

# **GREIG CITY ACADEMY**

(A Company Limited by Guarantee)

## **REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2008**

Charity Registration Number: 1088610  
Company Registration Number: 04220486



**GREIG CITY ACADEMY**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2008**

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# GREIG CITY ACADEMY

## REPORT OF THE GOVERNORS – 31 August 2008

### LEGAL AND ADMINISTRATIVE INFORMATION

**Greig City Academy - A company limited by guarantee.**

Charity Registration Number: 1088610

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#### Governing Document

Articles and Memorandum of Association.

<b>Trustees &amp; Directors and committee membership (see page 3)</b>	<b>Date of Appointment</b>	<b>Appointing Body</b>
Denise Barton	08/02/05 to 21/08/07	Appointed Parent Governor
Lale Deger	10/01/07 to 11/10/07	Elected Parent Governor
Nigel Greig - 3)	17/04/02	HS & SV Greig Trust
Jon Holt – 1), 2)	25/09/06	Elected Teacher Governor
Nora Mulready	01/09/06 to 08/09/08	Community Interests
Thomas Peryer	21/05/01 to 31/08/08	London Diocesan Board for Schools
Mitford O'Dean -3)	20/05/02	East Haringey Deanery
Helen Ormiston -1), 2)	01/02/06	London Diocesan Board for Schools
Jasmine Panther – 2)	04/09/07	Elected Parent Governor
Richard Protasiewicz -3)	01/04/02	Elected Support Staff Governor
Benjamin Reynolds - 1), 4)	11/09/02	Members of the Trust
Paul Sutton – 1), 2), 3), 4)	01/09/04	Principal
Sheila Taylor – 1), 2), 3), 4)	06/12/04	West Haringey Deanery Synod
(Elected Chair of Governors from 1 September 2008)		
Virginia Ward - 3), 4)	01/09/08	
David West - 1)	08/01/08	Elected Parent Governor
Rev. John Wood – 2)	17/05/06	Bishop of Edmonton Appointee
Vacant		London Diocesan Board for Schools
Vacant		Appointed Parent Governor

#### Company Secretary

Viv Oxley 29/11/04

#### Principal and Registered Office

Hornsey High Street  
Hornsey  
London  
N8 7NU

#### Solicitors

Winckworth Sherwood  
The Old Deanery  
Deans Court  
St Paul's  
London EC4V 5AA

#### Auditors

Baker Tilly UK Audit LLP  
46 Clarendon Road  
Watford  
Hertfordshire WD17 1JJ

(appointed July 2008)

#### Bankers

HSBC Bank  
Woodside Green Branch  
Cheapside  
London

The Royal Bank of Scotland  
London Camden Town  
189-191 Camden High Street  
London NW1 7BP

# GREIG CITY ACADEMY

## REPORT OF THE GOVERNORS – 31 August 2008

### 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 (LDBS) with the Department for Children, Schools & Families (DCSF – formerly the Department for Education & Skills) as the primary funder; the sponsors nominate the principal members of the Company.

#### **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) Two persons appointed by the LDBS (*Mr Thomas Peryer and Ms Helen Ormiston*)
- 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*)

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 2008, 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 (membership shown on page 2):

- 1) Finance, Personnel & Premises Committee
- 2) Students & Community Committee
- 3) Audit Committee
- 4) 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 DCSF.

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

# **GREIG CITY ACADEMY**

## **REPORT OF THE GOVERNORS – 31 August 2008**

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.

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 DCSF

### ***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.

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 Children, Schools & Families regarding the funding of the City Academy and the management of affairs of the City Academy.

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## **REPORT OF THE GOVERNORS – 31 August 2008**

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 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 has provided the majority of the private financing of the capital programme, approximately £1.536 million pounds over five years. The final payment of its contribution was made in 2006/7. For the period September 2007- August 2008 the HS & SV Greig Trust has generously allocated a further £143,000 to benefit the school and its students. We currently have two out of four members of the governing body who are also trustees of the HS & SV Greig Trust.

During the year the Governors and Sponsors, the HS & SV Greig Trust and The London Diocesan Board for Schools, agreed a Memorandum of Understanding between the two sponsors and the Academy with regard to ongoing relationships and joint responsibilities for the continuing development of the school.

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 the 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 has been revised and continues to be 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. The Governors have assessed the major risks to which the Academy is exposed and have instigated steps to mitigate exposure to those risks.

### ***Internal Financial Controls***

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 Director of Finance 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.

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## **REPORT OF THE GOVERNORS – 31 August 2008**

### ***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 to provide education for pupils of different abilities between the ages of 11 and 19.

The main objectives of the Academy during the year ended the 31st of August 2008 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 monitor both the curriculum and organizational structure of the Academy to maintain and improve effectiveness.
- To provide value for money throughout the Academy.
- To comply with appropriate statutory and curriculum requirements.
- 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:

- Appropriate learning opportunities for all students to gain high-quality academic qualifications.
- Training opportunities for all staff.
- Within the framework of work experience for all, the placing of pupils with industrial and business partners.
- An extensive programme of sporting and after school activities for all students.
- A structured programme of off-site challenging outdoor activities including the Duke of Edinburgh scheme.
- An accessible programme of advice for all students regarding careers and further education opportunities.

