

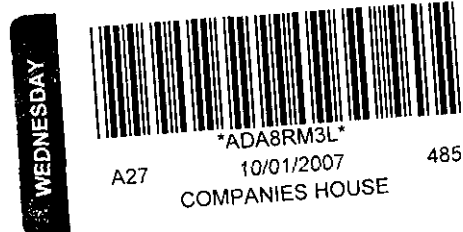
GREIG CITY ACADEMY

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2006

Charity Registration Number: 1088610
Company Registration Number: 4220486



GREIG CITY ACADEMY
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2006

CONTENTS	Page
Legal and Administrative Information	2
Report of the Governors	3-14
Independent Auditors' Report	15-16
Statement of Financial Activities	17
Income and Expenditure Account	18
Balance Sheet	19
Cash Flow Statement	20
Principal Accounting Policies	21-23
Notes forming part of the Financial Statements	24-37
The following pages do not form part of the statutory financial statements:	
Detailed Income and Expenditure Account (Revenue Account)	38-39
Detailed Income and Expenditure Account (Capital Account)	40

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	17/04/02	HS & SV Greig Trust
Thomas Peryer	21/05/01	London Diocesan Board for Schools
Mitford O'Dean	20/05/02	East Haringey Deanery
Sheila Taylor	06/12/04	West Haringey Deanery Synod
Benjamin Reynolds	11/09/02	Members of the Trust
Richard Protasiewicz	01/04/02	Elected Support Staff Governor
Ama Iyoyo	01/03/03 to 21/09/06	Elected Parent Governor
Penelope Cox	01/03/03	Elected Parent Governor
Denise Barton	08/02/05	Appointed Parent Governor
Paul Sutton	01/09/04	Principal
Quincy Prescott	01/12/03	Appointed Community Governor
Andrew Johnston	30/11/05	London Diocesan Board for Schools
Helen Ormiston	01/02/06	London Diocesan Board for Schools
Rev. John Wood	17/05/06	Bishop of Edmonton's Appointee
Marion Foran	30/05/02 to 29/05/06	Elected Teacher Governor
Jon Holt	25/09/06	Elected Teacher Governor
Rev. Jonathan Trigg	16/07/01 to 30/01/06	Bishop of Edmonton's Appointee

Company Secretary

Viv Oxley 29/11/04

Registered Office

Hornsey High Street
Hornsey
London
N8 7NU

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

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

The Governors present their report with the financial statements of the charitable company for the year ended 31 August 2006. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 21 to 23 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 1985, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Greig City Academy is a company limited by guarantee and a registered charity, which 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 of the Company are the HS & SV Greig Trust and the London Diocesan Board for Schools with the Department for Education & Skills as the primary funder; the sponsors nominate the principal members of the Company.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceases to be a member.

Governors and Governance Arrangements

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*)
- d) One person appointed by the Secretary of State (*Mr Peter Fair*)
- e) Any further members appointed by the above (*None*)

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

The affairs of the company 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

During the period ending 31 August 2006, the full Governing Body met on 6 occasions and the Committees met at least termly. 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

The Governing Body has also adopted a set of procedures (in addition to the Articles of Association) and these are reviewed and adapted as the Company develops. The School is also bound by the provisions of the Funding Agreement which is an agreement between the school and the Department for Education & Skills.

As set out in the Articles of Association '*The Governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the school and shall consider any advice given by the Principal*'

The Principal is responsible for the internal organisation, management and control of the City Academy; and for advising on and implementing the City Academy's strategic framework. In particular the Principal and his Senior Leadership Team formulate aims and objectives, policies and targets for the Governing Body to consider adopting. The Principal is responsible for discharging many responsibilities on the Governing Body's behalf, as well as for discharging his own responsibilities.

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

The Governing Body of Greig City Academy has three primary roles:

- To set the school's strategic direction: its mission, ethos, core values; overall aims and objectives
- To secure accountability for the school for example by reporting to key stakeholder groups and providing information for those groups; or by hearing appeals against decisions of the school
- To monitor and evaluate the schools performance for example against past performance, against other 'like' schools and against its own improvement plan, budgets and policies

In particular this means exercising responsibility for and oversight over the following:

- The overall policy and strategic direction of Greig City Academy
- The Mission and Vision of the Greig City Academy
- The School Development Plan
- The adoption and monitoring of Key Targets for Greig City Academy
- The adoption of the annual budget and major financial decisions
- The overall curriculum
- The Annual Report and Accounts
- School policies
- The overall governance of Greig City Academy including oversight of committees and appointment of governors
- Any statutory inspection of the school
- Relations with the sponsors of Greig City Academy and the Department for Education & Skills

Financial Responsibilities of the Governors

Company law requires the Governors to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure for the financial year. In preparing financial statements giving a true and fair view, the Governors recognise their responsibility to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and then prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Governors recognise their responsibility for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Academy and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Academy.

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

The Governors confirm that so far as they are aware, there is no relevant audit information of which the Academy's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Academy's auditors are aware of that information.

Key Relationships with Related Parties

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.

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 contributed £464,000 towards the capital programme spread over the first five years of the Company's life.

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 £1.536 million pounds over five years. The final payments of its contribution are due in 2006/7; thereafter it is expected that the school will continue to benefit from grants from this Trust. Three members of the governing body are also trustees of the HS & SV Greig Trust.

Greig City Academy will continue 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.

Risk Management

The Trustees have during the course of year in full governors' meetings as well as in committee meetings and activity over the year explicitly and implicitly reviewed the risks to which the Academy might be exposed, including, for example, risks linked to the finances, reputation, education and staff and student welfare. A risk register is being developed. Policies and procedures are in place to manage and minimise risks eg the responsible officer reviews the financial controls and procedures on a monthly basis; one governor and a senior member of staff have undergone training as recommended by the DfES for Safer Recruitment of staff; the Health & Safety policy has been updated.

