

GREIG CITY ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)

Draft Report and Financial Statements  
Year Ended 31 August 2012

Registered Company Number: 04220486



**Greig City Academy  
Report and Financial Statements  
Year Ended 31 August 2012**

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## **GREIG CITY ACADEMY**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012**

#### **LEGAL AND ADMINISTRATIVE INFORMATION**

Greig City Academy - A company limited by guarantee  
Company Registration Number 04220486

#### **Governing Document Memorandum and Articles of Association**

<b>Trustees &amp; Directors and Committee Membership (see Page 4)</b>	<b>Date of Appointment</b>	<b>Appointing Body</b>
Joye Manyan (4)	12/11/09	HS & SV Greig Trust
Jon Holt (1)	30/09/10 to 15/05/12	Elected Teacher Governor
Helen Drummond (4)	01/09/11	Members of the Trust (Community)
Shola Adigun (1)	12/11/10	East Haringey Deanery Synod London Diocesan Board for Schools
Rachel Ogufero (2)	08/10/11	Elected Parent Governor
Richard Protasiewicz (3)	01/04/08 to 31/03/12	Elected Support Staff Governor
Benjamin Reynolds (1,5)	01/09/10	Members of the Trust (Community)
Paul Sutton (1, 2, 3, 4, 5)	01/09/04	Principal
Sheila Taylor (Chair) (1,2,3,4,5)	06/12/09	West Haringey Deanery Synod
David West (1)	11/06/12	Elected Parent Governor
Fr Tim Pike (2, 5)	01/09/10	Appointee Bishop of Edmonton
Virginia Ward (3, 5)	01/09/08 to 31/08/12	London Diocesan Board for Schools
Evan Reid (2, 4)	11/02/09	Parent Governor appointed by the Trust
Toby Boutle (3)	12/11/09	HS & SV Greig Trust
Helen Williams (3), (4)	01/01/12	London Diocesan Board for Schools
Daniel J Knappert (1)	01/06/12	Elected Teacher Governor
<b>Company Secretary</b> Viv Oxley	29/11/04	
<b>Registered Office</b> High Street Hornsey Hornsey London N8 7NU	<b>Auditors</b> Baker Tilly UK Audit LLP 25 Farringdon Street London EC4A 4AB	<b>Bankers</b> HSBC Bank Woodside Green Branch Cheapside London
<b>Solicitors</b> Winckworth Sherwood The Old Deanery Deans Court St Paul's London EC4V 5AA		The Royal Bank of Scotland London Camden Town 189-191 Camden High Street London NW1 7BP

## **GREIG CITY ACADEMY**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Greig City Academy is a company limited by guarantee and an exempt 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 DfE - Department for Education 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 Michael Baker)
- c) Two persons appointed by the LDBS (Mrs Virginia Ward, Vacancy)
- d) One person appointed by The Greig Trust (Mrs Joye Manyan)
- d) One person appointed by the Secretary of State (Rosalia Borgese, EFA)
- 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 for the purposes of company law. 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 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 year ending 31 August 2012, the full Governing Body met on 6 occasions and the Committees met at least once a term. The Governing Body has adopted a system of committees and terms of reference for those committees. The committees are as follows:

- 1) Finance, Personnel & Premises Committee
- 2) Student & Community Committee
- 3) Audit Committee
- 4) Curriculum Committee
- 5) Standing Committee

## **GREIG CITY ACADEMY REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012**

The governing body also met with the senior leadership team on two occasions to identify and discuss issues to be covered in the school improvement plan. Each committee has had an input into planned improvements in areas related to their remit.

Governors have delegated the day to day management of the school to the Principal and Senior Leadership Team. The SLT consists of the Principal, three Vice Principals and four Assistant Principals. One Vice Principal has responsibility for pupils and pastoral issues, one has responsibility for the curriculum and the third Vice Principal has responsibility for staffing and other matters.

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 DfE.

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 Academy; and for advising on and implementing the 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.

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 school's performance: for example against past performance, against other 'similar' 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 Greig City Academy
- The School Development Plan, called the School Improvement 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

## **GREIG CITY ACADEMY REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012**

- Any statutory inspection of the school
- Relations with the sponsors of Greig City Academy and the DfE

Trustees are appointed or elected in accordance with the guidelines in the Articles of Association. As part of the recruitment process, they attend Governors' meetings as observers and hold meetings with the Principal and Chair of Governors. Trustee training is provided by the London Diocesan Board for Schools as well as seminars on specific areas of interest to governors in that capacity.

### **Related parties relationships**

The LDBS contributed £464,000 towards the capital programme spread over the first five years of the Company's life. The LDBS also provides a number of services to the school including a Secondary schools advisor, a buildings and development advisor, governor training and RE advice. The HS & SV Greig Trust provided the majority of the private financing approximately £1.5 million. The final capital payment of its contribution was made in 2006/7. One member of the governing body is also a trustee of the HS & SV Greig Trust.

The HS and SV Greig Trust has continued to provide further financial support to the school on an annual basis. The HS & SV Greig Trust donated £130,000 between April 2012 and March 2013. Similar sums have been provided over the previous five years.

This very generous funding has enabled the school to provide a number of enrichment opportunities that are available for the benefit of all students in the school. The majority of the money is used to subsidise an extensive Outdoor Education programme which provides students with challenging experiences such as mountain biking, canoeing and other adventurous training.

The Governors and Sponsors, the HS & SV Greig Trust and The London Diocesan Board for Schools, have 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 Academy, even though the Academy is independent.

### **Risk Management**

The risk management register has been rewritten in the summer term according to the provisions of the 2006 Academies Financial Handbook and approved at the July 2012 Governors' meeting. The Trustees will have reviewed the major risks to which the Academy might be exposed. Policies and procedures will be put in place to manage and minimise risks.

## **GREIG CITY ACADEMY REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012**

The Responsible Officer's reports will comment on the effectiveness of risk management, the financial controls and procedures on a regular basis

### **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 periodic 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 quarterly 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 these reports, together with the response of the Director of Finance and Senior Leadership Team, are reviewed by members of the Audit 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.

During the school year 2011-12 the Responsible Officer visited the school on five occasions, including one to attend the Audit Committee meeting to discuss the prior year's audited accounts. Mr Robert Ashdown has retired as Responsible Officer and Mr Bob Deed has been appointed with effect from September 2012. In addition, we have had three meetings with our external auditors, Baker Tilly UK Audit LLP, as part of the audit planning, interim audit and general review process.

### **Objects, aims and objectives of Greig City Academy**

The objects of the 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 Governors and Senior Leadership Team are involved in a review of the schools' aims and objectives. The aim of the review is to identify the purpose, nature and characteristics of the school over the next ten years of the Academy.

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.

## **GREIG CITY ACADEMY REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012**

The main objectives of the Academy during the year ended 31 August 2012 are summarised below

- To provide for every child high quality education appropriate to 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 organisational 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 challenging off-site outdoor activities including the Duke of Edinburgh award scheme
- An accessible programme of advice for all students regarding careers and further education opportunities

### **School Policies**

During the year the governors have reviewed and adopted the following school policies as part of an ongoing rolling programme

- Admissions Policy for 2013 entry
- Special Educational Needs
- Safeguarding and Child Protection
- Complaints Policy and Procedures

### **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



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**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 ninth full year of the Academy. The progress of previous years has been maintained at A level and the percentage of students achieving 5+ A\*-C grades including Maths and English increased from 37% in 2011 to 45% in 2012. This was above the figure set by the Government as a minimum or floor standard. The Academy continues to work towards achieving the status of becoming a truly high quality local school for local students and is on course to achieve this.

