of service are eligible to contribute to the Local Government Pension Scheme (LGPS). The LGPS, a contributory final salary scheme is administered by the Pensions Section of the London Borough of Haringey.

The requirements of FRS 17 have not been complied with as the Trustees have been advised by Pensions Administrators that the availability of information specific to the Academy's "share" of the above pension scheme is limited and that the costs of obtaining such information would be prohibitive.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)

	2003	2002
	£'000	£'000
2. General Annual Grant		
DfES grant received in the period	4,239	-
Carry over from the previous period	-	-
Total grant available to spend	<u>4,239</u>	<u>-</u>
Net GAG revenue expenditure in the period	-4,327	-
Fixed assets purchased from GAG	-9	-
Under/(over) spent grant(funded by general fund)	<u>-97</u>	<u>-</u>
3. Other DfES Grants		
Capital	6,830	1,089
Development	-	342
Implementation	-	650
Start-Up	583	-
Teachers Pensions	38	-
Intervention Funding	59	-
	<u>7,510</u>	<u>2,081</u>
4. Other Government Grants		
Haringey LEA	49	-
New Opportunities Fund	7	-
	<u>56</u>	<u>-</u>
5. Sponsorship		
Capital - Greig Trust	270	536
- London Diocesan Board for Schools	130	100
	<u>400</u>	<u>636</u>
General Purposes		
- London Diocesan Board for Schools	72	-
	<u>472</u>	<u>636</u>
6. Other Income		
Bank Interest Received	47	-
Hire & Use of Facilities	12	-
Sale of Uniforms	12	-
Catering Income	59	-
Teacher Training Agency	12	-
Sundries	2	1
	<u>144</u>	<u>1</u>

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)

7. Total Resources Expended

	Staff	Depr'n	Other	Total	Total
	£'000	£'000	£'000	2003	2002
				£'000	£'000
Direct provision of education	2,848	238	1,226	4,312	-
Educational Support	494	47	84	625	-
Management and Administration	434	32	96	562	911
Fundraising	-	-	-	-	-
	<u>3,776</u>	<u>317</u>	<u>1,406</u>	<u>5,499</u>	<u>911</u>

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

Provision of Education

	2003	2002
	£'000	£'000
Teaching and educational support staff	2,848	-
Educational Supplies & Services	603	-
Examination Fees	111	-
Building and grounds maintenance	109	-
Cleaning	26	-
Energy	42	-
Supplies and Services	213	-
Catering	66	-
Other	56	-
	<u>4,074</u>	<u>-</u>
Depreciation (charged to restricted fixed asset fund)	238	-
Total	<u>4,312</u>	<u>-</u>

Education Support Costs

	£'000	£'000
Support Staff	494	-
Building and grounds maintenance	22	-
Cleaning	5	-
Energy	8	-
Supplies and Services	30	-
Catering	13	-
Other	6	-
	<u>578</u>	<u>-</u>
Depreciation (charged to restricted fixed asset fund)	47	-
Total	<u>625</u>	<u>-</u>

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES (continued)
Management and Administration of the Academy

	2003	2002
	£'000	£'000
Management and Administration Staff	434	-
Building and grounds maintenance	18	-
Cleaning	4	-
Energy	8	-
Supplies and Services	44	-
Catering	9	-
Development Costs	-	261
Implementation Costs	-	650
Audit Fee	9	-
Other	4	-
	<u>530</u>	<u>911</u>
Depreciation (charged to restricted fixed asset fund)	32	-
Total	<u>562</u>	<u>911</u>

9. EMOLUMENTS OF GOVERNORS

The governors of the Academy did not receive any payment from the Academy (except for re-imbursement of properly incurred expenses totalling £nil, 2002: £749)

10. GOVERNORS AND OFFICERS INSURANCE

The Academy purchased £1,000,000 of insurance cover at a cost of £1,339 (2002 Nil) to protect the Academy from loss arising from neglect or default of its governors/ trustees, and to indemnify them against the consequence of neglect or default on their part.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)

11. Staff Costs

The average number of persons (including senior post holders) employed by the Academy during the period, expressed as full time equivalents was;

	2003	2002
	Number	Number
Provision of education	55	-
Education support costs	19	-
Management and Administration	31	-
	<u>105</u>	<u>-</u>

Staff costs for the above persons

	2003	2002
	£'000	£'000
Wages and Salaries	2,810	-
Social Security Costs	200	-
Pension Contributions	287	-
Total Staff Costs	<u>3,297</u>	<u>-</u>

The number of employees during the period who earned over £50,000 in the year (including benefits) was as follows:

	Number	Number
£50,001 - £60,000 per annum	9	-
£90,001 - £100,000 per annum	<u>1</u>	<u>-</u>

Pensions

There are two pension schemes available to the employees of the Academy, the Teachers Pension Scheme, and the London Borough of Haringey's 'Local Government Pension Scheme'.