Internal Financial Controls

The Governors acknowledge their overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

The Academy'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 period financial reports which are reviewed and agreed by governors
- Regular reviews by the Finance, Personnel and Premises Committee of reports which indicate financial performance against forecast and of major purchase plans, capital works and expenditure programme
- 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 Governors have appointed a Responsible Officer who visits the Academy on a monthly basis to perform a range of checks on the Academy's financial systems and to give advice on financial matters. He reports regularly to the Audit Committee and his report together with the response of the Finance Officer are reviewed by members of that Committee.

These arrangements provide reasonable but not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives of Greig City Academy

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.

The sole activity of the company is the operation of the Greig City Academy which provides education for pupils of different abilities between the ages of 11 and 19.

The main objectives of the Academy during the year ended 31 August 2006 are summarised below:

- To provide for every child high-quality education appropriate for their needs
- To support the education of every child by providing high-quality resources and care
- To maximise the standard of educational achievement of all pupils
- To develop both the curriculum and organizational structure of the Academy to maintain and improve effectiveness

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

- To ensure that the Academy operates within the resources made available to it
- To comply with appropriate statutory requirements and good practice
- To maintain and develop closer links with the wider school community
- To conduct all of the Academy's business in accordance with the principles and practices of the Church of England and the highest standards of integrity, probity and openness.

Strategies and activities

The main strategy of the Academy is encapsulated in our mission statement 'Achievement in a Christian Community'. This broad statement covers the activities provided which include:

- Creating appropriate learning opportunities for all students to gain high-quality academic qualifications within the formal organisation of the day and the curriculum
- Extending the learning opportunities for pupils through additional activities such as work experience placements, sporting and enrichment activities after school, off-site challenging outdoor activities including the Duke of Edinburgh scheme
- Recruiting the best staff possible and providing appropriate training opportunities for all staff
- Continuing to maintain and develop the buildings and resources so as to provide a high quality learning environment for students and staff

Equal Opportunities Policy

The governors recognise that equal opportunities should be an integral part of everyday 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 needs and contribution of the whole school community are fully valued.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Achievements and Performance

This year has been the fourth full year of the Academy. The progress of previous years has been maintained and the school is in its strongest position since it was opened as an Academy. Further milestones were passed during the year demonstrating that the school's journey towards the destination of becoming a truly high quality school is on course. Some of these milestones and achievements include:

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

Further improved examination performances:

Key Stage 3 Results

	2003-04	2004-05	2005-06	National Average 2005-06
% of students achieving Level 5 or above	English 55% Maths 39% Science 32%	E 60% M 48% S 43%	E 61% M 50% S 51%	E 72% M 77% S 72%
% of students achieving Level 6 or above	English 17% Maths 21% Science 6%	E 20% M 25% S 16%	E 10% M 29% S 25%	E 34% M 57% S 41%

Key Stage 4 Results

	2003-04	2004-05	2005-06	National Average 2004-05*
% of students achieving 5 A*-C grades or more	26%	54%	60%	57.1%
% of students achieving 5 A*-C grades or more including both English and Maths	10%	10%	16%	44.3%
% of students achieving 5 A*-G grades or more	84%	81%	86.9%	90.2%
% of students achieving at least 1 A*-G grade	95%	100%	95.9%	97.4%

Advanced Level

The pass rate for students taking examinations at A2 (A-level) in 2006 was 83% with 44% of grades being at A-C.

Destinations

148 students in Year 11 in 2005-06 progressed as follows:

- GCA 6th form 54
- Other 6th forms 12
- FE College 66
- Other, including employment 16

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

Progression routes for Year 13 students are not yet finalised but 16 of the 17 students taking A2 examinations gained university places.

BTEC Results Post 16 2005-2006

Level 2 Vocational Courses (Equivalent to GCSE level)

Travel and Tourism

This is a one year full time course linked with English and Maths or another Level 2 course equivalent to **two A-C grades at GCSE**. Aimed at students with a vocational interest and those who need to build up GCSE points scores to enter Advanced level pathways. 9 were entered for the award and all passed with 4 gaining distinction and 4 gaining merit awards.

Performing Arts

The level 2 Acting course is a 2 year programme equivalent to 4 A-C GCSE passes. All 3 students passed their units for the year.

Level 3 Vocational Courses (Equivalent to 2 A levels)

Music National Certificate

This is a Level 3 course (Equivalent to 2 A-Levels). All 5 have passed all required Units for year 1 with a significant number of Merits and Distinction grades. All 5 students have continued with this course.

BTEC Courses for 2006-7

GCA now has approval to offer a wider range of vocational courses at Post 16.

Music Practice	Nat Award L3 (2 A levels)	11 candidates
Sport performance	First Diploma (4 GCSE)	5
ICT Practitioners	First Certificate (2 GCSE)	13
Travel & Tourism	First Diploma (4 GCSE)	20
Music	First Diploma (4 GCSE)	3

In Year 10/11 BTEC Dance has been introduced with 20 candidates

Attendance

	2003-04	2004-05	2005-06	National Average 2005-06
Attendance	90.23%	91.29%	92.76%	92.08%
Authorised absence	8.12%	7.36%	6.45%	6.70%
Unauthorised absence	1.61%	1.35%	0.79%	1.22%

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

In terms of Value-Added and overall improvement, these results are likely to put Greig City Academy, once again, at the top of the progress 'League Tables' for all schools in England when they are published. Despite these excellent results, staff and governors know that progress must be consolidated and further improved upon especially in the core subjects given the new changes in reporting results.

Improved student behaviour and attitudes to learning

Visitors continued to be impressed by the orderly atmosphere in the school when they are shown around. Last year the number of fixed-term exclusions was again held to the relatively low number of 28, a reduction on the previous year and once again there were no permanent exclusions. Punctuality in the morning is slowly improving although it can still be improved upon. As general wear and tear increases and the ongoing maintenance of the Academy becomes a key activity it is pleasing to report that there is little in the way of deliberate damage to the premises.

Numbers on roll

Recruitment into Year 7 is a significant indicator for the Academy. Numbers in Year 7 have increased year on year since the Academy opened. The numbers in the September 2006 Year 7 cohort are the highest ever. We have noted increased interest in the Academy both at Open Evening and in terms of our school tours. Sixth form numbers stood at 115 in November 2006, a slight increase on last year.