### ***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 sixth 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

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## REPORT OF THE GOVERNORS – 31 August 2008

of becoming a truly high quality school is on course. Some of these milestones and achievements include:

**Further improved examination performances:**

### Key Stage 3 Results

	2003-04	2004-05	2005-06	2006-07	2007-08	National Average 2007-08
% of students achieving Level 5 or above	English 55% Maths 39% Science 32%	E 60% M 48% S 43%	E 65% M 51% S 54%	E 60% M 64% S 64%	E 73% M 66% S 55%	E 73% M 77% S 71%
% 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 21% M 43% S 31%	E 22% M 45% S 25%	E 33% M 57% S 41%

### Key Stage 4 Results

	2003-04	2004-05	2005-06	2006-07	2007-08	National Average 2007 *
% of students achieving 5 A*-C grades or more	26%	55%	61%	61%	53%	62.0%
% of students achieving 5 A*-C grades or more including both English and Maths	10%	10%	16%	22%	30%	46.7%
% of students achieving 5 A*-G grades or more	84%	81%	86.9%	90%	98%	91.7%
% of students achieving at least 1 A*-G grade	95%	100%	95.9%	93%	98%	98.9%

- National averages for 2008 will be available January 2009

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. However, despite these excellent results, staff and governors know that progress must be consolidated and further improved upon. The change in the performance tables published by the Government whereby the figure of 5 good GCSE's must now include English and Maths poses a further challenge for Greig but the Academy is determined to raise the level of achievement in these two core subjects.

### Advanced Level

The pass rate for A2 level was over 96% for the Academy in 2008, an advance on last year. Pass Grades gained by Year 13 students at A2 Level in summer 2008 are as below.

Subject Totals Yr 13	A2 LEVEL				
	A	B	C	D	E
Applied ICT		1	4	1	
Art & Design				2	
Bengali			1		



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Biology				1	1
Business Studies	1	3			
Chemistry				1	1
D&T Product Design			2	1	
Drama			1	6	3
English Literature					1
Mathematics			1	1	1
Music		5	2		
Physics			1	1	
Philosophy					1
Sociology			1	2	1
Travel & Tourism	5	5			
Turkish	1		1		
<b>Totals</b>	<b>7</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>9</b>

### Destinations of Students – this section to be confirmed

114 students in Year 11 in 2007-08 progressed as follows:

GCA 6 <sup>th</sup> form	81
Other 6 <sup>th</sup> forms	1
FE College	30
Other, including employment	2

Progression routes for Year 13 students: see below - 27 of the 31 students taking AS examinations gained university places. A further two will be starting college next year.

Name	Destination	Details
Ahmed, Aman	College	Southgate College
Arhin, Joseph	College	Southgate College
Banasiak, Artur	College	Southgate College
Child, Emily	College	City and Islington College
Da Costa Devonish, James	College	CONEL
Gillette, Lloyd	College	CONEL
Hickey, Daniel	College	CONEL
Mawa-Teya, Prince	College	Hertfordshire Regional College
Patel, Saurin	College	Barnet College
Sey, Ebrima	College	Enfield College
Smith, Christopher	College	CONEL
Agyei Darkwa, Prince	Gap Year	Sorting out Immigration Status
Dapaah, Emma	Gap Year	Employed in Retail Sector
Ferdinand, Elie	Gap Year	Employed in Construction Sector
Macantsionnagh, Jake	Gap Year	Employed in Retail Sector
Akinmoladun, Dare	University	Kingston
Bellafonte, Ashton	University	Middlesex
Boahene, Lucy	University	Middlesex
Dedji, Josue	University	Kingston
Donovan, Dionne	University	Kingston

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Gillespie, Denese	University	Middlesex
Giwa, Nadia	University	Hertfordshire
Guinness, Robert	University	Hertfordshire
Himedan, Anas	University	Hull
Kawani, Gizank	University	Birmingham City University
Kaygisiz, Sila	University	Westminster University
Kostyushko, Pavlo	University	Foundation Degree
Madada, William	University	Coventry
McFayden, James	University	Brighton
Miller, Deenah	University	Nottingham Trent
Nderede, Kenan	University	Middlesex
Nsubuga, Ashraf	University	Aston University
Ossei-Berkoh, Eunice Catherine	University	Foundation Degree
Pedro, Stephy	University	Foundation Degree
Scott, Naomi	University	Roehampton University
Sohodeb, Bansi	University	Hertfordshire University
Stober, Nathan	University	London South Bank
Tetik, Ece	University	Kingston University

For many of these students, this will be the first time that someone in their family has gone onto higher education.

#### Attendance

	2003-04	2004-05	2005-06	2006-07	2007-08	National Average 2007 *
<b>Attendance</b>	90.23%	91.29%	92.6%	92.8%	92.87%	92.14%
<b>Authorised absence</b>	8.12%	7.36%	6.8%	6.4%	5.78%	6.36%
<b>Unauthorised absence</b>	1.61%	1.35%	0.6%	0.8%	1.35%	1.5%

- National averages for 2008 will be available February 2009

#### Improved student behaviour and attitudes to learning

Visitors continue to be impressed by the orderly atmosphere in the school when they are shown around.

Last year the number of fixed term exclusions was relatively low. 31 students were given fixed term exclusions compared to 28 the previous year. Given the increase in pupil numbers to 890 in September 2007 this number of exclusions represented a reduction in real terms when expressed as a ratio of the number of students in the school. There was only one permanent exclusion. The low exclusion rates and improving attendance and punctuality are evidence of good behaviour and positive attitudes to school.