A number of school successes can be highlighted

- Examination results continue to improve
- A Greig City Academy student achieved a place at Oxbridge. Mirela Ivanova achieved three A\* grades in English, History and Philosophy at A Level and is now reading History at Oxford.
- Completion of the Sixth Form extension building programme. This provides better accommodation and resources for an oversubscribed Sixth Form.
- A number of opportunities were provided for some Sixth Formers to work at leading City of London firms such as Allen and Overy.
- Two of the school's basketball teams are national champions. The school's Under 16 boys' and our Under 16 girls' teams are English national schools champions. This is the third year running that the school has had two different teams as national champions.
- The school was heavily involved in the STEM project (Science, Technology and Maths cross curricular initiative). Greig City Academy students competed in a number of London wide technology competitions with a large degree of success.
- The school has appointed an Assistant Principal to develop teaching and learning. This has had good success with a number of learning walks and training days improving classroom practice for all staff.
- A Primary/Secondary transition teacher has been appointed who will oversee Year 7 secondary transfer and boost literacy and numeracy skills for students who are below national expected standards.

**Ofsted Inspection**

The school was inspected by Ofsted in November 2011. The inspection finding was *'The academy offers all students a good education. Aspects of its provision, especially care guidance and support, the contribution students make to their own and the local community, and the work undertaken with parents and carers, are outstanding. Despite a dip in 2010, the academy's results are on an upward trend. GCSE results in 2011 met most targets and exceeded others. The inspirational leadership of the Principal, supported by a good management team, contributes to high student and staff morale. There is a strong desire to improve further.'*

# GREIG CITY ACADEMY REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2012

## Section 48 Inspection

As a Church of England School, there was a Section 48 denominational inspection after the Ofsted visit. This took place in January 2012. The inspection focussed on four areas of the school: Christian ethos, Collective Worship, Standards in RE and the leadership of a Church school. Three areas were judged to be good with Christian ethos being judged as Outstanding. At the last Section 48 inspection all four areas were judged good.

## Outdoor Education

The school continued to provide an extensive programme of Outdoor Education trips funded mainly by the continuing generosity of the Greig Trust.

- There were 23 separate trips including trips to the Peak District, North Wales and the Lake District
- The majority of Year 7 students went to the East Mersea activity centre in October
- There were a number of overseas outdoor education trips including to Ireland and Holland
- Outdoor Education activities included hill walking, mountain biking, climbing, canoeing, camping, rafting, wind surfing and gorge scrambling
- Students in each year group had three opportunities to attend an overnight residential trip

## Activities Week

The school finished the school year with its annual Activities Week. This was a successful programme of residential trips, day visits and school based activities to learn new skills. Students in Years 7, 8, 9 and 10 had the opportunity to go camping as far afield as Jersey. Year 10 students went to Ypres while the Modern Foreign Languages department went to Germany. Students were able to experience new sports such as horse riding, snowboarding and canoeing.

## Key Stage 4 Results

The government set a minimum floor for GCSE results in 2012 that at least 40% of students should achieve 5+ A\*-C grades including English and Maths. The school achieved 45%.

	2007-08	2008-09	2009-10	2010-11	2011-12
% of students achieving 5 A*-C grades or more	53%	62%	58 %	64%	65%
% of students achieving 5 A*-C grades or more including English and Maths	30%	39%	30%	37%	45%
% of students achieving 5 A*-G grades or more	98%	94%	94%	96%	94%
% of students achieving at least 1 A*-G grade	98%	99%	99%	98%	99.4%
% of students gaining the English Bacc Introduced in November 2011	N/A	N/A	6%	8%	8%

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During the school year the senior leadership team implemented a number of measures to raise attainment in GCSE English and Maths. These intervention strategies have been particularly effective in Maths. 68% of GCSE students gained an A\*-C grade in Maths in 2012 compared to 33% in 2010. 50% of students achieved an A\*-C grade in English, compared to 52% last year. The school's English results had been affected by the wider national grade boundaries issue. Governors and SLT are aware that there is a need to continue to raise performance, particularly in the core subjects.

	Pupils	A*	A	B	C	D	E	F	G	U	A to C
English	151	0.0%	2.6%	10.6%	37.1%	33.8%	8.6%	4.6%	2.6%	0.0%	50.3%
English Literature	23	4.3%	13.0%	26.1%	39.1%	13.0%	4.3%	0.0%	0.0%	0.0%	82.6%
Mathematics	151	4.6%	8.6%	21.9%	33.1%	19.2%	6.6%	4.0%	1.3%	0.7%	68.2%
Science	89	0.0%	6.7%	14.0%	29.8%	20.8%	15.7%	9.0%	2.2%	1.7%	50.6%
Science BTEC	27	0.0%	0.0%	0.0%	88.9%	0.0%	0.0%	0.0%	0.0%	11.1%	88.9%
Biology	35	5.7%	11.4%	22.9%	45.7%	8.6%	5.7%	0.0%	0.0%	0.0%	85.7%
Chemistry	35	5.7%	11.4%	20.0%	37.1%	17.1%	2.9%	2.9%	0.0%	2.9%	74.3%
Physics	35	2.9%	28.6%	17.1%	31.4%	17.1%	2.9%	0.0%	0.0%	0.0%	80.0%
Religious Education	149	4.7%	4.0%	14.8%	24.2%	10.7%	11.4%	6.7%	4.7%	18.8%	47.7%
Citizenship	150	2.7%	5.3%	8.0%	13.3%	26.0%	17.3%	14.0%	4.7%	8.7%	29.3%
Geography	49	0.0%	2.0%	12.2%	32.7%	20.4%	20.4%	6.1%	6.1%	0.0%	46.9%
History	59	3.4%	13.6%	8.5%	22.0%	25.4%	10.2%	8.5%	8.5%	0.0%	47.5%
Sociology	22	0.0%	9.1%	9.1%	36.4%	18.2%	18.2%	4.5%	4.5%	0.0%	54.5%
Travel & Tourism	14	7.1%	0.0%	21.4%	50.0%	0.0%	0.0%	0.0%	0.0%	21.4%	78.6%
Business Studies	22	0.0%	4.5%	27.3%	22.7%	27.3%	4.5%	13.6%	0.0%	0.0%	54.5%
Business Studies Nationals	28	0.0%	21.4%	46.4%	28.6%	0.0%	0.0%	0.0%	0.0%	3.6%	96.4%
Health and Social Care	12	4.2%	4.2%	12.5%	4.2%	4.2%	12.5%	33.3%	16.7%	8.3%	25.0%
Media Studies	35	0.0%	17.1%	25.7%	25.7%	20.0%	11.4%	0.0%	0.0%	0.0%	68.6%
Information Technology	47	2.1%	14.9%	27.7%	10.6%	10.6%	19.1%	6.4%	8.5%	0.0%	55.3%
Information Technology Nationals	16	0.0%	0.0%	68.8%	6.3%	0.0%	0.0%	0.0%	0.0%	25.0%	75.0%
Resistant Materials	18	0.0%	0.0%	22.2%	22.2%	16.7%	22.2%	16.7%	0.0%	0.0%	44.4%
Graphics	5	0.0%	20.0%	40.0%	20.0%	0.0%	0.0%	0.0%	20.0%	0.0%	80.0%
Food and Nutrition	11	0.0%	9.1%	18.2%	27.3%	27.3%	9.1%	9.1%	0.0%	0.0%	54.5%
Catering	16	0.0%	6.3%	12.5%	25.0%	43.8%	6.3%	6.3%	0.0%	0.0%	43.8%
Textiles	15	0.0%	13.3%	26.7%	13.3%	26.7%	13.3%	6.7%	0.0%	0.0%	53.3%
Spanish	28	3.6%	28.6%	25.0%	21.4%	14.3%	0.0%	3.6%	3.6%	0.0%	78.6%
French	8	12.5%	0.0%	0.0%	37.5%	37.5%	12.5%	0.0%	0.0%	0.0%	50.0%
German	10	0.0%	10.0%	0.0%	30.0%	10.0%	50.0%	0.0%	0.0%	0.0%	40.0%
Art	25	0.0%	0.0%	8.0%	28.0%	8.0%	12.0%	20.0%	16.0%	8.0%	36.0%
Music	30	30.0%	10.0%	36.7%	23.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Drama	33	39.4%	3.0%	39.4%	18.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Sports Studies	16	6.3%	6.3%	43.8%	31.3%	12.5%	0.0%	0.0%	0.0%	0.0%	87.5%
Physical Education (Double)	8	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