Denominational Inspection

During the year, the school received its first denominational inspection whereby the Church of England character of the school was reviewed. A number of positive comments were made together with recommendations for future action.

Leadership

During the course of the year governors, students and staff were delighted to welcome back full-time, the Principal, Paul Sutton, following the accident he sustained in 2005.

Plans for future periods

- The Academy will continue to put in place a range of programs and activities designed to improve levels of performance for both students and staff.
- The Academy faces a significant challenge in terms of recruitment to the Sixth Form given the extremely small cohort currently in year 11. Plans are already in place to address this issue.
- Two major building projects are planned for this coming year. The complete refurbishment of our Technology Block will bring this department up to the standard of other curriculum areas. The second project is the remodelling of our canteen facilities, again, an area of the building currently not up to standard; in addition it is intended to improve significantly the quality of food available to students through new procurement arrangements

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

FINANCIAL REVIEW

Financial Report for the Year

The financial position of the Academy at the end of the financial year was generally sound with each of the separate funds managed by the Academy remaining in surplus at the year end.

Most of the City Academy's income in the period ended 31 August 2006 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.

The various funds of the Academy and the movements thereon are as set out in the Statement of Financial Activities ("SOFA") on page 17. This shows that, before transfers and other adjustments, the unrestricted general fund had a surplus for the year of £13,000, the restricted capital fund had a surplus for the year of £313,000, the restricted general fund had a surplus for the year of £310,000 and the Restricted Governors Fund had a surplus for the year of £4,000. Depreciation of £1,199,000 was charged against the fixed asset fund. This year, the Academy fully adopted FRS17 (as described in the Accounting Policies and note 21 to the financial statements) for the first time. FRS17 obliges us to recognise a pension scheme liability of £205,000 (2005: £180,000) in our balance sheet, and the liability at 31 August 2005 has been introduced as a prior year adjustment (£180,000). The increase in the liability during the year ended 31 August 2006 of £25,000 is recognised under appropriate income and expenditure headings and categories within the SOFA, as an unrestricted fund. Taking into account transfers between funds and the results narrated above, the balance on each fund at 31 August 2006 were as summarised below:

	£
Unrestricted General Fund (Pension Fund Deficit)	(205)
Restricted Funds:	
Fixed Assets Fund	12,722
Capital Fund	403
General Fund	73
Governors' Fund	206
	<hr/>
Total	<u>£13,199</u>

The balance sheet restricted fixed asset fund will be reduced by depreciation charges over the expected useful life of the assets concerned.

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

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.

Policy on Reserves

The policy of the governors at the present time is that funds received from the DfES and via the local authority are all required for the annual running costs of the school and that these should not normally be allowed to accumulate as a reserve fund, other than those reserves which are represented in or earmarked for the tangible fixed assets of the company, namely the buildings and contents. In addition the Governors would wish to see a positive balance in its General Funds not exceeding 5% of the annual grants payable to it from the DfES and the local authority; this balance would be used to manage any unexpected calls on expenditure during the year. There are also DfES restrictions as to the level of funding that can be carried forward from year to year. The one exception to this rule is the Governors Discretionary Fund which now stands at £206,000 and which represents the residue of a sum of money given to the Academy by the London Diocesan Board for Schools, and interest thereon. Income from the Fund is to be used at the discretion of the Principal. In due course it may be necessary to build up a further reserve fund so as to provide for future capital needs. The City Academy has a number of restricted funds. The purpose of these funds is set out in Note 16.

The Pension Reserve Deficit will be funded from future contributions to the scheme in accordance with the advice of our actuaries.

Investment Policy and Practice

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. The Charity has not engaged in any investment of surplus funds during the period under review.

Statement of payment practice

The Academy aims to enjoy good relationships with all its suppliers and prompt payment for goods and services is important, especially for our smaller suppliers. For the past year, trade creditors at the end of the year amounted to £66k, and payments to trade creditors during the year amounted to £1,051k. The average payment days equate to 22.92 days over the 365 day year. For the previous year comparable figures were £113k and £1,305k respectively with payment days at 31.60 days on average.

Fund Review

Details of the Academy's funds are set out in note 16 to the financial statements.

GREIG CITY ACADEMY

REPORT OF THE GOVERNORS – 31 AUGUST 2006

Auditors

A resolution proposing that Baxter & Co be re-appointed as auditors of the Charity will be put to the Annual General Meeting.

Approval

The AGM of the company is to be held on 25 January 2007. The report of the Trustees was approved on 7 December 2006 and signed on its behalf by:

T Peryer
Chair of Trustees
7 December 2006

T.S. Peryer

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GREIG CITY ACADEMY

We have audited the financial statements on pages 17 to 37 which have been prepared under the historical cost convention and the accounting policies set out on pages 21 to 23.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Governors and Auditors

As described on pages 5 and 6 the Trustees of the charity, who are also Governors of the school and directors of Greig City Academy for the purpose of Company Law, are responsible for preparing the Annual Report. This includes responsibility for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the governors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding governors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the governors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We review whether we are satisfied that the City Academy's systems of internal controls are such as to comply with the obligations placed on the Governing Body by the Secretary of State for Education and Skills.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the City Academy at 31 August 2006 and of its incoming resources and application of resources including its income and expenditure, cash flows and recognised gains and losses in the period then ended and have been properly prepared in accordance with the Companies Act 1985;
- 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 period;
- c) proper accounting records have been kept by the City Academy throughout the financial period;
- d) grants made by the Department for Education and Skills have been applied for the purposes intended;
- e) the information given in the governors' report is consistent with the financial statements;