#### Numbers on roll

Recruitment into Year 7 is a significant indicator for the Academy. For the first time we are able to report a full recruitment into Year 7. We have noted increased interest in the Academy both at Open Evening and in terms of our school tours. We have recently received applications and information regarding the

## GREIG CITY ACADEMY

### REPORT OF THE GOVERNORS – 31 August 2008

first and second choices for September 2009 and these figures indicate that we will be full again next year. Sixth form numbers stood at 141 in October 2008, a slight increase on last year.

	September 2006	September 2007	September 2008
Numbers on roll Years 7-13	802	890	965
Numbers in Year 7	193	198	202
Numbers in the Sixth Form	117	113	143

#### ***Governance and finance***

During the year, the governors met in full on 6 occasions and the committees also met at least once per term. During the course of those meetings governors have considered regular reports from the Principal and Vice Principal and approved or amended various policies. Governors also reviewed and approved a range of targets for the school and the school improvement plan. In July 2008 the Chair of Governors stepped down after serving as Chair for the six years since the inception of the Academy. His contribution and commitment to the Academy is much appreciated.

Financially, as reported elsewhere in this document, the Academy remains in good financial shape.

#### ***Additional points and plans for future periods***

The Academy continues to put in place a range of programs and activities designed to improve levels of performance for both students and staff.

Sixth Form numbers remained steady this year. The school did well in recruiting large numbers of students from a small year cohort despite the competition from the new Haringey Sixth Form centre which opened in September 2007. It is anticipated that Sixth Form numbers will expand in 2008 and 2009 as a positive reputation establishes itself in the local area.

The dining facilities were substandard but during the course of the year completely refurbished with work finishing at the end of June 2008. Harrison Catering was appointed to manage the catering facilities for the Academy. We believe that the refurbished kitchen and dining hall environment together with Harrison's experience will reflect the improvement in the quality of meals now enjoyed by pupils and staff.

For the longer-term the Academy will need to be clear regarding the creation of additional teaching space if we are to maintain 200 pupils in each year group. Governors will need to consider either further building or the limiting of year group size if we are not to become significantly overcrowded.

### **FINANCIAL REVIEW**

#### ***Financial Report for the Year***

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

Most of the City Academy's income in the year ended 31 August 2008 was obtained from the DCSF in the form of capital and other grants, and from one of its sponsors, 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.

Expenditure for the period was covered by grants from the DCSF and sponsorship income and the excess of incoming resources over resources expenditure for the period (before depreciation) was £1,125,000. Depreciation amounted to £1,032,000, charged against the fixed asset fund. Fixed asset additions in the year amounted to £1,565,000.

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### **REPORT OF THE GOVERNORS – 31 August 2008**

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.

Movements in tangible fixed assets are shown in Note 11 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 DCSF 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 DCSF and the local authority; this balance would be used to manage any unexpected calls on expenditure during the year. There are also DCSF 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. Free Reserves are represented by the Unrestricted General Funds, currently a negative £275,000 made up entirely of a notional contingent liability arising from commitments to the Local Government Pension Scheme for as at 31 August 2008. See page 28 for further details.

#### ***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 (comprising Trade Creditors £89k and Taxation and Social Security £123k) at the end of the year amounted to £212k, and payments to trade creditors amounted to £2,715k. The average payment days equate to 28 days over the 365 day year. For the previous year comparable figures were £149k and £2,304k respectively with payment days at 24 days on average.

#### ***Fund Review***

Details of the Academy's funds are set out in note 15 to the financial statements.

#### ***Auditors***

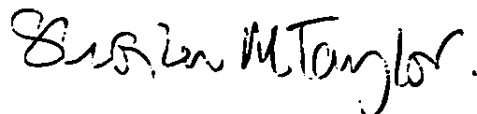
The auditors for the previous five years have been Baxter & Co. During the course of the year Baker Tilly UK Audit LLP were appointed as auditors in line with good practice.

#### ***Approval***

The report of the Trustees was approved on

and signed on its behalf by:

Mrs S. Taylor  
Chair of Trustees



Date 2 December 2008

# GREIG CITY ACADEMY

## REPORT OF THE GOVERNORS – 31 August 2008

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREIG CITY ACADEMY

We have audited the financial statements on pages 13 to 36.

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 charitable company and the charitable 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

The responsibilities of the governors (who act as trustees for charitable activities and are also directors for the purposes of company law) for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities.

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 whether in our opinion the Governors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit 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 judgments made by the governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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

- 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 Academy as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985;
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families in respect of the relevant financial year;
- Grants made by the Department for Children, Schools and Families have been applied for purposes intended; and
- the information given in the Governors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP