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**Advanced Level**

Pass grades gained by Year 13 students at A2 Level in summer 2010 are as below  
**A Level**

<b>Subject</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>U</b>
Applied ICT		1	1	4		1	1
Art and Design Textiles			1	2	1	1	
Art and Design Fine Art				2			1
Biology				1	1	1	1
Chemistry			2	1	1		
Design Technology Product Design					1	1	2
English Literature	1			1	4	3	1
Geography				4	7	1	
History	1		3	6		1	
Philosophy	1						
Maths		2		1			
Media				5	5	1	
Physics			1				1
Polish		1			1		
Psychology					2	2	
Sociology			1			2	3
Spanish				1			
Turkish		1	4			1	

**Destinations of Students**

163 students in Year 11 in 2011- 2012 progressed as follows

GCA 6 <sup>th</sup> form	83
Other Sixth Forms	19
Further Education College	39
Employment	2
Training	1
Not in employment, education or training	3
Unknown	16

67 students finished their A2 / Level 3 courses, their destinations are shown below

University Degrees or Foundation Degrees	47
Further Education College	18
Not in education, employment or training	0
Unknown	0

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**Attendance**

	2008-9	2009-10	2010-11	2011-12
Attendance	93.4%	92.3%	91.4%	94.6%
Authorised Absence	5.7%	5.8%	6.4%	3.15%
Unauthorised Absence	0.9%	1.86%	2.16%	2.25%
% students with Persistent Absence	3.6%	4.7%	3.72%	3.8%

**Improved student behaviour and attitudes to learning**

Visitors continued to be impressed by the orderly atmosphere in the school when they are shown around. There were three permanent exclusions from the school during the year 2011-12. 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 very little in the way of deliberate damage to the premises.

**Numbers on roll**

The improvements at the school have been accompanied by increasing pupil numbers as the Academy establishes a growing reputation within the local area. The vast majority of these students have Greig City Academy as their first or second choice. The growth in pupil numbers has been accompanied by an increase in the number of teachers and education support staff.

	September 2007	September 2008	September 2009	September 2010	September 2011	September 2012
No of Students	890	965	1061	1125	1157	1147
No of Year 7 students	204	200	200	199	195	160
No of Sixth Form Students	113	143	175	206	223	213
No of teaching staff	77	83	86	88	89	91

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**Governance and finance**

During the year, Governors met in full on 6 occasions and the committees met at least once per term. During the course of full Governing body meetings governors considered regular reports, presented by the Principal and Vice Principals and approved a range of policies which had been recommended by the relevant committees. Governors also reviewed and approved a number of targets and success indicators for the school and sections of the School Improvement Plan.

Other work included an analysis and full discussion of the 2011 GCSE and A level exam results. Governors also produced their Annual Report and Financial Statements for the Year Ended 31 August 2011. They were updated regularly on the progress of the sixth form building project. At meetings in December and February, Governors discussed the results and action plans following the Ofsted Inspection in November 2011 and the Section 48 inspection in January 2012. In February 2012 Governors had a discussion on a presentation from the Principal on levels of progress achieved by our students in comparison to other schools. In July 2012 Governors received a presentation on the benefits of the outdoor education programme from staff and students. Governors also reviewed a revised format for the Risk Register. Work on this will continue through committees.

Governors have continued to hold sessions on strategic planning to ensure their input into the School Improvement Plan. This work took place with Governors and key members of the senior leadership team during a half day strategy session on 24 March 2012 when key priorities for the new plan were discussed. Governors plan to hold regular strategic planning sessions and to invite external speakers to address these sessions on subjects such as the respective responsibilities of the Governors and school management and what effective school governance looks like.

During the year Governors approved new procedures for the administration of the Greig Learning Award. In July 2012 Governors approved the sum of £60,000 to be set aside for the next academic year for the Greig Learning Award. This award will be administered by a panel made up of staff and governors working to an agreed set of criteria who will meet to consider and approve appropriate applications.

**Finance, Premises and Personnel Committee:**

At each meeting Governors received reports on finance, premises and personnel with details of work and progress in these areas. They discussed the ways in which the generous grant from the Greig Trust was being spent and the plans for future expenditure. Governors reviewed in detail the Budget for 2012-2013. They met a representative from the new school meals' contractor to review progress. They discussed details of the progress on the Sixth form building project. Discussions took place on the policy for disposal of school equipment and further amendments were requested. Updates on the new Greig Learning Award procedures were received and discussed. The committee also reviewed and recommended the Complaints Policy and Procedures to the full Governing body.

**GREIG CITY ACADEMY  
REPORT OF THE GOVERNORS FOR THE YEAR ENDED  
31 AUGUST 2012**

**Student & Community Committee:**

The committee heard reports on student activity and the school's public profile. Student Voice and the Student Council and the planning of the Section 48 (Christian Ethos) Working Party for the Section 48 inspection in January 2012. Following the inspection the findings and action plan were discussed in detail. They discussed the annual surveys conducted with students and parents and examined the data presented by the Vice Principal of Pastoral Care on Rewards, Sanctions and Exclusions. There are a number of parents and students co-opted to this committee who provide a useful insight into the thoughts and concerns of students and parents. Policies considered by this committee during the year were Safeguarding and Child Protection, Special Educational Needs and Inclusion and the Admissions Policy for 2013.

**Curriculum Committee:**

During the year, the committee had reports from a number of Faculty Heads, ICT, RE and History. These have provided Governors with a good insight into the academic work of the school and the relative strengths of different faculty areas. The committee discussed the school's response to the findings of the Ofsted Report. They were updated on the interventions in place to raise standards in Maths. They looked at data on A\* and A GCSE predictions for 2012. The Vice Principal Curriculum outlined plans for changes to handling transition from primary school and Key Stage 3 curriculum delivery. They heard an update on raising standards of literacy across the whole school. Governors examined and discussed the report on the Examination Review and Curriculum Response. They considered the analysis of school performance tables presented to all Governors by the Principal.

**Audit Committee:**

Audit committee members received reports from the Responsible Officer who visited the school to review the work of the Finance Office and to test the financial controls in place. They discussed the management responses to his reports. Governors looked at progress on action following the Auditor's review of issues raised from the annual audit. They discussed reviews of the recording, accounting and financial control processes. They looked at progress on completing the Fixed Asset register. Governors also discussed the Academy Financial Management and Governance Evaluation.

