

Registered Company number: 05735093

THE EXCELSIOR ACADEMY NEWCASTLE
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

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THE EXCELSIOR ACADEMY NEWCASTLE

FINANCIAL STATEMENTS

Year ended 31 August 2011

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THE EXCELSIOR ACADEMY NEWCASTLE

COMPANY INFORMATION

Year ended 31 August 2011

Board of Trustees (Academy Trust Board)	Date of appointment	Position
Lord Laidlaw of Rothiemay	9 March 2006	Member
Mr P C Fair	9 March 2006	Chair
Mrs P Marshall	1 April 2007	Member

Board of Governors

Lord Laidlaw of Rothiemay
Mr P C Fair
Mrs P Marshall
Mr D Llewellyn
Mr C Jobe
Prof N Harris
Mr B Jones
Mrs S Irving (resigned 12 June 2011)
Mr M Strudwick
Mr A Hunter
Mr M Sehgal
Inspector S Hails (resigned 11 March 2011)
Mrs I Ali (appointed 23 May 2011)
Mrs L Conlon (appointed 23 May 2011)

Directors

Lord Laidlaw of Rothiemay
Mr P C Fair
Mrs P Marshall

Company Secretary

Mr P Snowdon

Principal and Registered Office:

Denton Road
Newcastle upon Tyne
NE15 6AF

Auditors:

Baker Tilly UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers:

Barclays Bank plc
446 Westgate Road
Newcastle upon Tyne
NE4 9BN

Solicitors:

Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

THE EXCELSIOR ACADEMY NEWCASTLE
GOVERNORS' REPORT
Year ended 31 August 2011

The Governors present their report together with the financial statements of the charitable company for the year ended 31 August 2011

The financial statements have been prepared in accordance with the accounting policies of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005')

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee with no share capital (registration no 05735093) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. Members of the charitable company are nominated by Lord Lairdlaw, the main sponsor of the Academy. The articles of association require the members of the charitable company to appoint at least four governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Articles of Association were last amended on 21 January 2011.

Members' liability

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

Governors

Three of the Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. Governors retire after four years in office.

The governors who were in office at 31 August 2011 and served throughout the year, except where shown are listed on page 3.

During the year under review the governors held 5 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Statement of Governors' responsibilities

The governors (who act as trustees for charitable activities of the Excelsior 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 Academies Accounts Direction 2010/11 issued by the Young People's Learning 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

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT

Year ended 31 August 2011

Statement of Governors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and 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 YPLA/DfE have been applied for the purposes intended.

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

Organisational Structure

The Academy opened in September 2008 with a structure of four 11-16 schools and a sixth form (Excelsior College). The structure consists of three levels: the Governors, the Senior Leadership Group and the Senior Team of each of the four 11-16 schools. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Group consists of the Executive Principal, four School Principals, the Director of Excelsior College and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain at least one Governor. Some spending control is devolved to members of the Management Team.

The School Team of each school includes the School Principal, the Standards Manager and the Welfare Manager. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

THE EXCELSIOR ACADEMY NEWCASTLE
GOVERNORS' REPORT
Year ended 31 August 2011

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the Excelsior 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 in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the Excelsior Academy and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Statement on the system of internal finance control

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 the governing body,
- regular reviews by the Finance and General Purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- 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 set policies on internal controls which cover the following

- the type of risks the Academy faces,
- the level of risks which they regard as acceptable,
- the likelihood of the risks materialising,
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
- the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken

These arrangements can provide only reasonable and 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.



Peter Fair
Chair

Philomena Marshall
Accounting Officer



THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT

Year ended 31 August 2011

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

Objects, aims and objectives

The principal object and activity of the charitable company is the operation of the Excelsior Academy to advance for the public benefit education for pupils of different abilities between the ages of 11 and 18 with an emphasis on the Academy's specialism - Business Enterprise. To support that, each school leads for the Academy on other specialisms which are Creative and Performing Arts, Business and Economics, Health Related Studies and Environment, Technology and Design

The aims and objectives of the Academy are set out in the Academy's Development Plan 2008-11

The main objectives of the Academy during the year ended 31 August 2011 are summarised below

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Strategies and activities

The Academy's main strategy is encompassed in its mission - "Excelsior Academy prepares students to value and respect themselves and others as citizens who will make a positive contribution to the development of tomorrow's world. We are committed to providing learning opportunities for all students through high quality teaching and a wide curriculum. We offer courses and qualifications to meet the diverse interests and skills of our young people as well as a wide range of extra-curricular activities including residential opportunities."

To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff
- secondments and placing of students with industrial and commercial partners,
- a programme of sporting and after school leisure activities for all students,
- a programme of after school clubs
- a careers advisory service to help students obtain employment or move on to higher education

Equal opportunities policy

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy is committed to 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.

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.