Registered Auditor, Chartered Accountants

1st Floor, 46 Clarendon Road

Watford, Herts, WD17 1JJ

*16 December* 2008

# GREIG CITY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2008

		Unrestricted	Restricted Funds				Total	Total
	Notes	General Funds £'000	Fixed Assets £'000	Capital £'000	General Funds £'000	Governors Fund £'000	Funds 2008 £'000	Funds 2007 £'000
<b>Incoming Resources</b>								
Generated Funds:								
- Voluntary income	3			50	148		198	276
- Activities for generating funds	4	52					52	6
Investment income	5	27		11		8	46	47
Charitable activities								
- Funding for the Academy's educational operations	2			957	7,056		8,013	6,778
<b>Total incoming resources</b>		<u>79</u>	<u>0</u>	<u>1,018</u>	<u>7,204</u>	<u>8</u>	<u>8,309</u>	<u>7,107</u>
<b>Resources expended</b>								
Cost of generating funds								
- Voluntary income								51
Activities for generating funds	6	36					36	
Charitable activities								
- Academy's educational operations	6	-	1,032	200	6,917		8,149	7,466
Governance costs	7				31		31	11
<b>Total resources expended</b>		<u>36</u>	<u>1,032</u>	<u>200</u>	<u>6,948</u>	<u>0</u>	<u>8,216</u>	<u>7,528</u>
<b>Net incoming/(outgoing) resources before transfers - being net income for the year</b>		43	(1,032)	818	256	8	93	(421)
Gross transfers between funds	16	(43)	1,565	(1,227)	(287)	(8)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		-	533	(409)	(31)	-	93	(421)
<b>Other recognised gains and losses</b>								
Actuarial (losses)/gains on defined benefit pension schemes		(152)					(152)	123
<b>Net movement in funds</b>		<u>(152)</u>	<u>533</u>	<u>(409)</u>	<u>(31)</u>	<u>-</u>	<u>(59)</u>	<u>(298)</u>
<b>Funds brought forward</b>		(123)	12,252	624	(58)	206	12,901	13,199
<b>Total funds carried forward</b>	17	<u>(275)</u>	<u>12,785</u>	<u>215</u>	<u>(89)</u>	<u>206</u>	<u>12,842</u>	<u>12,901</u>

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 2008**

	Notes	2008 £'000	2007 £'000
<b>Fixed Assets</b>			
Tangible Assets	11	12,785	12,252
<b>Current Assets</b>			
Stocks	12	8	11
Debtors	13	65	77
Cash at bank and in hand		713	1,232
		<u>786</u>	<u>1,320</u>
<b>Creditors: amounts falling due within one year</b>	14	454	548
<b>Net Current Assets</b>		<u>332</u>	<u>772</u>
<b>Total Assets less Current Liabilities (excluding pension liability)</b>		13,117	13,024
<b>Pension Scheme Liability</b>	20	(275)	(123)
		<u><b>£12,842</b></u>	<u><b>£12,901</b></u>
<b>Funds</b>			
Restricted Funds:	15		
Fixed Asset Fund		12,785	12,252
Capital Fund		215	624
General Funds		(89)	(58)
Governors' Discretionary Fund		206	206
Unrestricted Funds			
Pension Reserve		(275)	(123)
<b>Total Funds</b>		<u><b>£12,842</b></u>	<u><b>£12,901</b></u>

The financial statements on pages 13 to 36 were approved and authorised for issue by

the Trustees on 25 November and signed on their behalf by:

*Barla Turglov*

Chair of Trustees

# GREIG CITY ACADEMY

## CASH FLOW STATEMENT AS AT 31 AUGUST 2008

	2008 £'000	2007 £'000
<b>Operating Activities</b>		
<b>Receipts</b>		
Recurrent grant from DCSF	5,959	5,571
Receipts from central or local government	1,036	821
Other receipts	288	193
<b>Total Receipts</b>	<u>7,283</u>	<u>6,585</u>
<b>Payments</b>		
Staff Costs	5,198	4,728
Other Cash Payments	1,985	1,622
<b>Total Payments</b>	<u>7,183</u>	<u>6,350</u>
<b>Net cash inflow from operating activities</b>	<u>100</u>	<u>235</u>
<b>Returns on investments and servicing of finance</b>		
Investment income received	<u>0</u>	<u>27</u>
<b>Capital expenditure and financial investment</b>		
Capital Grants from DCSF	904	422
Capital Funding received from Sponsors	0	112
Other Capital Income	0	17
Purchases of fixed assets	(1,523)	(731)
	<u>(619)</u>	<u>(180)</u>
<b>Management of liquid resources and financing</b>		
(Decrease) / Increase in Cash	<u>(519)</u>	<u>82</u>
<b>Reconciliation of net cash flow to movement in net funds</b>		
(Decrease) / Increase in Cash	<u>(519)</u>	<u>82</u>
Change in net Funds	<u>(519)</u>	<u>82</u>
Net Funds at 1 September 2007	<u>1,232</u>	<u>1,150</u>
Net Funds at 31 August 2008	<u>713</u>	<u>1,232</u>

### Analysis of changes in net funds

	As at 1 September 2007	Cash flows as at 31 August	As at 31 August 2008
	2006		
	£'000	£'000	£'000
Cash at bank and in hand (including short term deposits)	<u>1,232</u>	<u>(519)</u>	<u>713</u>



**GREIG CITY ACADEMY**  
**PRINCIPAL ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

**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 UK 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 periods in which it is receivable.

**Donations**

Donations are included in the statement of financial activities on a cash received basis or an accrual 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 where a reasonable estimate can be determined, and in the period in which they are receivable. Where a reasonable estimate cannot be determined that a note to this effect is disclosed in the notes to the financial statements.

**Interest Receivable**

Interest receivable is included in the period in which they are incurred and include irrecoverable VAT. They have been classified under the headings that aggregate all costs relating to that activity.

**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 2008**  
(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 DCSF and other donors which are to be used for specific purposes as explained in note 15.

**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 1094173. 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 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:

	<b>Annual Rate</b>
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 reliable 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 2008**  
(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 20.