BAXTER & CO

Registered Auditors
Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

Baxter C
7th December 2006

GREIG CITY ACADEMY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2006**

		Unrestricted	Restricted Funds 2006				Total	(Re-stated)
	Notes	General	Fixed	Capital	General	Governors'	Funds	Total
		Fund	Assets		Funds	Fund	2006	Funds
		£'000	£'000	£'000	£'000	£'000	£'000	2005
								£'000
Incoming Resources								
Generated funds:								
- Voluntary income	3	-	-	309	73	-	382	436
- Activities for generating funds	4	3	-	-	-	-	3	2
Investment income	5	10	-	4	-	4	18	23
Charitable activities:								
- Funding for the Academy's educational operations	2	-	-	-	5,729	-	5,729	6,878
Total incoming resources		13	-	313	5,802	4	6,132	7,339
Resources Expended								
Costs of generating funds:								
- Voluntary income		-	-	-	41	-	41	34
Charitable activities:								
- Academy's educational operations	7	26	1,199	-	5,436	-	6,661	6,167
Governance costs	8	-	-	-	15	-	15	13
Total resources expended	6	26	1,199	-	5,492	-	6,717	6,214
Net incoming/(outgoing) resources before transfers		(13)	(1,199)	313	310	4	(585)	1,125
Gross transfers between funds	17	(60)	211	89	(300)	60	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(73)	(988)	402	10	64	(585)	1,125
Other recognised gains and losses								
Actuarial gains/(losses) on defined benefit pension schemes	21	-	-	-	-	-	-	(89)
Net movement in funds		(73)	(988)	402	10	64	(585)	1,036
Funds brought forward (as originally stated)		48	13,710	1	63	142	13,964	12,847
Prior Year Adjustment	22	(180)	-	-	-	-	(180)	-
Total funds carried forward		£(205)	£12,722	£403	£73	£206	£13,199	£13,883

GREIG CITY ACADEMY

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2006**

Line No	Notes	(Re-stated)	
		2006 £'000	2005 £'000
Income			
1	General Annual Grant (GAG)	4,786	4,168
2	DfES Capital Grant	-	1,833
3	Other DfES Grants	29	83
4	Other Government Grants	914	794
5	Private Sector Sponsorship and Other Income	382	436
6	Activities for Generating Funds	3	2
6	Interest	18	23
7	Total Income	6,132	7,339
Expenditure			
	6		
8	General Annual Grant (GAG) related expenditure	4,460	4,148
9	Other DfES Grants related expenditure	78	199
10	Other Government Grants related expenditure	913	630
11	Depreciation	1,199	1,177
12	Other expenditure	67	60
13	Total Expenditure	6,717	6,214
14	Excess of Income over Expenditure(Expenditure over Income)	£(585)	£1,125

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 August 2006**

Excess of Income over Expenditure(Expenditure over Income)	(585)	1,125
Actuarial (losses) gains on defined benefit pension schemes	21	(89)
Prior Year Adjustment	22	(180)
Total recognised gains and losses for the year	<u>£(765)</u>	<u>£1,036</u>
Net movement to/(from) funds		
15 Restricted funds	(512)	1,069
16 Unrestricted funds	(253)	(33)
	<u>£(765)</u>	<u>£1,036</u>

The Income and Expenditure Account is derived from the Statement of Financial Activities on page which, together with the notes to the accounts on pages 24 to 37 provides full information on the movements during the year on all the funds of the Academy.

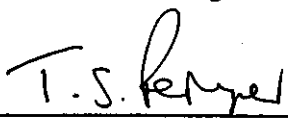
All of the Academy's activities derived from continuing operations during the above two financial periods.

GREIG CITY ACADEMY

BALANCE SHEET
AS AT 31 AUGUST 2006

Line No	Notes	2006 £'000	(Re-stated) 2005 £'000
Fixed Assets			
18	Tangible Assets 12	12,722	13,710
Current Assets			
22	Debtors 14	96	263
23	Cash at bank and in hand	1,150	364
24		1,246	627
25	Creditors: amounts falling due within one year 15	564	373
26	Net Current Assets	682	254
27	Total Assets less Current Liabilities (excluding pension liability)	13,404	13,964
	Pension Scheme Liability 21	(205)	(180)
	Net Assets Including Pension Liability	<u>£13,199</u>	<u>£13,784</u>
Funds			
	Restricted Funds: 16		
28	Fixed Asset Fund	12,722	13,710
	Capital Fund	403	1
29	General Funds	73	63
	Governors' Discretionary Fund	206	142
31	Unrestricted Funds	-	48
	Pension Reserve	(205)	(180)
	Total Funds	<u>£13,199</u>	<u>£13,784</u>

The financial statements on pages 17 to 37 were approved by the Trustees on 7 December 2006 and signed on their behalf by:


 T Peryer
 Chair of Trustees

GREIG CITY ACADEMY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2006**

	2006 £'000	(Re-stated) 2005 £'000
Operating Activities		
Receipts		
Recurrent grant from DfES		
-General Annual Grant (GAG)	4,786	3,903
-Other Grants		
Other receipts from DfES	129	283
Receipts from Government	961	848
Other receipts	69	118
Total Receipts	<u>5,945</u>	<u>5,152</u>
Payments		
Staff Costs	4,270	3,652
Other Cash Payments	1,051	1,305
Total Payments	<u>5,321</u>	<u>4,957</u>
Net cash inflow from operating activities	<u>624</u>	<u>195</u>
Returns on investments and servicing of finance		
Investment income received	<u>13</u>	<u>18</u>
Capital (Expenditure) / Income		
Capital Grants from DfES	-	2,081
Capital Funding received from Sponsors	327	260
Other Capital Income	4	5
Purchases of fixed assets	<u>(182)</u>	<u>(2,608)</u>
	<u>149</u>	<u>(262)</u>
Management of liquid resources and financing		
Increase / (Decrease) in cash	<u><u>786</u></u>	<u><u>(49)</u></u>
Reconciliation of net cash flow to movement in net funds		
Increase / (Decrease) in Cash	<u>786</u>	<u>(49)</u>
Change in net Funds	<u>786</u>	<u>(49)</u>
Net Funds at 1 September 2005	<u>364</u>	<u>413</u>
Net Funds at 31 August 2006	<u><u>1,150</u></u>	<u><u>364</u></u>

Analysis of changes in net funds

	At 1 September 2005 £'000	Cash Flows £'000	At 31 August 2006 £'000
Cash at bank and in hand (including short term deposits)	<u>364</u>	<u>786</u>	<u>1,150</u>

GREIG CITY ACADEMY
PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2006

Format of Financial Statements

The Standard Format for the financial statements as required by the Companies Act 1985 Schedule 4, part 1 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and reflects the activities of the Academy.