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

As the school has grown towards its 1200 student capacity, the lack of teaching space has become a significant issue. The site has an extremely small footprint and we have no green spaces or obvious room for expansion. Imaginative solutions will be required if in the longer term we need to create additional teaching space. Governors are aware of these issues and that ultimately a decision will need to be made regarding limiting year group size to less than 200 or engaging in multi-million pound building developments.

**GREIG CITY ACADEMY  
REPORT OF THE GOVERNORS FOR THE YEAR ENDED  
31 AUGUST 2012**

**Public Benefit**

The key public benefit provided by the Academy is the provision of high quality education to its pupils. This is significant when placed within the context of the number of socially and economically disadvantaged students admitted at entry level. The school also aims to offer opportunities for personal development and success to students. We have achieved this through a wide range of extra-curricular activities and educational trips.

Excellent care, guidance and support of our students mean that an increasing number are progressing to university this year and setting higher targets for themselves.

The school's facilities are widely used by the local community. Not only does the school provide adult learning courses to the local community but London Borough of Haringey also runs several adult education classes at the school for the Adult Education programme at no cost. Furthermore, community groups hold various activities at the Academy ranging from sports to supplementary schools. These facilities are hired out at discounted rates to the local community with the aim of promoting better engagement and social cohesion.

The Governors (also Charity Trustees) confirm that, to the best of their knowledge and belief, they have complied with Section 17 of the Charities Act 2011, in respect to having due regard to the Public Benefit guidance published by the Charity Commission.

**Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future.

**Auditor**

In so far as the Governors are aware there is no relevant audit information of which the charitable company's auditor is unaware and the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**FINANCIAL REVIEW**

The majority of the Academy's income was received through the Education Funding Agency (EFA) in the form of recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable activities and for its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities. General Restricted Fund income for the year was £9,012K and expenditure against the fund was £8,379K, resulting in a restricted revenue balance of £633K before depreciation and transfers to the Restricted Fixed Asset Fund.



**GREIG CITY ACADEMY  
REPORT OF THE GOVERNORS FOR THE YEAR ENDED  
31 AUGUST 2012**

**FINANCIAL REVIEW (CONT'D)**

**Unrestricted Funds**

Income received into the Unrestricted Fund was £66K. This was predominantly attributable to donations from parents and contributions to trips. The carry forward balance at the year-end amounts to £357K.

**Restricted Fixed Asset Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned, in line with the Academy's depreciation policy.

The Restricted Fixed Asset Fund has a balance of £22,649K at the year-end. This is detailed in note 13 to the accounts.

**Summary of Financial Performance**

Total fund balance as at 31 August 2012 was £23,605K comprised of 357K, £421K and £22,649K in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively, as well as the Restricted Pension Reserve deficit of £598K.

**Balance Sheet**

The Academy's assets were predominantly used for providing education to school students. Some assets were let to the local community, predominantly for sports and a locally run Saturday school.

The net book value of the Academy's tangible fixed assets was £22,649K as at 31 August 2012. The movement in tangible fixed assets is detailed in note 13 to the accounts.

Cash in hand and bank as at 31 August 2012 was £1,357K.

The Reserves and Investment Policies are detailed below.

**Financial and Risk Management Objectives and Policies**

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The Governors are embarking on a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks considered as part of that review include economic and financial uncertainty, liquidity and solvency, the risk of fraud and compliance with financial and statutory requirements.

**GREIG CITY ACADEMY  
REPORT OF THE GOVERNORS FOR THE YEAR ENDED  
31 AUGUST 2012**

**FINANCIAL REVIEW (CONT'D)**

Following the actuarial valuation at the end of the year, the defined pension benefit liability on the Local Government Pension Scheme stands at £598K. On the Balance Sheet, the deficit is shown as an offset against the Academy's reserves. An actuarial loss of £280K has been recognised in the SOFA.

**Principal Risks and Uncertainties**

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

**Reserves Policy**

The Governors have determined that the majority of funds received from the DfE should be used for the annual running costs of the Academy with an appropriate level of reserve not exceeding 5% to provide sufficient working capital and meet unexpected emergencies. In addition, the policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. In future years capital maintenance and development projects may be considered as part of the reserves policy review.

**Investment Policy**

The Trustees' investment powers are governed by the Memorandum and Articles of Association, which permits the Academy's fund if 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 Academy has invested the sum of £100,000 for one year out of the balance of unrestricted general funds. All risks relating to the time deposit have been considered to tie in with the Academy's objective to hold low-risk reserves. It continues to adopt the going concern basis in preparing the Academy's financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

# GREIG CITY ACADEMY

## Governance Statement

### Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Greig City Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and that the Academy is in accordance with the requirements and responsibilities assigned to the Academy in the funding agreement with the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance - attendance at meetings out of a total number of meetings held between 1 September 2011 and 31 August 2012

	Governing Body Meetings	Finance, Premises and Personnel	Audit
	6 meetings September 2011- August 2012	4 meetings September 2011 - August 2012	4 meetings September 2011- August 2012
Sheila Taylor (Chair)	6	4	3
Shola Adigun	4	3	N/A
Virginia Ward	6	N/A	4
Fr Tim Pike	5	N/A	N/A
David West	5	3	N/A
Rachel Ogufere	6	N/A	N/A
Evan Reid	6	N/A	N/A
Helen Drummond	4	N/A	N/A
Ben Reynolds ( Vice- Chair)	4	3	N/A
Paul Sutton	6	N/A	N/A
Jon Holt (Resigned May)	4	3	N/A
Richard Protasiewicz	2	N/A	2
Toby Boutle	5	N/A	3
Joye Manyan	4	N/A	N/A
Helen Williams (appointed 01/12)	4	N/A	3

### Review of Effectiveness

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the Responsible Officer
- the work of the external auditor

## GREIG CITY ACADEMY

### Governance Statement (cont'd)

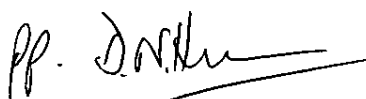
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

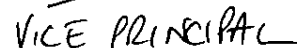
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the governing body on 4 December 2012 and signed on its behalf by

Signed: 

Sheila Taylor  
Chair

Signed.   
Paul V Sutton  
Accounting officer

  
VICE PRINCIPAL

## GREIG CITY ACADEMY

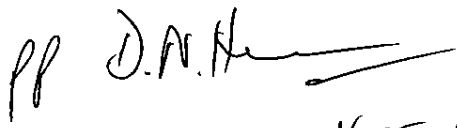
### Statement on Regularity, Propriety and Compliance

As Accounting officer of Greig City Academy I have considered my responsibility to notify the Academy Governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook

I confirm that any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the governing body and the EFA or, if occurring after the date of this statement, will be notified to the governing body and the EFA

Signed

  
Paul V Sutton  
Accounting officer

VICE PRINCIPAL

# **GREIG CITY ACADEMY**

## **Statement of Governors' and Trustees Responsibilities**

The Governors (who act as trustees for charitable activities of Greig City Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

## **GREIG CITY ACADEMY**

### **Statement of Governors' and Trustees Responsibilities (cont'd)**

Approved by order of the members of the Governing body on 4 December 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Sheila M Taylor'.