**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 Children, Schools and Families. 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 form part of the LGPS, whose 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 2008

	2008 £'000	2007 £'000
<b>1 GENERAL ANNUAL GRANT (GAG)</b>		
<b>a. Results and Carry Forward for the Year</b>		
GAG brought forward from previous year	(194)	41
GAG allocation for the current period	6,199	5,571
<b>Total GAG available to spend</b>	<u>6,005</u>	<u>5,612</u>
Recurrent expenditure from GAG	(6,275)	(5,384)
Fixed assets from GAG		(150)
Transfer to Capital Fund	(150)	(272)
	<u>(420)</u>	<u>(194)</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>(721)</u>	<u>(673)</u>
<b>GAG to surrender to DCSF</b>		
(12% rule breached if result is positive)	<u>(1,141)</u>	<u>(867)</u>
	(no breach)	(no breach)
<b>b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes</b>		
(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 be used for capital purposes)		
Recurrent expenditure from GAG in current year	6,275	5,384
GAG allocation for the current year	(6,199)	(5,571)
GAG allocation for the previous year x 2%	(111)	(96)
<b>GAG b/fwd from the previous year in excess of 2% used on recurrent expenditure in the current year</b>	<u>(35)</u>	<u>(283)</u>
	(no breach)	(no breach)

## 2 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

<b>General Annual Grant (GAG)</b>	<b>6,199</b>	<b>5,571</b>
<b>Other Government Grants</b>		
Standards Grants	686	651
Devolved Formula Capital Grants	53	97
Teacher Training & Reimbursements	109	118
<b>Capital Grants &amp; Revenues</b>		
DCSF Capital Grants & Interest	916	341
Greig Trust sponsorship	50	0
	<u>8,013</u>	<u>6,778</u>

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 3 VOLUNTARY INCOME

	2008 £'000	2007 £'000
Capital Sponsorship		
- Greig Trust	50	75
- London Diocesan Board for Schools	-	-
	<u>50</u>	<u>75</u>
Revenue Sponsorship		
- Greig Trust	95	79
Catering Income	45	51
Donations/Other Income	8	71
	<u>198</u>	<u>276</u>

### 4 ACTIVITIES FOR GENERATING FUNDS

Hire & Use of Facilities	37	-
Caretaker's House Rental	15	6
Total	<u>52</u>	<u>6</u>

### 5 INVESTMENT INCOME

Bank Interest Received (Incl Capital Account Interest)	41	44
Pension Finance Income	5	3
	<u>46</u>	<u>47</u>

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

	2008 £'000	2007 £'000
<b>6 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS</b>		
<b>Direct Costs</b>		
Teaching and Educational Support Costs	4,764	4,333
Depreciation (charged to restricted fixed asset fund)	826	961
Educational Supplies and Services	709	455
Examination Fees	63	54
Staff Development	186	124
Professional Fees Curriculum	56	28
Catering	226	95
	<u>6,830</u>	<u>6,050</u>
<b>Allocated Support Costs</b>		
Support Staff Costs	434	445
Depreciation (charged to restricted fixed asset fund)	206	240
Building and Grounds Maintenance	196	140
Cleaning	161	166
Rent and rates	11	9
Energy	80	99
Insurance	109	104
Occupancy Costs	40	35
Supplies and Services	118	178
	<u>1,355</u>	<u>1,416</u>
<b>Total</b>	<u>8,185</u>	<u>7,466</u>
<b>7 GOVERNANCE COSTS</b>		
Legal and Professional fees	16	1
Audit fees	14	9
Insurance Indemnity fees	1	1
	<u>31</u>	<u>11</u>

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 8 STAFF COSTS

The average number of persons (including senior post holders) employed by the Academy during the period, expressed as Full Time Equivalents

	2008 Number	2007 Number
<b>Charitable Activities</b>		
Teachers	63	59
Administration and support	51	41
Management	19	21
	<u>133</u>	<u>121</u>
<b>Governance activities</b>	-	-
	<u>133</u>	<u>121</u>

Staff costs comprise

Staff costs for the above persons	2008 £'000	2007 £'000
Wages and Salaries	4,176	3,799
Social Security Costs	349	310
Pension Contributions	488	436
Ex-gratia Payments	14	14
<b>Total staff Costs</b>	<u>5,027</u>	<u>4,559</u>

The number of employees during the period who earned over £60,000 in the year (including benefits) was as follows:

	Number	Number
£60,001 - £70,000 per annum	8	2
£70,001 - £80,000 per annum	4	-
£80,000 - £90,000 per annum	1	1
£100,000 - £110,000 per annum	1	1
£140,000 - £150,000 per annum	<u>1</u>	<u>-</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 £123,721 (2007: £43,016)

### 9 GOVERNORS REMUNERATION AND EXPENSES

The governors of the Academy did not receive any payment from the Academy (except for reimbursement of properly incurred expenses) in accordance with the Memorandum of Association, except for staff governors whose details are disclosed below :

	Salary	Employers' Pension Contribution	GCA Allowance Credit
Mr. Paul Sutton, Principal	£114,661	£14,757	£2,400
Mr. Jon Holt, Head of Sixth Form	£51,606	£7,088	£2,400
Mr. Richard Protasiewicz, Learning Resource Manager	£27,556	£3,501	-

Pension contributions for Mr. Sutton and Mr. Holt were paid into the Teachers' Pension Scheme. Mr. Protasiewicz's pension contribution was paid into the Local Government Pension Scheme.