Basis of Accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005.

Incoming Resources

Grants Receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

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 are receivable at 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 as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Interest Receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Resources Expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Allocation of Costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. 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. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

GREIG CITY ACADEMY

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2006 (Continued)

Governance Costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund Accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfES and other donors which are to be used for specific purposes as explained in note 16.

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 Registration Number 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.

Depreciation

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

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

Stock

Unused stock is valued at the lower of cost or net realisable value.

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

GREIG CITY ACADEMY

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2006 (Continued)

Taxation

The Academy is a registered charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the Academy has been included in the statement of financial activities.

Pensions

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 21.

Defined Benefit Schemes

Teachers' Pension Scheme

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. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

Local Government Pension Scheme

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

GREIG CITY ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

		(Re-stated)
	2006	2005
	£'000	£'000
1. GENERAL ANNUAL GRANT (GAG)		
a. Results and Carry Forward for the Year		
GAG brought forward from previous period	15	-
GAG allocation for the current period	4,786	4,168
Total GAG available to spend	4,801	4,168
 Recurrent expenditure from GAG	(4,460)	(4,148)
Fixed assets purchased from GAG	(122)	(5)
Transfer to the Capital Fund	(178)	-
GAG carried forward to next year	41	15
 Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(574)	(500)
GAG to surrender to DfES		
(12% rule breached if result is positive)	(533)	(485)
	(no breach)	(no breach)
 b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes		
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
 Recurrent expenditure from GAG in current year	4,460	4,148
GAG allocation for the current year	(4,786)	(4,168)
GAG allocation for the previous year x 2%	(83)	(71)
GAG b/fwd from previous year in excess of 2% used on recurrent expenditure in the current year	(409)	(91)
(2% rule breached if result is positive)	(no breach)	(no breach)
 2. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS		
General Annual Grant (GAG)	4,786	4,168
 Other DfES Grants		
Intervention Funding	-	65
Restructuring Grant	22	-
Other	7	18
 Other Government Grants		
Standards Funds	732	613
Devolved Formula Capital Grants	68	164
New Opportunities Fund	-	17
Teacher Training & Reimbursements	114	-
 DfES Capital Grants	-	1,833
	5,729	6,878

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

	2006	(Re-stated) 2005			
	£'000	£'000			
3. VOLUNTARY INCOME					
Capital Sponsorship					
- Greig Trust	185	230			
- London Diocesan Board for Schools	124	85			
	<u>309</u>	<u>315</u>			
Catering Income	41	34			
Donations/Other Income	32	87			
	<u>382</u>	<u>436</u>			
4. ACTIVITIES FOR GENERATING FUNDS					
Hire & Use of Facilities	<u>3</u>	<u>2</u>			
5. INVESTMENT INCOME					
Bank Interest Received (Incl. Capital Account Interest)	17	18			
Pension Finance Income	1	5			
	<u>18</u>	<u>23</u>			
6. RESOURCES EXPENDED			(Re-stated)		
	Staff	Depr'n	Other	Total	Total
	£'000	£'000	£'000	2006	2005
				£'000	£'000
Costs of generating voluntary income	<u>-</u>	<u>-</u>	<u>41</u>	<u>41</u>	<u>34</u>
Academy's educational operations					
- Direct costs	3,904	947	520	5,371	5,047
- Allocated support costs	412	252	626	1,290	1,120
	<u>4,316</u>	<u>1,199</u>	<u>1,146</u>	<u>6,661</u>	<u>6,167</u>
Governance costs	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>	<u>13</u>
	<u>4,290</u>	<u>1,199</u>	<u>1,202</u>	<u>6,717</u>	<u>6,214</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 21.

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

	2006	(Re-stated) 2005
	£'000	£'000
7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS		
Direct Costs		
Teaching and educational support costs	3,904	3,614
Depreciation (charged to restricted fixed asset fund)	947	930
Educational Supplies & Services	389	389
Examination fees	59	56
Staff development	27	27
Professional fees curriculum	45	31
Total	<u>5,371</u>	<u>5,047</u>
Allocated Support Costs		
Support Staff Costs	412	495
Depreciation (charged to restricted fixed asset fund)	252	247
Building and Grounds Maintenance	109	41
Cleaning	158	8
Rent and rates	9	7
Energy	55	58
Insurance	120	96
Occupancy Costs	27	36
Supplies and Services	124	105
Catering	24	27
Total	<u>1,290</u>	<u>1,120</u>
8. GOVERNANCE COSTS		
Legal and Professional fees	5	4
Audit fees	10	9
Total	<u>15</u>	<u>13</u>

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

9. STAFF COSTS

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

	2006	(Re-stated) 2005
	Number	Number
Charitable Activities		
Teachers	58	53
Administration and support	33	29
Management	23	23
	<u>114</u>	<u>105</u>
Governance activities	-	-
	<u>114</u>	<u>105</u>

Staff costs comprise

	2006	2005
	£'000	£'000
Wages and Salaries	3,570	3,079
Social Security Costs	296	270
Pension Contributions	394	335
Ex-gratia Payments	56	-
Total Staff Costs	<u>4,316</u>	<u>3,684</u>

The number of employees during the period who earned over £60,000 in the year (including taxable benefits but excluding employers' pension contributions) was as follows:

	Number	Number
£60,001 - £70,000 per annum	2	2
£80,001 - £90,000 per annum	1	-
£90,001 - £100,000 per annum	<u>1</u>	<u>1</u>

All of the above employees earning more than £60,000 p.a. participated in the Teachers' Pension Scheme. During the period, pension contributions for these staff amounted to £41,928.

10. GOVERNORS' REMUNERATION AND EXPENSES

The governors of the Academy did not receive any payment from the Academy (except for reimbursement of properly incurred expenses).

During the year ended 31 August 2006, travel and subsistence expenses totalling £277 were reimbursed to 2 governors.