**Sheila Taylor**  
Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREIG CITY ACADEMY  
YEAR ENDING ON 31 AUGUST 2012**

We have audited the financial statements of Greig City Academy for the year ended 31 August 2012 on pages 26 to 51. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 22, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

**Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:



- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of governors'\* remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Baker Tilly UK Audit LLP*

SUDHIR SINGH (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
25 Farringdon Street  
London  
EC4A 4AB

Date *18 February 2013*

## GREIG CITY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2012

(Including Income and Expenditure account and Statement of Total Recognised Gains and Losses)

	Notes	2012					2011
		Unrestricted		Restricted Funds			Total Funds £'000
		Funds £'000	Fixed Assets £'000	Capital £'000	General £'000	Total Funds £'000	
<b>Incoming Resources</b>							
<i>Incoming resources from generated funds</i>							
Voluntary Income	3	-	-	-	211	211	166
Activities for generating funds	4	63	-	-	91	154	110
Investment Income	5	3	-	-	5	8	6
<i>Incoming resources from charitable activities</i>							
Funding for the Academy's educational operations	6	-	-	22	8705	8727	8954
<b>Total incoming resources</b>		<b>66</b>	<b>-</b>	<b>22</b>	<b>9012</b>	<b>9100</b>	<b>9236</b>
<b>Resources expended</b>							
Costs of generating funds		16	-	-	-	16	58
<i>Resources expended on charitable activities</i>							
Academy's educational operations	8	-	1314	17	8263	9594	9108
		16	1314	17	8263	9610	9166
Governance	9				116	116	102
<b>Total Resources expended</b>	7	<b>16</b>	<b>1314</b>	<b>17</b>	<b>8379</b>	<b>9726</b>	<b>9268</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>50</b>	<b>(1314)</b>	<b>5</b>	<b>633</b>	<b>(626)</b>	<b>(32)</b>
<b>Gross Transfer between Funds</b>	17	<b>-</b>	<b>776</b>	<b>(546)</b>	<b>(230)</b>	<b>(230)</b>	<b>-</b>
<b>Net Income/(Expenditure) for the year</b>		<b>50</b>	<b>(538)</b>	<b>(541)</b>	<b>403</b>	<b>(626)</b>	<b>(32)</b>
<b>Other recognised gains and losses</b>							
Actuarial (losses)/gains on defined benefit pension schemes	17 27	-	-	-	(280)	(280)	405
<b>Net Movement in Funds</b>		<b>50</b>	<b>(538)</b>	<b>(541)</b>	<b>123</b>	<b>(906)</b>	<b>373</b>
<b>Reconciliation of funds</b>							
<b>Total Funds brought forward at 1 September 2011</b>	17	<b>307</b>	<b>23187</b>	<b>719</b>	<b>298</b>	<b>24511</b>	<b>24138</b>
<b>Total funds carried forward at 31 August 2012</b>		<b>357</b>	<b>22649</b>	<b>178</b>	<b>421</b>	<b>23605</b>	<b>24511</b>

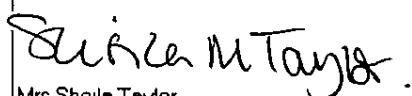
All of the Academy's activities are derived from continuing activities during the two financial periods above. A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 26 to 28 form part of these financial statements

**GREIG CITY ACADEMY**  
**BALANCE SHEET**  
**As At 31 August 2012**  
**COMPANY NUMBER 04220486**

	Notes	2012 Total £'000	2011 Total £'000
<b>Fixed Assets</b>			
Tangible Assets	13	22649	23187
		<b>22649</b>	<b>23187</b>
<b>Current Assets</b>			
Stocks	14	61	165
Debtors and prepayments	15	680	431
Cash at bank and in hand		1357	1612
		<b>2098</b>	<b>2208</b>
<b>Liabilities</b>			
Creditors amounts falling due within one year	16	(544)	(582)
<b>Net current assets</b>		<b>1554</b>	<b>1626</b>
<b>Total Assets less Current Liabilities</b>		<b>24203</b>	<b>24813</b>
<b>Net Assets excluding pension liability</b>		<b>24203</b>	<b>24813</b>
<b>Pension Scheme Liability</b>	27	(598)	(302)
<b>Net Assets including pension liability</b>		<b>23605</b>	<b>24511</b>
<b>Funds of the Academy</b>			
<b>Restricted Income Funds</b>			
Fixed Assets Fund	17	22649	23187
Capital Fund	17	178	719
General Fund	17	1019	600
Pension Reserve	27	(598)	(302)
<b>Total Restricted Funds</b>		<b>23248</b>	<b>24204</b>
<b>Unrestricted Income Funds</b>			
General Fund	17	357	307
<b>Total Funds</b>		<b>23605</b>	<b>24511</b>

The financial statements on pages 26 to 28 were approved by the Governors and authorised for issue by the Governors on 4 December 2012 and signed on their behalf by



Mrs Sheila Taylor  
Chair of Governors

The notes on pages 29 to 49 form part of these financial statements

**GREIG CITY ACADEMY**  
**CASH FLOW STATEMENT**  
for the year ended 31 August 2012

		<b>2012</b>	<b>2011</b>
		<b>Total</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>
<b>Net cash inflow from operating activities</b>	21	493	597
<b>Returns on investments and servicing of finance</b>	22	6	4
<b>Capital expenditure</b>	23	(754)	48
<b>(Decrease)/Increase in cash in the year</b>	24	<u>(255)</u>	<u>649</u>
<b>Reconciliation of net cash flow to movement of funds</b>			
<b>Net funds as at 1 September 2011</b>		1612	963
<b>Net funds as at 31 August 2012</b>		<u>1357</u>	<u>1612</u>

**GREIG CITY ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 August 2012**

**1. Accounting policies**

**(a) Accounting convention**

The Financial statements have been prepared in accordance with applicable United Kingdom Accounting standards, the Statement of Recommended Practice (SORP 2005), the Academies Accounts Direction 2011/12 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted is set out below.

In light of its funding agreement with the Department of Education, the Governors consider that the Academy has adequate resources to continue in operational existence for the foreseeable future and especially in at least the 12 months from the date of the signing of the Financial Statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**(b) Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Incoming resources**

**(c) 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 in the Balance Sheet. The General Annual Grant (the GAG) from the DfE which is intended to meet recurrent costs is credited directly to the Statement of Financial Activities. Other grants from Government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of the funding have been met.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

**(d) 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.

**(e) Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or accrued for, where there is a reasonable certainty of receipt and amount of the donations can be reliably measured.

**(f) Donated services and gifts in kind**

The value of the 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 which they are receivable. Where a reasonable estimate cannot be determined then a note to this effect is disclosed in the notes to the financial statements.

**(g) Interest receivable**

Interest receivable is included in the period in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

**GREIG CITY ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 August 2012**

**(h) Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes.

Restricted funds comprise grants from the Department for Education, Education Funding Agency and other donors which have to be used in accordance with specific restrictions imposed by them or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

**(i) 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.

**(j) Allocation of costs**

In accordance with the SORP 2005, 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 by each category.

**(k) Cost of generating funds**

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

**(l) Charitable activities**

These are costs incurred on the academy's educational activities.

**(m) 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.

All resources expended are inclusive of irrecoverable VAT.

**GREIG CITY ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 August 2012**

**(n) 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 under a long lease, the value of which has been recognised as a gift in kind based on the estimated value in use to 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.

**(o) 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%
Long leasehold buildings	2%
Long leasehold land (over the life of the lease)	99 years
Furniture and office equipment	15%
Computer and related equipment	25%
Motor Vehicles	20%

Individual fixed assets costing £1,000 or more are capitalised at cost with the exception of ICT equipment where purchases over £500 are capitalised. Other fixed asset items are charged to the Statement of Financial Activities in the year of acquisition. A full year's depreciation is charged against capitalised assets in the year of acquisition.

