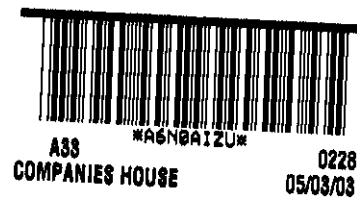


GREIG CITY ACADEMY
(A Company Limited by Guarantee)

REPORT AND AUDITED FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2002

Charity Registration Number: 1088610
Company Registration Number: 4220486



GREIG CITY ACADEMY
(A Company Limited By Guarantee)

REPORT AND AUDITED FINANCIAL STATEMENTS
PERIOD ENDED 31 AUGUST 2002

CONTENTS

Page	
	Legal and Administrative Information
2	
	Report of the Trustees
3-10	
	Report of the Auditors
11-12	
	Statement of Financial Activities
13	
	Balance Sheet
14	
	Cash Flow Statement
15	
	Notes forming part of the Financial Statements
16-21	

GREIG CITY ACADEMY
(A Company Limited By Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

Greig City Academy - A company limited by guarantee

Charity Registration Number: 1088610

Company Registration Number: 4220486

Governing Document

Articles and Memorandum of Association

Trustees & Directors	Date of Appointment	Appointing Body
Nigel Greig	17/4/02	HS & SV Greig Trust
Sylvia Hinder	19/7/01	HS & SV Greig Trust
Thomas Peryer	21/5/01	London Diocesan Board for Schools
Owenna Griffiths	1/9/02	London Diocesan Board for Schools
Mitford O'Dean	20/5/02	East Haringey Deanery
Jonathan Trigg	16/7/01	West Haringey Deanery Synod
Benjamin Reynolds	11/9/02	Members of the Trust
Peter Wheatley	22/11/01	Bishop of Edmondton
Marion Forman	1/4/02	Elected Teacher Governor
Serkan Kemal	1/4/02	Elected Support Staff Governor

Secretary

Jenny Armstrong 21/5/01 – 7/10/02

Elizabeth Barthaud From 7/10/02

Registered Office

Hillfield Avenue

Hornsey

London N8 7DT

Solicitors

Winkworth Sherwood

The Old Deanery

Deans Court

St Paul's

London EC4V 5AA

Auditors

Baxter & Co.

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Bankers

HSBC Bank

Woodside Green Branch

Cheapside

London

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

MAIN REPORT OF THE TRUSTEES

Preamble

The Trustees of Greig City Academy (The City Academy), who are also Directors of the company for the purposes of the Companies Act, present their report and the audited financial statements for the period ended 31 August 2002. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing this annual report and financial statements of the City Academy.

The Objects of the Greig City Academy

The objects of the City Academy are to advance, for the public benefit, education in The United Kingdom, by establishing, maintaining, operating and developing a Church of England secondary school offering a broad curriculum with a strong emphasis on technology, in particular Information Communications Technology to be conducted in accordance with the principles and practices of The Church of England.

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

Governance and Organisational Structure of Greig City Academy

Greig City Academy is a company limited by guarantee and a registered charity, which was established on 21 May 2001 in place of St David's and St Katherine's School, which ceased to exist on 31 August 2002. The company's memorandum and articles of association are the primary governing documents of the City Academy. The sponsors and of the Company are the HS & SV Greig Trust, the London Diocesan Board for Schools and the Department for Education & Skills; the sponsors nominate the principal members of the Company. The Members of the Company are as set out below:

- a) The London Diocesan Board for Schools ("the LDBS").
- b) The Chair for the time being of The Greig Trust. (*Mr John Footman*)
- c) One person appointed by the LDBS (*Mr Thomas Peryer*)
- d) One person appointed by The Greig Trust (*Revd Geoffrey Seabrook*)
- d) One person appointed by the Secretary of State (*Vacancy*)
- e) Any further members appointed by the above (*None*)

The affairs of the company and the strategic management of the City Academy are the responsibility of the governors of the school, who are also the trustees of the charity and directors of the company. The articles of association provide for the appointment or election of 15 governors, as follows:

- (a) Two governors appointed by the London Diocesan Board for Schools
- (b) Two governors appointed by the Greig Trust
- (c) The Bishop of Edmonton or his appointee
- (d) 1 governor appointed by the West Haringey Deanery of the Diocese of London
- (e) 1 governor appointed by the East Haringey Deanery of the Diocese of London
- (f) The principal of the City Academy
- (g) Two elected parent governors