During the year ending 31 August 2008, travel and subsistence expenses totalling £170 (2007: £650) were reimbursed to 2 governors (2007: 2)

### 10 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 2008 was £1,150 (2007 £1,150).

**GREIG CITY ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2008**

**11 TANGIBLE FIXED ASSETS**

	<b>Additions and Improvements to Premises £'000</b>	<b>Furniture &amp; Equipment £'000</b>	<b>Computer Equipment £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>				
<b>As at 31 August 2007</b>	14,747	555	1,831	17,133
Additions	1,365	-	200	1,565
Disposals			(1,453)	(1,453)
<b>At 31 August 2008</b>	<u>16,112</u>	<u>555</u>	<u>578</u>	<u>17,245</u>
<b>Depreciation</b>				
<b>As at 31 August 2007</b>	2,992	262	1,627	4,881
Charge for year	804	83	145	1,032
Disposals	-	-	(1,453)	(1,453)
<b>At 31 August 2008</b>	<u>3,796</u>	<u>345</u>	<u>319</u>	<u>4,460</u>
<b>Net book value at At 31 August 2008</b>	<u>12,316</u>	<u>210</u>	<u>259</u>	<u>12,785</u>
<b>At 31 August 2007</b>	<u>11,755</u>	<u>293</u>	<u>204</u>	<u>12,252</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 in Premises improvements is depreciated over the anticipated useful economic life of the buildings, from the date of occupation.

The value of the lease to the Academy cannot be accurately determined, as the Academy have been unable to establish a value, but that the net result for the year to the Academy is unchanged.

**The Net Book Value at 31 August 2008 represents Fixed Assets used for:**

	<b>Additions and Improvements to Premises £'000</b>	<b>Furniture &amp; Equipment £'000</b>	<b>Computer Equipment £'000</b>	<b>Total £'000</b>
Provision of Education	9,893	168	207	10,268
Support Services	2,423	42	52	2,517
	<u>12,316</u>	<u>210</u>	<u>259</u>	<u>12,785</u>

<b>Source of funding for Assets acquired</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
DCSF Capital Grants	14,844	14,748
DCSF Development Grant	52	81
Devolved Capital Grants	98	97
Private Sector Capital Sponsorship	1,852	1,840
General Purpose Fund (grant income)	399	367
<b>Cost of Fixed Assets at 31 August 2008</b>	<u>17,245</u>	<u>17,133</u>
Less: Accumulated Depreciation	(4,460)	(4,881)
<b>Net Book Value of Fixed Assets at 31 August 2008</b>	<u>12,785</u>	<u>12,252</u>



**GREIG CITY ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2008**

	<b>2008 £'000</b>	<b>2007 £'000</b>
<b>12 Stocks</b>		
Goods and Materials for 2008/09 ordered in advance	<u>8</u>	<u>11</u>

	<b>2008 £'000</b>	<b>2007 £'000</b>
<b>13 Debtors</b>		
		(As restated)
Grant Debtors:		
Capital Project Grant	-	16
Other Grant Debtors	14	21
Prepayments	26	28
Accrued Income	<u>25</u>	<u>12</u>
	<u><b>65</b></u>	<u><b>77</b></u>

Note: 2007 figures have been restated to ensure consistency with 2008 and to separately identify Accrued Income

	<b>2008 £'000</b>	<b>2007 £'000</b>
<b>14 Creditors: amounts falling due within one year:</b>		
Capital Expenditure Creditors	42	58
Trade Creditors	89	26
Taxation and Social Security	123	118
GCA Training Allowance	169	138
Accruals	31	174
Deferred Income	<u>-</u>	<u>34</u>
	<u><b>454</b></u>	<u><b>548</b></u>

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 15 Restricted Funds

The Restricted General Fund is intended 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.

The Restricted Governors' Discretionary Fund 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.

	Balance at 31/8/07	Incoming Resources	Resources Expended	Gains, Losses & Transfers	Balance at 31/8/08
	£'000	£'000	£'000	£'000	£'000
General Annual Grant	(194)	6,199	(6,275)	(51)	(321)
Other DCSF Grants	-	-	-	-	-
LEA Grants	-	796	(729)	-	67
Other Income	136	209	(144)	8	209
<b>Restricted General Funds</b>	<b>(58)</b>	<b>7,204</b>	<b>(7,148)</b>	<b>(43)</b>	<b>(45)</b>
<b>Restricted Governors' Discretionary Fund</b>	<b>206</b>	<b>8</b>	<b>-</b>	<b>(8)</b>	<b>206</b>
DCSF Capital Grant	-	904	-	(1,621)	(717)
Private Sector Capital Sponsorship	481	50	-	-	531
Other Income	143	64	-	51	258
<b>Restricted Capital Fund</b>	<b>624</b>	<b>1,018</b>	<b>0</b>	<b>(1,664)</b>	<b>72</b>
<b>Restricted Fixed Asset Fund</b>	<b>12,252</b>	<b>-</b>	<b>(1,032)</b>	<b>1,664</b>	<b>12,884</b>
<b>Total Restricted Funds</b>	<b>13,024</b>	<b>8,230</b>	<b>(8,180)</b>	<b>-</b>	<b>13,117</b>