**(p) Assets Impairment**

Where assets are replaced before they are fully depreciated, the remaining depreciation value of the disposed assets is written off as well as the original cost value.

**(q) Stock**

Unused stock is valued at the lower of cost or net realisable value. Stock at year-end represents goods and supplies acquired for use in the following year.

**GREIG CITY ACADEMY**  
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**(r) Leased Assets**

Rental charges 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

Where substantially all risks and rewards of ownership of a leased asset are borne by the Academy, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the fair value of the asset at the inception of the lease. The value of the long leasehold buildings have been depreciated over the estimated useful life of the buildings, while the value of the long leasehold land has been depreciated over the life of the lease.

**(s) Taxation**

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

**(t) 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 27.

**Defined Benefit Scheme**

**Teachers' Pension Scheme**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.



**GREIG CITY ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 August 2012**

**(t) Pensions (cont'd)**

**Local Government Pension Scheme**

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

**(u) Rental income policy**

Rent receivable has been included in the SOFA on an accruals basis in accordance with the lease agreement.

**GREIG CITY ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	2012	2011
	Total	Total
	£'000	£'000
<b>2 GENERAL ANNUAL GRANT (GAG)</b>		
<b>a. Results and Carry forward for the year</b>		
GAG brought forward from previous year	297	(506)
GAG allocation for the current period	8269	7753
<b>Total GAG available to spend</b>	<b>8566</b>	<b>7247</b>
 Recurrent expenditure from GAG	 (7872)	 (7180)
Fixed assets from GAG	(776)	(283)
Transfer to Capital Fund		
GAG carried forward to next year	(82)	(216)
Maximum permitted GAG carry forward at the end of current year ( 12% of allocation for current year)	(992)	(930)
	<b>(1074)</b>	<b>(1146)</b>
<b>GAG to surrender to DfE</b>		
12% rule breached if positive	Nil	Nil
	<b>No breach</b>	<b>No breach</b>
 <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	7872	7180
GAG allocation for the current year	(8269)	(7753)
GAG allocation for the previous year x 2%	(155)	(141)
<b>GAG brought forward from the previous year in excess of 2% used on recurrent expenditure in the current year</b>	<b>(552)</b>	<b>(714)</b>
	<b>No breach</b>	<b>No breach</b>

**GREIG CITY ACADEMY**  
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<b>3 Voluntary Income</b>	<b>Unrestricted £'000</b>	<b>2012 Restricted £'000</b>	<b>Total £'000</b>	<b>2011 Total £'000</b>
Private Sponsorships	-	130	130	130
Other donations	-	81	81	36
	-	211	211	166

**4 Activities for generating funds**

	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>2012 Total £'000</b>	<b>2011 Total £'000</b>
Catering Income	-	91	91	65
Hire & Use of Facilities	-	52	52	43
Caretakers House Rental	-	11	11	2
	-	154	154	110

**5 Investment Income**

	<b>Unrestricted £'000</b>	<b>2012 Restricted £'000</b>	<b>Total £'000</b>	<b>2011 Total £'000</b>
Bank Interest received	3	5	8	6
	3	5	8	6

**6 Funding for Academy's educational operations**

	<b>Restricted £'000</b>	<b>2012 Total £'000</b>	<b>2011 Total £'000</b>
DfE/EFA revenue grants (GAG) Note 2	8269	8269	7753
Other DfE/EFA grants	345	345	-
	<b>8614</b>	<b>8614</b>	<b>7753</b>
Other Government grants	-	-	403
Local authority grants	83	83	59
Special educational projects	8	8	1
Capital grants & revenue	22	22	546
Other grants	-	-	192
	<b>113</b>	<b>113</b>	<b>1201</b>
	<b>8727</b>	<b>8727</b>	<b>8954</b>

**GREIG CITY ACADEMY**  
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**7 Resources Expended**

	2012			2011
	Staff Costs	Non-Pay expenditure		Total
		Premises	Other Costs	
	£'000	£'000	£'000	£'000
Cost of generating voluntary income				
Costs of activities for generating funds	14	-	2	58
Academy's educational operations:				
Direct costs	5546	1117	1272	7640
Allocated support costs	435	715	509	1468
	<b>5995</b>	<b>1832</b>	<b>1783</b>	<b>9166</b>
Governance costs including allocated support costs		9	107	102
	<b>5995</b>	<b>1831</b>	<b>1890</b>	<b>9268</b>

**Incoming/Outgoing resources for the year include.**

	Total 2012	Total 2011
	£'000	£'000
Operating lease rentals	18	19
Auditors remuneration - Audit services	24	29
- Other services	19	-
	<b>61</b>	<b>48</b>

**GREIG CITY ACADEMY**  
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**8 Charitable Activities - Academy's Educational Operations**

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
<b>DIRECT COSTS</b>		
Teaching and educational support staff costs	5546	5420
Depreciation charged to restricted tangible fixed asse	1117	1141
Educational Supplies and services	562	507
Examination fees	122	117
Staff Development	78	(43)
Educational consultancy/Professional fees curriculum	431	269
Other direct costs	79	-
	<b>7935</b>	<b>7411</b>
<b>ALLOCATED SUPPORT COSTS</b>		
Support staff costs	435	456
Depreciation charged to restricted tangible fixed asse	197	202
Recruitment and support	7	-
Building and Ground maintenance	157	149
Cleaning and hygiene materials	147	174
Rent and rates		1
Energy	152	99
Insurance	63	62
Security and transport	14	
Occupancy costs	20	29
Supplies and services	225	296
Catering	234	229
Other support costs	8	-
	<b>1659</b>	<b>1697</b>
<b>TOTAL</b>	<b>9594</b>	<b>9108</b>

	<b>ected Funds</b>	<b>Restricted Funds</b>	<b>Total 2012</b>	<b>Total 2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>9 Governance Costs</b>				
Legal and professional fees	-	60	60	39
Forensic consultancy	-	19	19	-
Audit of financial statements	-	24	24	29
Responsible Officer audits	-	3	3	4
Support staff costs	-	10	10	30
	-	116	116	102

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**10 Staff Costs**

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

Staff costs during the period were

	2012	2011
	£'000	£'000
Wages and salaries	4906	4838
Social security costs	417	409
Pension costs	595	631
	<u>5918</u>	<u>5878</u>
Supply teacher costs	72	40
Compensation payments	5	-
Total staff costs	<u>5995</u>	<u>5918</u>

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

	2012	2011
<b>Charitable Activities</b>		
Teachers	65	63
Administration and Support	47	45
Management	<u>20</u>	<u>20</u>
	<u>132</u>	<u>128</u>

The number of employees whose emoluments fell within the following bands were

	2012	2011
£60,000 - £70,000	18	18
£70,001 - £80,000	4	4
£80,001 - £90,000	2	2
£100,000 - £110,000	1	1
£150,000 - £160,000	1	1

All but one of the above employees earning over £60,000 participated in the Academy's Pension schemes. During the period, pension contributions for these staff amounted to £208,763 (2011 - £225,430). The remaining employee participated in the Local Government Pension Scheme with pension contributions amounting to £8,908 (2011 - £8,734).

**11 Governors' remuneration and Expenses**

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

	Salary	Employers Pension Contributions	GCA Learning Award
	£	£	£
Paul Sutton	123,051	17,350	2,400
Jon Holt	56,326	7,942	2,400
Richard Protasiewicz	28,589	3,860	-
Daniel Knappert	59,585	7,594	2,400

Governors of the Academy receive no remuneration for their services in that capacity and none (2011 - £0) have been reimbursed for travel expenses incurred while carrying out their duties as Governors during the year (2011 - £0).