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

- (h) 1 elected teacher governor
- (i) 1 elected support staff governor
- (j) 1 parent governor appointed by members of the Trust
- (k) 2 governors drawn from the local community appointed by the members of the trust

During the period ending 31 August 2002, the Governing Body met on 5 occasions. The Governing Body has adopted a system of committees and terms of reference for those committees. The committees are as follows:

- Finance, Personnel & Premises Committee
- Students & Community Committee
- Audit Committee
- Standing Committee

The Governing Body has also adopted a set of procedures (in addition to the Articles of Association) and these will be reviewed and adapted as the Company develops. Not all of the trustee appointments had been completed by the end of the year in question, especially the parent governor appointments. These and any other remaining appointments will be made during the year 2002/03.

Investment Powers

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

Legal Status

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

Key Relationships with Related Parties

In order to pursue its objects, the Trust has entered into a formal agreement with the Secretary of State for Education & Skills regarding the funding of the City Academy and the management of affairs of the City Academy.

The London Diocesan Board for Schools is a sponsor of Greig City Academy and also provides a number of services for the school as it does for all Church of England schools in the Diocese of London. The current chairman of the Greig City Academy is also the Diocesan Director of Education. The LDBS is providing £500,000 towards the capital programme spread over the first five years of the Company's life.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

The HS & SV Greig Trust is a sponsor of the City Academy and is providing the majority of the private financing of the capital programme, approximately £1.5 million pounds over five years.

Greig City Academy will continue to maintain a relationship with the local education authority, Haringey. Some statutory funds for the Academy will come through the LEA and the LEA is required to provide certain statutory functions for the City Academy, even though the City Academy is independent of the LEA.

Review of Activities for the Year Ending 31 August 2002

Greig City Academy was formed in May 2001 with the object of establishing a new City Academy to replace the school of St David & St Katharine. On 1 September 2002, Greig City Academy officially opened as the very first City Academy in the UK.

During the period May 2001 – August 2002, the main focus of the Project Management Team and latterly the Governing Body was in the following areas:

- **Funding Agreement**

The Project Management Team had to secure a funding agreement with the Secretary of State for Education & Skills with regard to the establishment of the Greig City Academy and the scale of the capital project to be undertaken. In December 2001, the Secretary of State for Education and Skills agreed to provide recurrent revenue funding for the new City Academy from its opening at the commencement of the academic year 2002/03. Also, the government confirmed the availability of £13 million of capital for building work to augment £2 million offered by the sponsors, £1.5 million from the Greig Trust and £500,000 from the London Diocesan Board for Schools. These agreements were based upon the preparation and submission of a substantial volume of documents covering amongst other matters: new approaches to learning and teaching; a pupil admissions policy applying in the event of over subscription to the admission of up to 215 students per age group; proposals for transforming the site and buildings; a draft City Academy budget; evidence of extensive consultation with parents, the general public and other stakeholders and the memorandum and articles of the Greig City Academy Company.

- **Formation of the Governing Body and adoption of policies**

A new governing body had to be formed and during the period various appointments have been made and the governing body has held a number of meetings. Various policies have had to be prepared and adopted by the governors in relation to the new school. (see below)

- **Appointment of External Advisors**

The appointment of legal advisors, external auditors bankers and a responsible officer have been concluded.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

- **Staffing of the Greig City Academy**

A unified management structure was introduced to run the Greig City Academy. The management structure consists of a Principal, two Vice Principals and four Directors of Learning. These posts constitute the City Academy Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. At the end of August more than half of the posts in the Support Staff Structure were filled while all but one of the 61 posts in the Teaching Staff Structure were filled through new appointments and the transfer of staff from St David and St Katharine School under the Transfer of Undertakings and Protection of Employment regulations (TUPE). Contracts were issued to members of staff prior to the opening of the Greig City Academy at the end of August 2002.

- **The Development of the Capital Programme**

Howard Fletcher King Associates were appointed through competitive tendering in November 2002 to provide building project management services on behalf of the sponsors as joint clients. Following the signing of the funding agreement, Try Accord plc was appointed as the main contractor for the building programme again following a very competitive round of tendering. A project office opened within block J of the school site in January 2002 facilitating smooth commencement at April 2002 of the capital building programme which will transform the site and buildings available to the City Academy.