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy purchased insurance to protect governors and officers from claims arising from negligent acts, error or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2006 was £1,150 (2005-£1,838).

GREIG CITY ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

12. TANGIBLE FIXED ASSETS

	Additions & Improvements to Premises £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
Cost or valuation				
As at 31 August 2005	14,172	404	1,637	16,213
Additions	<u>125</u>	<u>69</u>	<u>17</u>	<u>211</u>
At 31 August 2006	<u>14,297</u>	<u>473</u>	<u>1,654</u>	<u>16,424</u>
Depreciation				
As at 31 August 2005	1,542	109	852	2,503
Charge for year	<u>714</u>	<u>71</u>	<u>414</u>	<u>1,199</u>
At 31 August 2006	<u>2,256</u>	<u>180</u>	<u>1,266</u>	<u>3,702</u>
Net book value at At 31 August 2006	<u>12,041</u>	<u>293</u>	<u>388</u>	<u>12,722</u>
At 31 August 2005	<u>12,630</u>	<u>295</u>	<u>785</u>	<u>13,710</u>

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 on 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 2006 represents Fixed Assets used for:

	Additions & Improvements to Premises £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
Provision of Education	9,512	231	307	10,050
Support Services	2,529	62	81	2,672
Governance	-	-	-	-
Generating Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12,041</u>	<u>293</u>	<u>388</u>	<u>12,722</u>

	2006 £'000	2005 £'000
Source of funding for Assets acquired		
DfES Capital Grants	14,422	14,422
DfES Development Grant	81	81
Private Sector Capital Sponsorship	1,765	1,633
General Purpose Fund (grant income)	<u>156</u>	<u>77</u>
Cost of Fixed Assets at 31 August 2006	16,424	16,213
Less: Accumulated Depreciation	<u>(3,702)</u>	<u>(2,503)</u>
Net Book Value of Fixed Assets at 31 August 2006	<u>12,722</u>	<u>13,710</u>

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

13. INVESTMENTS

The Academy held no investments at 31 August 2006.

	2006	(Re-stated)
	2005	
	£'000	£'000
14. DEBTORS		
Grant Debtors:		
Standards Fund	-	76
Devolved Formula Capital	-	90
Sponsorship Debtor	37	55
Other Debtors	36	11
Prepayments	23	31
	<u>96</u>	<u>263</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Capital Expenditure Creditors	58	30
Purchase Ledger Control	66	113
Taxation and Social Security	121	84
GCA Training Allowance	83	27
Other Creditors	14	-
Accruals	222	119
	<u>564</u>	<u>373</u>

GREIG CITY ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

16. RESTRICTED FUNDS

	Balance at 31/8/05	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31/8/06
	£'000	£'000	£'000	£'000	£'000
General Annual Grant (GAG)	15	4,786	(4,460)	(300)	41
Other DfES Grants	48	29	(77)	-	-
LEA Grants	-	914	(914)	-	-
Other Income	-	73	(41)	-	32
Restricted General Funds	63	5,802	(5,492)	(300)	73
Restricted Governors' Discretionary Fund	142	4	-	60	206
DfES Capital Grant	-	-	-	-	-
Private Sector Capital Sponsorship	1	309	-	89	399
Other Income	-	4	-	-	4
Restricted Capital Fund	1	313	-	89	403
Restricted Fixed Asset Fund	13,710	-	(1,199)	211	12,722
Total Restricted Funds	13,916	6,119	(6,691)	60	13,404

The Restricted General Funds are used to fund the operating costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Restricted Governors' Funds are set aside to generate income which can be used at the discretion of the Principal.

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

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

17. ANALYSIS OF TRANSFERS BETWEEN FUNDS

(a) £132,000 has been transferred from the Capital Fund into the Fixed Asset Fund representing the cost of fixed assets purchased during the year from the Capital Fund.

(b) £300,00 has been transferred from the General Fund, £79,000 to the Fixed Asset Fund representing the cost of fixed assets purchased during the year and £221,000 to the Capital Fund earmarked for ICT capital spending.

(c) £60,000 has been transferred from the Unrestricted General Funds to the Governors' Discretionary Fund.

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2006 are represented by:

	Unrestricted	Restricted Funds				Total
	General Fund £'000	Fixed Assets £'000	Capital £'000	General £'000	Governors' Fund £'000	Funds £'000
Tangible Fixed Assets	-	12,722	-	-	-	12,722
Current Assets	-	-	461	579	206	1,246
Current Liabilities	-	-	(58)	(506)	-	(564)
Pension Scheme Liabilities	(205)	-	-	-	-	(205)
Total Net Assets	(205)	12,722	403	73	206	13,199

19. RELATED PARTY TRANSACTIONS

During the year, the Academy received sponsorship income of £309,000 (2005 £315,000) to fund capital expenditure, being £185,000 (2005 £230,000) from its main sponsors, the HS & SV Greig Trust and £124,000 (2005 £85,000) from the London Diocesan Board for Schools. Both of these bodies appoint two trustees, who are also directors of the company and Governors of the Academy. At the balance sheet date £37,000 (2005 £55,000) was due to the Academy.

20. CAPITAL COMMITMENTS

	2006 £'000	2005 £'000
Contracted for, but not provided in the accounts	1,460	175
Authorised by governors, but not yet contracted	-	-
Funded by DfES Capital Grant	1,210	-
Sponsors Capital Income	250	175

The capital commitment at 31 August 2006 represents the refurbishment of the design and technology block totalling £950,000 and the refurbishment of the kitchen £510,000.

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Haringey pension fund.

The total pension cost to the Academy during the year ended 31 August 2006 was £368,000 (2005 - £338,000) of which £303,100 (2005 - £278,000) relates to the TPS and £65,000 (2005 - £60,000) relates to LGPS.

Teachers Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as 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 below the latest information available for the scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, final salary scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local education authorities and also to teachers in many independent and voluntary-aided schools and establishments of further and higher education. Teachers are able to opt out of the TPS.