### 16 ANALYSIS OF TRANSFERS BETWEEN FUNDS

	Unrestricted General Fund £'000	Restricted Funds			
		Fixed Assets £'000	Capital £'000	General Fund £'000	Governors' Fund £'000
Bank interest received on the Governors fund transferred to the General Fund	-	-	-	8	(8)
Surplus funds from the Unrestricted General Fund transferred to the Restricted General Fund	(43)	-	-	43	-
Fixed Assets purchased during the year transferred to the Fixed Asset Fund	-	1,565	(1,227)	(338)	-
	<u>(43)</u>	<u>1,565</u>	<u>(1,227)</u>	<u>(287)</u>	<u>(8)</u>

**GREIG CITY ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2008 are represented by:

	Unrestricted General Fund £'000	Restricted Funds			Total Funds £'000
		Fixed Assets £'000	Capital £'000	General £'000	
Tangible Fixed Assets	-	12,785	-	-	12,785
Current Assets	-	-	242	365	813
Current Liabilities	-	-	(27)	(454)	(481)
Pension Scheme Liabilities	(275)	-	-	-	(275)
	<u>(275)</u>	<u>12,785</u>	<u>215</u>	<u>(89)</u>	<u>12,842</u>

**18 RELATED PARTY TRANSACTIONS**

The HS & SV Greig Trust and London Diocesan Board for Schools appoint two trustees who are also directors of the company and Governors of the Academy.

The HS & SV Greig Trust have altogether donated £153,503 towards extra curricular activities, and the refurbishment project noted above.

The accounts include rental income from the Caretakers House which is let out to Mr. K. Corrigan, Vice Principal at Greig City Academy at an annual rental of £15,600. The market value of the Caretaker's House has not been obtained as the property is situated on academy grounds and could not be sold off as a separate building.

**19 CAPITAL COMMITMENTS**

	2008 £'000	2007 £'000
Contracted for, but not yet provided in the accounts	-	1,136
Authorised by governors, but not yet contracted	-	-
Funded by DCSF Capital Grant	-	886
Sponsors Capital Income	-	250

Outstanding retention payments are due on the DT Block £16,072 and Kitchen approximately £11,000.

## **GREIG CITY ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008**

#### **20 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 2008 was £488,280 (2007 - £436,000) of which £392,747 (2007 - £357,000) relates to the TPS and £95,533 (2007 - £78,000) 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, defined benefit 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 authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### **The Teachers' Pension Account**

Although teachers and lecturers are employed by various bodies, their retirement and other pension 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 unfunded TPS, 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 pensions' increases). From 1 April 2001, the Account has been 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.

#### **Valuation Of The Teachers' Pension Scheme**

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution

## **GREIG CITY ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008**

#### **20 PENSION COMMITMENTS (Continued)**

##### **Teachers' Pension Scheme (TPS) (Continued)**

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 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 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years); a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer

A copy of the GA's 2004 valuation report can be found on the TeacherNet website at:

[www.teachernet.gov.uk/pensions](http://www.teachernet.gov.uk/pensions)

Department for Children, Schools and Families Mowden Hall, DARLINGTON DL3 9BG

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2008 was £392,747 (2007: £357,000) 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 2008 was £138,000 of which employer's contributions totalled £93,000 and employees' contributions totalled £45,000. The agreed contribution rates for the year ended 31 August 2008 started at 12.5% and ended at 13% for employers, and started the year at 6% and ended between 5.5% and 7.2% for employees.

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 20 PENSION COMMITMENTS (Continued)

#### Local Government Pension Scheme (Continued)

##### Employer membership statistics

	Number		Total Salaries / Pensions '£(000)		Average Age
	31 Aug 2008	31 Mar 2007	31 Aug 2008	31 Mar 2007	31 Mar 2007
Actives	39	29	741	593	48
Deferred Pensions	6	13	-	12	51
Pensioners	2	2	-	2	66

Deferred pensioners include undecided leavers and frozen refunds.

Salaries are actual, not full-time equivalent.

##### Payroll

Period	Assumed Total Pensionable Payroll based on Contribution Information Provided
1 September 2007 - 31 August 2008	£750,000
1 September 2008 - 31 August 2009	£741,000

##### LGPS early retirements

New Early Retirements 1 September 2007 to 31 August 2008			
	Number	Total Pension Accrued (£)	Total Pension Actual (£)
Redundancy	-	-	-
Efficiency	-	-	-
Other	-	-	-

##### Investment returns

The return on the Fund in the market value terms for the year to 31 August 2008 is estimated based on actual Fund returns provided and index returns where necessary.

Details are given below:

Actual Return for Period from 1 July 2007 to June 2008	(11.1%)
Assumed return for the year to 31 August 2008	(7.8%)

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 20 PENSION COMMITMENTS (Continued) Local Government Pension Scheme

Year Ended:	31 Aug 2008	31 Aug 2007
Equities	68%	70%
Bonds	22%	20%
Property	5%	6%
Cash	5%	5%

Year Ended:	31 Aug 2008 % p.a.	31 Aug 2007 % p.a.
Pension Increase Rate	4.0%	3.4%
Salary Increase Rate	5.5%	4.9%
Expected Return on Assets	6.8%	7.1%
Discount Rate	6.4%	5.8%

#### Breakdown of the expected return on assets by category

Year Ended:	31 Aug 2008 % p.a.	31 Aug 2007 % p.a.
Equities	7.5%	7.9%
Bonds	5.5%	5.2%
Property	5.5%	5.9%
Cash	4.6%	5.0%

#### Mortality

As discussed in the accompanying report, life expectancy is based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non pensioners and 2017 for pensioners. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	19.6 years	22.5 years
Future Pensioners	20.7 years	23.6 years

#### Commutation

An allowance is included for 50% of future retirements to elect additional tax-free cash up to HMRC limits.