As the reporting year ended on 31 August 2002, phase one of the capital programme was close to schedule with imminent hand-over of a variety of facilities including those for special educational needs, learning and behaviour support, reprographics, a new staff room and food technology. Preparatory work for phase two was a little ahead of schedule at the end of August 2002 involving landscaping behind block J and the creation of an all weather sports pitch. Over the past fifteen months since the formation of the company, other capital developments have been carried out which have introduced new physical security arrangements on the school site, toilet accommodation for students and the first phase of the infrastructure for ICT. Improvements to the lighting and flooring within the sports hall were also undertaken over the summer of 2002 without detriment to the main programme through capital finance available to St David and St Katharine School.

- **Financial and Other Tasks**

In response to the financial allocation made by the Department for Education and Skills (DfES) in August 2002, a draft budget was prepared for the academic and financial year 2002/03; a responsible officer was appointed; budgetary control and monitoring systems were prepared. A Register of Assets was prepared by an external consultancy describing accurately the position on 31 August 2002 prior to the opening of the City Academy.

- **Opening**

The Greig City Academy was officially opened with a service of dedication and festivities led by the Bishop of London, Rt. Rev. Robert Chartres, on Friday 6 September 2002 and a reception in the City of London on Tuesday 15 October 2002. All pupils in the school of St David & St Katharine were offered a place in the new school and most transferred.

GREIG CITY ACADEMY

(A Company Limited by Guarantee)

• HMI Inspection and Action Plan

In the summer of 2002, the former school of St David & St Katharine was the subject of a short inspection by Her Majesty's Inspectors of Schools. As a result of that inspection, an action plan has been drawn up by the school and adopted by the Governing Body. Progress on completion of the activities and targets within the action plan will be monitored by the Trustees and by an external monitoring group.

2002/03 and Beyond

City Academies are new institutions and as the very first City Academy the Greig City Academy has been one of the pioneers of this Government initiative. The process of closing one school and opening another school has been complex and testing for all parties. Much time and effort has gone into setting up systems, procedures and infrastructure. A great deal has been achieved but there remains a considerable agenda, not least the continued improvement of the site and buildings in order to make this school a truly uplifting and positive teaching and learning environment.

However, more attention can now be devoted to the core activities of the City Academy, namely the raising of standards of achievement at the school. The trustees and staff of the school are determined to secure improvements to the quality of education not only for those students currently at the school but for those students who will join in later years. The goal is a successful and popular school serving the needs of young people and families in Haringey. The Mission Statement of the School is '*Achievement in a Christian Community*'. The trustees expect the three pillars of that mission statement to be increasingly visible inside and outside the school in the years to come.

Statement of Policies and Policy Development

The Governing Body has met on a number of occasions and has transacted much business. It has adopted a number of documents relating to personnel, students and general matters examples being: Disciplinary and Grievance Procedures; Harassment Policy; Equal Opportunities Policy including a statement on disability; Appointment of Staff Procedures; Trades Union Recognition Policy; Staff Remuneration Policy, Staff Performance Management Policy; School Performance and Target Setting; Health and Safety Policy; Behaviour Policy, Access to Student Records Policy; Personal, Social and Health Education policy; Policy on a daily act of Collective Worship; Child Protection Policy; Greig City Academy Staffing Structure.

The trustees will continue to consider and develop policies in relation to the future progress of the City Academy and will ensure that policies required by law as well as recommended as good practice are adopted and put into effect in the school.

Operating and Financial Review

The financial statements have been prepared in accordance with current statutory requirements and the City Academy's governing documents.

Most of the City Academy's income in the period ended 31 August 2002 was obtained from the DfES in the form of capital and other grants, and from its main sponsors, the LDBS and The Greig Trust. The grants and sponsorship received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

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

Expenditure for the period was covered by grants from the DfES and sponsorship income and the excess of incoming resources over resources expenditure for the period was £1,807,000, of which £1,740,000 has been capitalised in the financial statements as fixed assets.

Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the City Academy.

Fund Review

The City Academy also held a restricted fund balance at the 31 August 2002 of £67,000. The fund balances are adequate to fulfil the obligations of the City Academy and provide a balance against most unforeseen future events. To achieve the Development Plan objectives and for other major capital projects, the City Academy remains dependent on the provision of grants from both the DfES and sponsors.