TEACHERS PENSION SCHEME (TPS)

The Teachers Pension Scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments.

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

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)

11. Staff Costs (continued)

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2001
Value of assets (estimated future contributions together with the proceeds from the notional investments held at valuation date)	£142,880 million

The assumed rate of return is 3.5% in excess of price increases and 2% in excess of earnings.

The assumed gross rate of return is 7%.

For the period from 1 September 2002 to 31 March 2003, the employer contribution was 8.35%. From 1 April 2003, the employer contribution increased to 13.5%.

LOCAL GOVERNMENT PENSION SCHEME (LGPS)

The Academy has arranged membership of the London Borough of Haringey's Local Government Pension Scheme (LGPS) for those non-teaching staff who wish to avail themselves of the facility.

As explained in note 1 'Principal Accounting Policies', the requirements of FRS 17 have not been complied with as the information specific to the Academy's 'share' of the scheme is not available.

The employer contribution rate to the LGPS was 17.3% throughout the year.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003
(Continued)

12. Tangible Fixed Assets	Improvements to Premises £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
Cost or valuation				
As at 31 August 2002	1,423	1	316	1,740
Additions	6,806	158	282	7,246
At 31 August 2003	8,229	159	598	8,986
Depreciation				
As at 31 August 2002	-	-	-	0
Charge for year	229	9	79	317
At 31 August 2002	229	9	79	317
Net book value at				
At 31 August 2003	8,000	150	519	8,669
At 31 August 2002	1,423	1	316	1,740

The land and buildings occupied rent free by the Academy are owned by a separate trust and are not therefore included in the accounts of the Academy. Expenditure incurred by the Academy in Premises improvements is capitalised and is depreciated over the anticipated useful economic life of the buildings, from the date of occupation.

The Net Book Value at 31 August 2003 represents Fixed Assets used for:

	Improvements to Premises £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
Provision of Education	6,000	113	519	6,632
Support Services	1,200	22	-	1,222
Management and Administration	800	15	-	815
	8,000	150	519	8,669

	2003 £'000	2002 £'000
Source of funding for Assets acquired		
DfES Capital Grants	7,919	1023
DfES Development Grant	81	81
Private sector capital sponsorship	976	636
General purpose fund (grant income)	10	-
	8,986	1,740

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

13. Fixed Asset Investments (Continued)

The Academy held no investments at 31 August 2003.

14. Debtors	2003	2002
	£'000	£'000
Capital Grant Debtors	847	120
Amounts due from LB Haringey	95	1
Other Grant Debtors	67	-
Other Debtors	21	-
	<u>1,030</u>	<u>121</u>

15. Creditors: amounts falling due within one year:	£'000	£'000
Trade Creditors	1,667	127
Taxation and Social Security	78	-
Sundry Creditors	1,855	35
Accruals	238	3
	<u>3,838</u>	<u>165</u>

Sundry Creditors represents the amount due to the London Borough of Haringey in respect of salary funding for the period September 2002 to March 2003.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003**

(Continued)

16. Restricted Funds

The Restricted General Fund is intended to fund the operating costs of the Academy.

The Restricted Capital Fund is set aside to fund future capital purchases.

The Restricted Fixed Asset Fund is set aside to fund future depreciation.

	Balance at 31/8/02	Incoming Resources & transfers	Expenditure gains, losses & transfers	Balance at 31/8/03
	£'000	£'000	£'000	£'000
General Annual Grant	-	4,239	4,336	-97
Other DfES Grants	-	680	651	29
LEA Grants	-	49	49	-
New Opportunities Fund	-	7	7	-
Private Sector Sponsorship	-	72	-	72
Other Income	-	70	74	-4
Restricted General Funds	-	5,117	5,117	-
 DfES Capital Grant	 67	 6,830	 6,897	 -
Private Sector Capital Sponsorship	-	400	340	60
Restricted Capital Fund	67	7,230	7,237	60
 Restricted Fixed Asset Fund	 1,740	 6,929	 -	 8,669
	1,807	19,276	12,354	8,729

17. Analysis Of Net Assets Between Funds

Fund balances at 31 August 2003 are represented by:

	Unrestricted General Fund £'000	Restricted Funds			Total Funds £'000
		Fixed Assets £'000	Capital £'000	General £'000	
Tangible Fixed Assets	-	8,669	-	-	8,669
Current Assets	-	-	1,729	2,169	3,898
Creditors: Amounts falling due within one year	-	-	-1,669	-2,169	-3,838
Total Net Assets	-	8,669	60	-	8,729

18. Related Party Transactions

There were no related party transactions involving the Trustees during the year.