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 20 PENSION COMMITMENTS (Continued)

#### Local Government Pension Scheme

##### Fair value of employer assets

Year Ended:	31 Aug 2008 £(000)	31 Aug 2007 £(000)
Equities	713	668
Bonds	231	188
Property	55	60
Cash	57	46
<b>Total</b>	<b>1,056</b>	<b>961</b>

##### Balance sheet

Year Ended:	31 Aug 2008 £(000)	31 Aug 2007 £(000)
Fair Value of Employer Assets	1,056	961
Present Value of Funded Obligations	(1,331)	(1,084)
Net (Under) / Overfunding in Funded Plans	(275)	(123)
Present Value of Unfunded Obligations	-	-
Unrecognised Past Service Cost	-	-
<b>Net Asset / (Liability)</b>	<b>(275)</b>	<b>(123)</b>
Amount in the Balance Sheet		
Liabilities	275	123
Assets		
<b>Net Asset / (Liability)</b>	<b>(275)</b>	<b>(123)</b>



**GREIG CITY ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2008**

**20 PENSION COMMITMENTS (Continued)**

**Local Government Pension Scheme**

**Recognition in the profit or loss**

Year Ended:	31 Aug 2008 £(000)	31 Aug 2007 £(000)
Current Service Cost	115	127
Interest Cost	68	53
Expected Return on Employer Assets	(73)	(56)
Past Service Cost / (Gain) *	20	-
Losses / (Gains) on Curtailments and Settlements	-	-
<b>Total</b>	<b>130</b>	<b>124</b>
Actual Return on Plan Assets	(80)	74

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 20 PENSION COMMITMENTS (Continued) Local Government Pension Scheme

#### Reconciliation of defined benefit obligation

Year Ended:	31 Aug 2008 £(000)	31 Aug 2007 £(000)
<b>Opening Defined Benefit Obligation</b>	1,084	971
Current Service Cost	115	127
Interest Cost	68	53
Contribution by Members	46	40
Actuarial Losses / (Gains)	9	(105)
Past Service Costs / (Gains)	20	-
Losses / (Gains) on Curtailment	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Difference	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(11)	(2)
<b>Closing Defined Benefit Obligation</b>	1,331	1,084

#### Reconciliation of fair value of employer assets

Year Ended:	31 Aug 2008 £(000)	31 Aug 2007 £(000)
<b>Opening Fair Value of Employer Assets</b>	961	766
Expected Return on Assets	73	56
Contribution by Members	46	40
Contribution by Employers	95	83
Contributions in respect of Unfunded Benefits	-	-
Actuarial Gains / (Losses)	(108)	18
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Difference	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(11)	(2)
<b>Closing Fair Value of Employer Assets</b>	1,056	961

#### Amounts for the current and previous accounting periods

Year Ended:	31 Aug 2008 £(000)	31 Aug 2007 £(000)
Fair Value of Employer Assets	1,056	961
Present Value of Defined Benefit Obligation	(1,331)	(1,084)
Surplus / (Deficit)	(275)	(123)
Experience Gains / (Losses) on Assets	(108)	18
Experience Gains / (Losses) on Liabilities	34	1

# GREIG CITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

### 20 PENSION COMMITMENTS (Continued) Local Government Pension Scheme

Year Ended:	31 Aug 2006 £(000)	31 Aug 2005 £(000)	31 Aug 2004 £(000)
Fair Value of Employer Assets	766	589	560
Present Value of Defined Benefit Obligation	(971)	(769)	(659)
Surplus / (Deficit)	(205)	(180)	(99)
Experience Gains / (Losses) on Assets	41	54	8
Experience Gains / (Losses) on Liabilities	1	(80)	(1)

#### Amount Recognised in Statement of Total Recognised Gains and Losses (STRGL)

Year Ended:	31 Aug 2008 £(000)	31 Aug 2007 £(000)
Actuarial Gains / (Losses)	(117)	123
Increase / (Decrease) in Irrecoverable Surplus from Membership fall and other factors	-	-
Actuarial Gains / (Losses) recognised in STRGL	(117)	123
Cumulative Actuarial Gains and Losses	(134)	(17)

Year Ended:	31 Aug 2006 £(000)	31 Aug 2005 £(000)	31 Aug 2004 £(000)
Actuarial Gains / (Losses)	-	(89)	(51)
Increase / (Decrease) in Irrecoverable Surplus from Membership fall and other factors	-	-	-
Actuarial Gains / (Losses) recognised in STRGL	-	(89)	(51)
Cumulative Actuarial Gains and Losses	(140)	(140)	(51)

**GREIG CITY ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2008**

**20 PENSION COMMITMENTS (Continued)**

**Local Government Pension Scheme**

**Analysis of projected amount to be charged to operating profit for the year to  
31 August 2008**

<b>Year Ended:</b>	<b>31 Aug 2008 £(000)</b>
Projected Current Service Cost	114
Interest on Obligation	90
Expected Return on Plan Assets	(76)
Past Service Costs	-
Losses / (Gains) on Curtailments and Settlements	-
<b>Total</b>	<b>128</b>

## **GREIG CITY ACADEMY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008**

#### **21 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.

#### **22 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.