Policy on Reserves

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of income and expenditure streams, the need to match with commitments and the nature of reserves. The Trustees have determined that the appropriate level of reserves which are not invested in tangible assets should be reviewed shortly after the Academy commences to operate as a school. Tangible fixed assets are all held for use by the City Academy. The City Academy has a number of restricted funds. The purpose of these funds is set out in Note 16.

Policy on Investments

The Charity has not engaged in any investment of surplus funds during the period under review. The Trustees have not yet developed a policy on reserves but it is not expected that this will be especially relevant as there is no expectation that the City Academy will accumulate reserves. The Funding Agreement with the DfES provides for the revenue funding requirements of the City Academy.

Policy on Risk Management

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

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

Statement of Trustee Responsibilities for the Financial Statements

As Trustees we acknowledge that Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. We are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal Controls

The company's system of internal control is based on the City Academies Financial Handbook, a comprehensive handbook drawn up by the DfES and our own systems and procedures which have been approved by the Trustees. All these documents are available for inspection.

The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have appointed R Ashdown, a Registered Auditor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the City Academy's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

Equal Opportunities

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

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

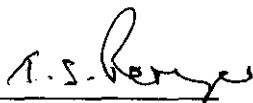
Auditors

Baxter & Co, Chartered Certified Accountants and Registered Auditors were appointed during the year as the Charity's auditors.

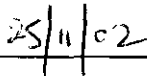
A resolution proposing that Baxter & Co be re-appointed as auditors of the Charity will be put to the Annual General Meeting.

Approval

The AGM of the company was held on 21 November 2002 and reconvened on 25 November 2002. The report of the Trustees was approved on 25 November 2002 and signed on its behalf by:



T Peryer
Chair of Trustees



25 November 2002

AUDITORS REPORT TO THE MEMBERS OF GREIG CITY ACADEMY (A Company Limited by Guarantee)

We have audited the financial statements on pages 13 to 21, which have been prepared under the accounting policies set out on pages 16 to 18.

Respective Responsibilities of Governors and Auditors

The Trustees who are also directors of Greig City Academy for the purpose of Company Law are responsible for preparing the Annual Report. As described on pages 8 to 11 this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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

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

Basis of Opinion

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

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

AUDITORS REPORT TO THE MEMBERS OF GREIG CITY ACADEMY
(A Company Limited by Guarantee)
(Continued)

Opinion

In our opinion:

- a) the financial statements give a true and fair view of the state of affairs of the City Academy at 31 August 2002 and of its incoming resources and application of resources including its income and expenditure, cash flows and recognised gains and losses in the period then ended and have been properly prepared in accordance with the Companies Act 1985.
- b) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education and Skills in respect of the relevant financial period;
- c) proper accounting records have been kept by the City Academy throughout the financial period.
- d) grants made by the Department for Education and Skills have been applied for the purposes intended;



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

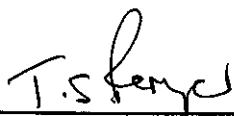
26 November 2002

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

BALANCE SHEET AT 31 AUGUST 2002

	Notes	£'000	2002 £'000
Fixed Assets			
Tangible Assets	12, 13		1,740
Current Assets			
Debtors	14	121	
Cash at bank and in hand		<u>111</u>	
		232	
Creditors: amounts falling due within one year	15	<u>165</u>	
Net Current Assets			<u>67</u>
Total assets less current liabilities			<u>1,807</u>
Net Assets			<u><u>1,807</u></u>
Funds			
Restricted Funds	16		
Fixed Asset Fund			1,807
Development			-
Implementation			-
General Funds			-
Total Funds			<u><u>1,807</u></u>

The financial statements on pages 14 to 22 were approved by the Trustees on 25 November 2002 and signed on their behalf by:



T Peryer
Chair of Trustees

25 November 2002

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT FOR THE PERIOD TO 31 AUGUST 2002

	Notes	Period to 31 August 2002 £'000	
Cash Inflow from Operating Activities			
Receipts			
Recurrent grant from DfES		-	
Other receipts from DfES		-	
Receipts from central or local government		1,764	
Private Sector sponsorship		670	
Other receipts		1	
		<hr/>	
Total Receipts		2,435	
Payments			
Staff Costs		-	
Other Cash Payments		584	
		<hr/>	
Total Payments		584	
Net cash (outflow)/inflow from operating activities		1,851	
Returns on investments and servicing of finance			
Investment income received		-	
Capital Expenditure and financial investment			
Payments to acquire fixed assets		1,740	
Payments to acquire investments		-	
		<hr/>	
		1,740	
(Decrease)/Increase in cash in the year		111	
		<hr/>	
Analysis of changes in net funds			
	At '21 May 2002	Cash Flows	At '31 August 2002
	£'000	£'000	£'000
Cash at bank and in hand	-	111	111
(including short term deposits)	<hr/>	<hr/>	<hr/>