19. Capital Commitments

	2003 £'000	2002 £'000
Contracted for, but not provided in the accounts	6,053	-
Authorised by governors, but not yet contracted	1,376	-
DfES Capital Grant	6,405	-
Funded by Sponsors Capital Grant	1,024	-

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

DETAILED INCOME AND EXPENDITURE
for the year ended 31st August 2003

INCOME	2003 £	2002 £
General Annual Grant	<u>4,239,179</u>	<u>0</u>
DfES Capital Grants	6,830,313	1,089,000
DfES Development Grants	0	342,000
DfES Implementation Grants	0	650,000
Other DfES Grants		
Start Up	583,198	0
Teachers Pensions	37,866	0
Intervention Funds	58,750	0
	<u>7,510,127</u>	<u>2,081,000</u>
Other Government Grants		
Mobility Project	42,000	0
LEA Grants	6,920	0
New Opportunities Fund	7,000	0
	<u>55,920</u>	<u>0</u>
Private Sector Sponsorship		
Capital Grants LDBS	130,000	100,000
Greig Trust	270,000	536,000
Other Grants LDBS	72,000	
	<u>472,000</u>	<u>636,000</u>
Other Income		
Hire of Facilities	12,638	0
Sales of Uniforms	11,730	0
Catering Income	59,017	0
Interest Received	47,276	0
Teacher Training Agency	11,117	0
Other Income	2,312	1,000
	<u>144,090</u>	<u>1,000</u>
Total Income	<u><u>£12,421,316</u></u>	<u><u>£2,718,000</u></u>

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

DETAILED INCOME AND EXPENDITURE
for the year ended 31st August 2003

EXPENDITURE	2003	2002
	£	£
General Annual Grant		
Staff Costs		
Teaching	2,505,121	0
Educational Support	329,010	0
Other		
Premises	121,819	0
Admin & Clerical	193,291	0
Catering	53,544	0
Other	0	0
Indirect Employee Expenses		
Staff Advertising	0	0
Development & Training	9,592	0
Staff Related Insurance	14,461	0
Total GAG Staff Costs	3,226,838	0
Maintenance of Premises		
Buildings Maintenance	76,725	0
Grounds Maintenance	10,338	0
	87,063	0
Other Occupancy Costs		
Cleaning	34,115	0
Water & Sewerage	9,212	0
Energy	56,635	0
Rates	0	0
Other	21,446	0
	121,408	0
Educational Supplies & Services		
Books & Materials	122,165	0
Furniture & Equipment	4,881	0
Transport	3,667	0
ICT Resources	46,724	0
Examination Fees	111,108	0
Bought In Services	5,356	0
Other	0	0
	293,901	0
Balance carried forward to next page	3,729,210	0

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

DETAILED INCOME AND EXPENDITURE
for the year ended 31st August 2003

EXPENDITURE (continued)	2003	2002
	£	£
General Annual Grant (continued)		
Balance brought forward	3,729,210	0
Other Supplies & Services		
Admin Supplies	47,303	0
Catering	28,852	0
Special Facilities	57,732	0
Insurance	37,226	0
Agency Supply Staff	375,712	0
Bought In Services	51,158	0
	<u>597,983</u>	<u>0</u>
Total GAG Expenditure	<u>4,327,193</u>	<u>0</u>
Other DfES Grant Related Expenditure		
Staff Costs	92,511	0
Maintenance of Premises	58,482	0
Educational Supplies & Services	465,705	0
Other Supplies & Services	33,787	0
	<u>650,485</u>	<u>0</u>
Other Government Grant Related Expenditure		
Staff Costs	55,920	0
Maintenance of Premises	0	0
Educational Supplies & Services	0	0
Other Supplies & Services	0	0
	<u>55,920</u>	<u>0</u>
Other Expenditure		
Staff Costs	26,669	0
Maintenance of Premises	7,186	0
Educational Supplies & Services	42,621	0
Other Supplies & Services	71,288	0
	<u>147,764</u>	<u>0</u>

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

DETAILED INCOME AND EXPENDITURE
for the year ended 31st August 2003

EXPENDITURE (continued)	2003	2002
	£	£
Development Costs	0	261,000
Implementation Costs	0	650,000
Depreciation	317,485	0
Total Expenditure	<u>£5,498,847</u>	<u>£911,000</u>