Other related party transactions involving the Governors are set out in Note 25.

**GREIG CITY ACADEMY**  
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**Governors and Officers**

**12 Insurance**

A premium of £1,016 was paid in the year (2011: £1,016) on a professional indemnity policy to protect the Governors from loss arising from neglect or defaults by the Governors or employees. The insurance provides cover up to £2 million per annum to indemnify Governors in any one year of cover. Officers and employees are protected under the public liability policy for an aggregate of up to £25 million per annum.

**13 Tangible Fixed Assets**

	Long Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	2012 Total £'000
<b>Cost or Valuation</b>					
At 1 September	31462	573	1154	12	33201
Additions	636	62	97	4	799
Disposals/Write-off	-	-	(23)	-	(23)
At 31 August	32098	635	1228	16	33977
<b>Depreciation</b>					
At 1 September	8638	533	839	4	10014
Charge for year	1107	33	171	3	1314
At 31 August	9745	566	1010	7	11328
<b>Net Book Value</b>					
At 31 August 2012	22353	69	218	9	22649
At 31 August 2011	22824	40	315	8	23187

	2012 £'000	2011 £'000
<b>14 Stock</b>		
Teaching supplies & Stationery	61	165
<b>15 Debtors</b>		
Trade debtors	54	43
Prepayments	5	7
Sundry debtors	621	381
<b>Total</b>	680	431

The figure for accrued income represents grants receivable and due

	2012 £'000	2011 £'000
<b>16 Creditors - amounts falling due within one year</b>		
Trade creditors	310	237
Other creditors	3	127
Taxation and Social Security	141	142
Accruals and Deferred Income	90	77
	544	583
<b>Deferred income</b>		
Deferred Income at 1 September 2011	41	17
Resources deferred in the year	30	41
Amounts released from previous years	(42)	(17)
Deferred income at 31 August 2012	29	41

The 16-19 Bursary funding received in July 12 for the following academic year has been deferred for allocation in 2012/2013

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**17 Funds**

The Restricted General Funds must be used to meet the normal operating costs of the Academy. The Academy is allowed to carry forward up to 12% of the current General Annual Grant. 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 gross transfer from the Restricted General Fund to the Restricted Fixed Assets Funds represents the total capital expenditure from the General Annual Grant (GAG) during the year.

The Governors Discretionary Fund was set aside to generate income which in turn will be utilised by the Academy for projects and activities that have been approved by the Governors. The fund represents receipts and collections by the Academy on conversion in 2002 and is unrestricted.

The Restricted Capital Fund represents funds given specifically for future capital purchases. The Restricted Fixed Asset Fund reflects the net book value of tangible fixed assets and the written down value of long leasehold buildings on which the Academy pays nil rent.

	01/09/2011	Incoming Resources	Resources Expended	Gains/Losses & Transfers	31/08/2012
	£'000	£'000	£'000	£'000	£'000
General Annual Grant	331	8269	(7886)	(230)	484
Other Government Grants	140	428	(361)		207
Other Income	129	315	(116)		328
<b>Restricted General Funds</b>	<b>600</b>	<b>9012</b>	<b>(8363)</b>	<b>(230)</b>	<b>1019</b>
<b>Pension Reserve</b>	<b>(302)</b>	<b>-</b>	<b>(16)</b>	<b>(280)</b>	<b>(598)</b>
DiE Capital Grant	650	22	-	(546)	126
Sponsorship	69	-	(17)	-	52
<b>Restricted Capital Fund</b>	<b>719</b>	<b>22</b>	<b>(17)</b>	<b>(546)</b>	<b>178</b>
<b>Funds</b>	<b>23187</b>		<b>(1314)</b>	<b>776</b>	<b>22649</b>
<b>Total Restricted Funds</b>	<b>24204</b>	<b>9034</b>	<b>(9710)</b>	<b>(280)</b>	<b>23248</b>
<b>Unrestricted Funds</b>					
General Funds	307	66	(16)	-	357
	<b>24511</b>	<b>9100</b>	<b>(9726)</b>	<b>(280)</b>	<b>23605</b>

**18 Analysis of Group Net Assets between Funds**

	Unrestricted General Funds £'000	Restricted Fixed Assets Funds £'000	Capital Funds £'000	General Funds £'000	Total Funds £'000
<b>August 2012 are represented by</b>					
Tangible Fixed Assets	-	22649	-	-	22649
Current assets: Stocks and De	-	-	-	741	741
Cash and Bank	357	-	178	822	1357
Current Liabilities	-	-	-	(544)	(544)
Pension Scheme Liabilities	-	-	-	(598)	(598)
<b>Net Assets</b>	<b>357</b>	<b>22649</b>	<b>178</b>	<b>421</b>	<b>23605</b>



**GREIG CITY ACADEMY**  
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**19 Capital Commitments**

The 6th form extension was completed at the end of the year and put into use at the start of the 2012/13 academic year. The contract was funded by a grant of £546k from the Partnership for Schools, with additional funding coming out of capital reserves. Following completion of the building, the cost of the project has been included as an addition to fixed assets in the financial statements. No depreciation charge has been made on the building as the building was not commissioned for use until the start of the 2012/13 academic year. No other services or goods have been contracted for and therefore no provision is required in the financial statements.

**Financial Commitments**

**20 Operating leases**

As at 31 August 2012, the Academy had annual commitments for equipment under operating leases as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating leases which expire	£'000	£'000
- within one year	18	19

**21 Reconciliation of net cash inflow from operating activities**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure	(626)	(32)
Depreciation (Note 13)	1314	1341
Capital grants from DfE and other capital income	(22)	(332)
Interest receivable (Note 5)	(6)	(4)
FRS17 pension costs less contributions payable (Note 27)	12	45
(Increase)/Decrease in stocks	103	(155)
(Increase)/Decrease in debtors	(248)	(33)
Increase/(Decrease) in creditors	(38)	(248)
FRS 17 pension finance income (Note 27)	<u>4</u>	<u>15</u>
<b>Net cash inflow from operating activities</b>	<b><u>493</u></b>	<b><u>597</u></b>

**Net cash inflow from operating activities**

**22 Returns on investments and servicing of finance**

Interest received	8	6
Interest paid	<u>(2)</u>	<u>(2)</u>
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b><u>6</u></b>	<b><u>4</u></b>

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	2012	2011
	£	£
	£'000	£'000
<b>23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Capital grants from DfE/EFA	22	332
Capital funding received from sponsors and others		
Receipts from sale of tangible fixed assets		
Purchase of tangible fixed assets	(776)	(283)
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(754)</b>	<b>48</b>

**24 Analysis of changes in net funds**

	As At 1 September 2011 £'000s	Cash flows £'000s	As At 31 August 2012 £'000s
Cash in hand and at bank including short-term deposits	1612	(255)	1357

**Related Party Transactions**

- 25** 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 donated a total of £130,000 towards the activities of the Academy. The Academy also benefits from a legacy payment from Greig Trust/LDBS. A total of £2,717 was received as income from the legacy during the financial year. The accounts include accrued rental income from the caretaker's house. Mr Holt, a teacher Governor, occupied the caretaker's house between September 2011 and May 2012 at a monthly rent of £900. Total rent payable for the year was £11,800 (2010/11 - £2,400 for 2 months). A balance of £458.33 was outstanding as rent at 31 August 2012. This amount has been accrued for in the financial statements.