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2002

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice ("SORP 2000"). "Accounting and Reporting by Charities" published in October 2000 and the Charities Act 1993. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

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

Fund Accounting

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

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

Grants Receivable

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

Donations

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

Donated Services and Gifts in Kind

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

Sponsorship

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

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2002
(Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amortisation Transfer

The amortisation transfer relates to depreciation on fixed assets acquired using funding provided by government grants and other funds.

Investment Income and Interest Receivable

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

Costs of Generating Funds

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

Management and administration

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

Apportionment of Costs

Items of expenditure which involve more than one cost category have been apportioned on the basis of capacity of accommodation used.

Tangible Fixed Assets

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

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

Individual fixed assets costing £500 more are capitalised at cost.

GREIG CITY ACADEMY

NOTES TO THE AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2002 (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Tangible Fixed Assets (Continued)

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

	Annual Rate
Improvements to premises	5%
Computer and other equipment	25%

Investments

Fixed asset investments are included in the balance sheet at cost or market value.

Stocks

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

Taxation

The Academy is a registered charity and accordingly is exempt from taxation on its charitable activities which fall within the scope of Section 505(1) of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992.

Leased Assets

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

Pensions

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

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

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

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2002
(Continued)

Net incoming resources before transfers

The Academy's net incoming resources before transfers are stated after charging:

Period Ended
31 August 2002
£'000

Depreciation	-
Audit Fees	<u>3</u>

Grant Carry Forward

During the period covered by these accounts the Academy had not commenced to operate as a school and therefore no General Annual Grant was received or receivable.

Other DfES Grants

£'000

Capital	1,089
Development	342
Implementation	<u>650</u>
	<u>2,081</u>

£'000

Sponsorship

Greig Trust	536
London Diocesan Board for Schools	<u>100</u>
	<u>636</u>

Income from Investments and Interest receivable

£'000

Bank Interest Received	<u>-</u>
------------------------	----------

£'000

Other Income

Laundry Income	<u>1</u>
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Resources Expended

	Staff	Depr'n	Other	Total
	£'000	£'000	£'000	£'000
Direct provision of education	-	-	-	-
Educational Support	-	-	-	-
Management and Administration	-	-	911	911
Raising	-	-	-	-
	<u>-</u>	<u>-</u>	<u>911</u>	<u>911</u>

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2002
(Continued)

9. General Expenditure

**Period
Ended
31 August 2002
£000**

Educational Supplies & Services	-
Occupancy Costs	-
Maintenance Costs	-
Supplies and Services	-
Operating Lease Rentals	-
Auditors Remuneration	3
Other	-
Total	<u>3</u>

During the period covered by these accounts, the Academy had not commenced to operate as a school and therefore no general expenditure (other than audit fees) was incurred.

10. Management and Administration of the Academy

£'000

Development Costs	261
Implementation Costs	650
Depreciation	-
Staff Costs	-
Total	<u>911</u>

11. Trustees

No Trustees received any payment in respect of their services to the Academy during the accounting period, except for re-imbursement of properly incurred expenses totalling £749.

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

GREIG CITY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2002**

(Continued)

12. Tangible Fixed Assets	Improvements to Premises £'000	Computers & Other Equipment £'000	Total £'000
Cost			
Additions	<u>1,423</u>	<u>317</u>	<u>1,740</u>
At 31 August 2002	1,423	317	1,740
Depreciation			
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2002	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31 August 2002	<u>1,423</u>	<u>317</u>	<u>1,740</u>

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

13. Fixed Asset Investments

The Academy held no investments at 31 August 2002.

	31 August 2002 £'000
14. Debtors	
Grant Debtors	120
Sundry Debtors	<u>1</u>
	<u>121</u>

15. Creditors: amounts falling due within

one year:	£'000
Trade Creditors	127
Taxation and Social Security	-
Sundry Creditors	35
Accruals	<u>3</u>
Total	<u>165</u>

16. Purpose of Funds

The Restricted Fixed Asset Fund is set aside to fund future depreciation while the Restricted Capital Fund is set aside to fund future capital purchases.