Although teachers are employed by LEAs and various other bodies, their retirement and other superannuation benefits, including annual increases payable under the Pensions (Increase) Acts, are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the TPS, which is an unfunded scheme, teachers' contributions, on a 'pay-as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pension increases). With effect from 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every five years, the Government Actuary (GA), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The actuarial review as at 31 March 2001 made the following assumptions. The balance in the Account as at 31 March 2001 shall be such that, in the current review, the value of the scheme assets equals the value of the scheme liabilities. The scheme assets consist of the notional investments and the future contributions in respect of existing members.

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

21. PENSION COMMITMENTS (Continued)

Teachers Pension Scheme (TPS) (Continued)

Thus, the balance in the Account as at 31 March 2001 will be determined as the difference between the value of the scheme liabilities and the value of future contributions.

Contributions are assessed in two parts. First, a normal contribution is determined. This is the contributions, expressed as a percentage of the salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Currently, teachers pay 6% of salary whilst their employers pay the balance of the normal contribution. Secondly, a supplementary contribution is payable by employers if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. Because the liabilities were put into balance for the 2001 valuation there is no supplementary contribution. From 1 April 2003, employers pay 13.5% of salary.

The last valuation of the TPS was for the period 1 April 1996 - 31 March 2001. The GA's report of March 2003 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £142,880 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £142,800 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 7%.

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2006 was £303,100 (2005: £278,000) which were the contributions due for the year.

Local Government Pension Scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the year ended 31 August 2006 was £95,000 of which employers' contributions totalled £65,000 and employees' contributions totalled £30,000. The agreed contribution rates for the year ended 31 August 2006 were 12.3% for employers and 6.0% for employees.

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

21. PENSION COMMITMENTS (Continued)

Local Government Pension Scheme (continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2006 by a qualified independent actuary.

The major assumptions used by the actuary were:

	At 31 August 2006	At 31 August 2005	At 31 August 2004
Rate of increase in salaries	4.6%	4.3%	4.6%
Rate of increase in pensions	3.1%	2.8%	3.1%
Discount rate for liabilities	5.0%	4.9%	5.6%
Inflation	3.1%	2.8%	3.1%

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

	Long-term rate of return expected at 31 August 2006	Value at 31 August 2006	Long-term rate of return expected at 31 August	Value at 31 August 2005	Long-term rate of return expected at 31 August	Value at 31 August 2004
		£'000		£'000		£'000
Equities	7.6%	547	7.3%	430	8.1%	397
Bonds	4.6%	156	4.6%	120	5.3%	123
Property	5.6%	51	5.3%	28	6.9%	27
Cash	4.7%	13	4.4%	12	4.5%	13
Total fair value of asset		766		589		560
Present value of scheme liabilities		971		769		659
Net pension liability		(205)		(180)		(99)

Analysis of amount chargeable to income and expenditure account

	2006 £'000	2005 £'000
Employer service cost (net of employee contributions)	91	74
Past service cost	-	-
Total operating charge	91	74

GREIG CITY ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

21. PENSION COMMITMENTS (Continued)

Local Government Pension Scheme (continued)

Analysis of pension finance income (costs)

	2006 £'000	2005 £'000
Expected return on employer's share of scheme assets	42	45
Interest on pension liabilities	<u>-41</u>	<u>-40</u>
Pension finance income (costs)	<u>1</u>	<u>5</u>
 Net charge	 90	 69

Amount recognised in the statement of total recognised gains and losses (STRGL)

	2006 £'000	2005 £'000
Actual return less expected return on pension scheme assets	41	54
Experience gains and losses arising on the scheme liabilities	1	-80
Changes in financial and demographic assumptions underlying the present value of scheme liability	<u>-42</u>	<u>-63</u>
Actuarial (loss) gain recognised in STRGL	<u>0</u>	<u>-89</u>

Movement in deficit during the year

	2006 £'000	2005 £'000
Deficit in the scheme at 1 September 2005	-180	-99
Movement in year:		
Current service cost	-91	-74
Employer contributions	65	77
Past service costs	0	-
Pension finance income (costs)	1	5
Actuarial (loss) gain	<u>0</u>	<u>-89</u>
Deficit in the scheme at 31 August 2006	<u>-205</u>	<u>-180</u>

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

21. PENSION COMMITMENTS (Continued)

Local Government Pension Scheme (continued)

History of experience gains and losses

	2006	2005	2004	2003	2002
Difference between the expected and actual return on scheme assets: (£'000)					
	41	54	8	-10	-
Value of assets (£'000)	766	589	560	417	325
Percentage of scheme assets	5.30%	9.10%	1.40%	2.40%	-
Experience gains and losses on scheme liabilities (£'000)	1	-80	-1	8	-130
Total Present Value of Liabilities (£'000)	971	769	659	477	387
Percentage of scheme assets	0.1%	(10.4%)	(0.2%)	1.7%	(33.6%)
Actuarial gain (loss) recognised in STRGL (£'000)	-	-89	-51	-23	-130
Amount (£'000)	971	769	659	477	387
Percentage of the present value of the scheme liabilities	-	(11.6%)	(7.7%)	(4.8%)	(33.6%)

Prudential AVC Pension scheme

Teaching staff can also participate in the Prudential AVC pension scheme. The assets of the Scheme are held separately from those of the Academy in an independently administered fund. The Academy does not contribute to this fund.

22. PRIOR YEAR ADJUSTMENT

The Prior Year Adjustment arises from the full adoption by the Academy of FRS 17, which requires the recognition of a pension scheme asset or liability at each balance sheet date.

The policy adopted as described in the accounting policies is reproduced below.

"The Academy's share of the LGPS assets are measured at fair value at each balance sheet date.

Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities."

Had this policy been adopted in the previous year, a liability of £180,000 would have been recorded in the balance sheet. As described in note 21, the liability recognised in the balance sheet at 31 August 2006 is £205,000. The cumulative deficit to 31 August 2005 is recognised as a prior year adjustment to reserves brought forward (reduction of £180,000), while the deficit attributable to the year ended 31 August 2006 (£25,000) is recognised in accordance with the newly adopted policy in accordance with the requirements of FRS 17. Comparative figures for 2005 have been re-stated.