**Members' Liability**

- 26** 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 or she is a member, or within one year after he or she ceases to be a member, such amounts as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

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**27 Pension and similar obligations**

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. Both are defined benefit schemes.

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

There were no outstanding or pre-paid contributions at either the beginning or the end of the financial year.

**Teachers Pension Scheme (TPS)**

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.

**GREIG CITY ACADEMY**  
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**27 RETIREMENT BENEFIT - Pension and similar obligations (continued)**

**VALUATION OF THE TEACHERS' PENSION SCHEME**

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 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 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. 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 contributions payable.

A copy of the GA's 2004 valuation report can be found on the Department for Education's website.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 78.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design of a reformed TPS and scheme valuations are therefore currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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**27 RETIREMENT BENEFIT - Pension and similar obligations (continued)**

Under the definitions set out in the Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for the contributions to the scheme as if it were a defined benefit scheme. The academy has set out above information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

**Local Government Pension Scheme**

The Academy is one of several employing bodies included within the London Borough of Haringey 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 for the year ended 31 August 2012 was £595K of which the employer's contribution was £149K and the employees' contribution totalled £446K. The agreed employer contribution rate for the year was 16.8% and between 5.5% and 7.2% for employees.

**Local Government Pension Scheme continued**

**Financial assumptions**

Year Ended	31 Aug 2012	31 Aug 2011
	% p.a.	% p.a.
Inflation / Pension Increase Rate	2.6%	2.7%
Salary Increase Rate	4.9%	4.9%
Expected Return on Assets	6.2%	6.2%
Discount Rate	5.4%	5.4%

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

Year Ended	31 Aug 2012	31 Aug 2011
	% p.a.	% p.a.
Equities	6.8%	6.8%
Bonds	4.6%	4.6%
Property	4.8%	4.8%
Cash	3.9%	3.9%

**Mortality**

Life expectancy is based on the PFA92 and PMA92 tables, year of birth tables, with improvements from 2007 in line with the medium cohort and a 1% p.a. underpin.

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27 RETIREMENT BENEFIT - Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Based on these assumptions, the average future life expectancies at age 65 are summarised below

	<b>Males</b>	<b>Females</b>
Current Pensioners	21 9 years	24 7 years
Future Pensioners	23 3 years	26 1 years

Disclosures as at 31 August 2011

Fair value of employer assets	31 Aug 2012	31 Aug 2011
Year Ended	£'000	£'000
Equities	1,260	1,085
Bonds	347	306
Property	128	122
Cash	91	15
Total	<u>1,826</u>	<u>1,528</u>

The above asset values as at 31 Aug 2012 are at bid value as required under FRS17

Balance sheet	31 Aug 2012	31 Aug 2011
Year Ended	£'000	£'000
Fair Value of Employer Assets	1,826	1,528
Present Value of Funded Liabilities	<u>(2,424)</u>	<u>(1,830)</u>
Net (Under) in Funded Plans	(598)	(302)
Net Liability	<u>(598)</u>	<u>(302)</u>

Year Ended	31 Aug 2012		31 Aug 2011	
	£(000)	% of pay	£(000)	% of pay
Current Service Cost	161	19.3%	164	19.2%
Interest Cost	103	12.4%	103	12.1%
Expected Return on Employer Assets	(99)	(11.9%)	(88)	(10.3%)
Total	165	19.8%	179	21.0%
Actual Return on Plan Assets	145		95	

**GREIG CITY ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 August 2012

**27 RETIREMENT BENEFIT - Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

**Reconciliation of defined benefit obligation**  
Year Ended

**31 Aug 2012**

**31 Aug 2011**

**£(000)**

**£(000)**

Opening Defined Benefit Obligation	1,830	2,077
Current Service Cost	161	164
Interest Cost	103	103
Contributions by Members	54	55
Actuarial Losses / (Gains)	328	(513)
Past Service Costs / (Gains)	-	-
Estimated Benefits Paid	(52)	(56)
Closing Defined Benefit Obligation	<u>2,424</u>	<u>1,830</u>

**Reconciliation of fair value of employer assets**  
Year Ended

**31 Aug 2012**

**31 Aug 2011**

**£(000)**

**£(000)**

Opening Fair Value of Employer Assets	1,528	1,430
Expected Return on Assets	99	88
Contributions by Members	54	55
Contributions by the Employer	149	119
Actuarial Gains / (Losses)	48	(108)
Estimated Benefits Paid	(52)	(56)
Closing Fair Value of Employer Assets	<u>1,826</u>	<u>1,528</u>

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

Year Ended:	31 Aug 2012	31 Aug 2011	31 Aug 2010	31 Aug 2009	31 Aug 2008
Fair Value of Employer Assets	1,826	1,528	1,430	1,143	1,056
Present Value of Defined Benefit Obligation	(2,424)	(1,830)	(2,077)	(1,722)	(1,331)
Surplus / (Deficit)	(598)	(302)	(647)	(579)	(275)
Experience Gains / (Losses) on Assets	48	(108)	61	(125)	(108)
Experience Gains / (Losses) on Liabilities	12	194	-	-	34

## GREIG CITY ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2012

#### 27 RETIREMENT BENEFIT - Pension and similar obligations (continued)

##### Local Government Pension Scheme (continued)

Analysis of projected amount to be charged to operating profit for the year to 31 August 2013

Year Ended	31 Aug 2013	
	£(000)	% of pay
Projected Current Service Cost	193	22.6%
Interest on obligation	104	12.1%
Expected Return on Plan Assets	(92)	(10.7%)
Past Service Cost / (Gain)	-	-
Loss/(Gains) on Curtailments and Settlements	-	-
Actual Return on Plan Assets	205	24.0%

Expected employers contributions to be paid to the scheme for the year to 31 August 2013 will be approximately £152,000

#### 28) CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of an asset to 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 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:

- 1 the value at the time of the Academy's site and premises and the other assets held for the purpose of the Academy, and
- 2 the extent to which the expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement



GREIG CITY ACADEMY  
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**28 Amounts disbursed as agent**

	2012 £'000	2011 £'000
Funding body grants - Bursary funds	24	-
Interest earned	-	-
	<u>24</u>	<u>-</u>
Disbursed to students	21	-
Administration costs	1	-
	<u>2</u>	<u>-</u>
<b>Balance unspent as at 31 August 2012 , included in creditors</b>	<b>2</b>	<b>-</b>

Funding body grants are available solely for students. The income and expenditure in the Academy's Statement of Financial Activities relates to the direct payment of the bursary funds to the eligible students. In these circumstances, the grants and related disbursements are therefore excluded from the income and expenditure account.

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREIG CITY ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies' Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Greig City Academy during the period 1 September 2011 [or earlier if relevant] to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

### **Respective responsibilities of Greig City Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Greig City Academy's funding agreement with the Secretary of State for Education dated December 2001 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies' Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

### **Approach**

We conducted our engagement in accordance with the Academies' Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we

would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities, including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

## Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Between July 2011 and May 2012, a Governor, the elected teaching staff representative, was a tenant of the caretaker's house owned by the Academy. Rent payable under this tenancy arrangement during this period was £8,100. This tenancy was in breach of the provisions of both Paragraph 1.24 of the Department's "Academies Financial Handbook 2006" (Payments to Governors) and Greig City Academy's Memorandum and Articles. Following legal advice obtained by the academy, the member of staff resigned from the Governing Body.

*Baker Tilly UK Audit LLP*

*18 February 2013*

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