GREIG CITY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

23. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills 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 Academy serving notice, the Academy 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 purpose of the Academy: 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 charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

GREIG CITY ACADEMY

**DETAILED INCOME AND EXPENDITURE
(REVENUE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2006**

(Re-stated)

Line No	INCOME		2006 £	2005 £
32	General Annual Grant (GAG)	(I06)		
	Formula Funded		4,223,575	3,824,062
	Start Up		235,925	90,732
	VAT		215,833	169,998
	Insurance		110,640	83,320
			<u>4,785,973</u>	<u>4,168,112</u>
34	Other DfES Grants			
	Intervention Funds		-	65,299
	Restructuring Grant		22,500	-
	Other	(I06)	7,347	17,821
			<u>29,847</u>	<u>83,120</u>
35	Other Government Grants			
	New Opportunities Fund		-	17,000
	Teacher Training & Reimbursements	(I07)	113,677	-
	Devolved Formula Capital	(CI01)	68,206	164,496
	Standards Funds	(I03-I05)	731,574	613,386
			<u>913,457</u>	<u>794,882</u>
37	Other Income			
	Hire of Facilities & Services	(I08)	2,940	1,890
	Sales of Uniforms	(I08)	214	7,476
	Interest Received	(I08)	12,565	12,704
	Other Income	(I08)	20,798	6,066
	Catering Income	(I09)	40,704	33,897
	Contributions to Visits etc	(I12)	11,103	-
	Donations/Other Income	(I13)	-	73,980
	Pension Fund Income	(I08)	1,000	5,000
			<u>89,324</u>	<u>141,013</u>
	Total Revenue Income		5,818,601	5,187,127
	Total Revenue Expenditure		5,518,238	5,037,027
	Revenue Surplus for the Year		<u>£300,363</u>	<u>£150,100</u>

References in brackets above correspond to Consistent Financial Reporting (CFR) coding applicable to state schools.

GREIG CITY ACADEMY

**DETAILED INCOME AND EXPENDITURE
(REVENUE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2006**

Line No.		Total 2006 £	General Annual Grant £	Other DfES Grants £	Other Government Grants £	Pension Costs £	Other Income £	(Re-stated) Total 2005 £
EXPENDITURE								
(Analysed by the source of funding)								
39	Teaching Staff							
	Teaching Staff (E01)	3,059,453	2,222,457	48,168	788,828	-	-	2,625,462
	Supply Staff (E02)	174	174	-	-	-	-	-
	Agency Supply Staff (E26)	114,029	114,029	-	-	-	-	365,737
40	Education Support Staff (E03)	748,430	673,007	-	56,423	19,000	-	620,485
41	Other Staff							
	Premises Staff (E04)	117,882	114,882	-	-	3000	-	204,148
	Admin & Clerical Staff (E05)	149,113	145,113	-	-	4000	-	151,397
	Catering Staff (E06)	55,002	55,002	-	-	-	-	64,714
	Cost of Other Staff (E07)	16,406	16,406	-	-	-	-	18,122
	Indirect Employee Expenses (E08)	55,555	33,055	22,500	-	-	-	59,045
42	Total Staff Costs	4,316,044	3,374,125	70,668	845,251	26,000	-	4,109,110
43	Maintenance of Premises							
	Building Maint. & Improvement (E12)	101,366	101,366	-	-	-	-	40,406
	Grounds Maint. & Improvement (E13)	7,311	7,311	-	-	-	-	305
44	Other Occupancy Costs							
	Cleaning & Caretaking (E14)	158,155	158,155	-	-	-	-	8,268
	Water & Sewerage (E15)	7,311	7,311	-	-	-	-	5,091
	Energy (E16)	55,492	55,492	-	-	-	-	58,022
	Rates (E17)	2,010	2,010	-	-	-	-	2,482
	Insurance Premiums (E23)	120,296	120,296	-	-	-	-	96,096
	Other Occupation Costs (E18)	27,576	27,576	-	-	-	-	35,642
45	Educational Supplies and Services							
	Learning Resources (E19)	213,019	213,019	-	-	-	-	158,418
	Exam Fees (E21)	59,307	59,307	-	-	-	-	56,102
	Bought in Prof. Supp-Curriculum (E27)	44,871	44,871	-	-	-	-	32,007
48	Technology Costs (not capitalised)							
	ICT Learning Resources (E20)	107,948	107,948	-	-	-	-	229,396
	ICT Learning Resources (CE04)	68,206	-	-	68,206	-	-	-
49	Staff Development & Training (E09)	26,762	19,415	7,347	-	-	-	26,984
46	Other Supplies and Services							
	Administrative Supplies (E22)	70,714	70,714	-	-	-	-	71,719
	Special Facilities (E24)	11,526	11,526	-	-	-	-	7,315
	Catering Supplies (E25)	64,533	23,829	-	-	-	40,704	61,262
	Bought in Prof. Supp- Other (E28)	55,791	55,791	-	-	-	-	38,402
	Total Other Expenditure	1,202,194	1,085,937	7,347	68,206	0	40,704	927,917
	Total Expenditure	£5,518,238	£4,460,062	£78,015	£913,457	£26,000	£40,704	£5,037,027

References in brackets above correspond to Consistent Financial Reporting (CFR) coding applicable to state schools.

GREIG CITY ACADEMY

DETAILED INCOME AND EXPENDITURE (CAPITAL ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2006

Line No	2006 £	2005 £
INCOME		
33 DfES Capital Grants	-	1,833,100
36 Private Sector Sponsorship		
Greig Trust	124,000	230,000
London Diocesan Board for Schools	185,000	85,000
	<u>309,000</u>	<u>315,000</u>
37 Other Capital Income		
Bank Interest	<u>4,064</u>	<u>5,533</u>
TOTAL CAPITAL INCOME	<u><u>£313,064</u></u>	<u><u>£2,153,633</u></u>
EXPENDITURE		
55 Depreciation	<u><u>£1,198,525</u></u>	<u><u>£1,176,843</u></u>