THE EXCELSIOR ACADEMY NEWCASTLE
GOVERNORS' REPORT
Year ended 31 August 2011

ACHIEVEMENTS AND PERFORMANCE

The Academy is now in its fourth year of operation and there is clear evidence that the organisation, ethos and leadership of the Academy is having an effect on attainment, behaviour and attendance. Results in year 1 were broadly in line with the predecessor school but after three years we have seen a huge improvement in the percentage of pupils achieving 5 A*-C grades including English and Maths. There has also been a marked improvement in attendance which in turn will support further academic improvement.

The results of 2011/12 will be a clear indicator of the rate of progress as the pupils in Year 11 will have been at the Academy for four years. To ensure that standards are continually raised, the Academy operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

FINANCIAL REVIEW

Financial report for the year

In May 2011 the Academy's Financial Management and Governance was inspected by the YPLA and awarded the top grade of 'outstanding'. This is testament to the professionalism of the Governors and Finance staff at Excelsior in the way that they manage and deploy monetary resources to support teaching and learning.

Most of the Academy's income is obtained from the YPLA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the year ended 31 August 2011 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy also receives grants for fixed assets from the YPLA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2011, total expenditure of £9,509,619 (excluding depreciation of £2,108,915) was more than covered by the recurrent grant funding from the YPLA together with other incoming resources. The excess of income over expenditure for the year (excluding depreciation) was £956,246.

Including depreciation and adjustments for FRS17, the net movement in funds was a deficit of £1,192,669.

At 31 August 2011 the net book value of fixed assets was £31,361,265 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

As at 31 August 2011 the FRS17 pension deficit amounted to £1,350,900.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to two month's expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £(104,702) which is less than is needed. The Academy intends to continue building up free reserves to the level needed.

THE EXCELSIOR ACADEMY NEWCASTLE
GOVERNORS' REPORT
Year ended 31 August 2011

Financial position

The Academy held fund balances at 31 August 2011 of £31,609,557

Investment policy

The Business Manager liaises closely with Barclays Bank to ensure the best available rate of return on no risk investments

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students improve attendance and get jobs or a place in higher education once they leave

The Academy aims to be at the centre of the regeneration of the area in the years to come and will work closely with the City Council and other partner organisations to achieve this

AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office



Peter Fair
Chairman

12/12/11

**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF
THE EXCELSIOR ACADEMY NEWCASTLE**

We have audited the financial statements of The Excelsior Academy Newcastle for the year ended 31 August 2011 on pages 12 to 33. 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 2010/11 issued by the Young People's Learning 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 pages 4 and 5, the governors (who act as trustees for the charitable activities of the company, and are also the directors of the 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

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 2011 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 2010/11 issued by the Young People's Learning Agency.

Opinion on other matter

In our opinion grants made by the Department for Education have been applied for the purposes intended.

Opinion on other requirement of the Companies Act 2006

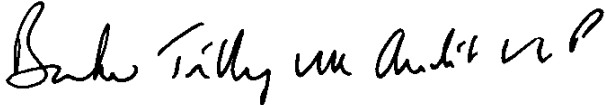
In our opinion the information given in the Governors Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF
THE EXCELSIOR ACADEMY NEWCASTLE (continued)**

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



CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

14/12/11

**THE EXCELSIOR ACADEMY NEWCASTLE
STATEMENT OF FINANCIAL ACTIVITIES**

for the year ended 31 August 2011

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £	Total 2010 £
Incoming resources						
Incoming resources from generated funds						
- Voluntary income	4	29,741	121,500	-	151,241	140,017
- Activities for generating funds	5	137,120	-	-	137,120	127,133
Investment income	6	9,119	-	-	9,119	1,120
Incoming resources from charitable activities						
- Funding of the Academy educational operations	2	-	9,993,081	175,304	10,168,385	9,998,109
Total incoming resources		<u>175,980</u>	<u>10,114,581</u>	<u>175,304</u>	<u>10,465,865</u>	<u>10,266,379</u>
Resources expended						
Costs of Generating Funds						
- Costs of generating voluntary income	8	110,820	-	-	110,820	108,978
Charitable activities						
- Academy's educational operations	9	-	9,324,837	2,108,915	11,433,752	11,340,531
- Past service credit	9	-	-	-	-	(290,000)
Governance costs	10	-	73,962	-	73,962	69,061
Total resources expended		<u>110,820</u>	<u>9,398,799</u>	<u>2,108,915</u>	<u>11,618,534</u>	<u>11,228,570</u>
Net incoming / (outgoing) before other recognised gains and losses and transfers						
Transfer between funds	16	65,160	715,782	(1,933,611)	(1,152,669)	(962,191)
Actuarial losses on defined benefit pension schemes	15	-	(143,713)	143,713	-	-
		<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>	<u>(50,000)</u>
Net movement in funds		65,160	532,069	(1,789,898)	(1,192,669)	(1,012,191)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2010		<u>(169,862)</u>	<u>90,068</u>	<u>32,882,020</u>	<u>32,802,226</u>	<u>33,814,417</u>
Total fund balances carried forward at 31 August 2011		<u>(104,702)</u>	<u>622,137</u>	<u>31,092,122</u>	<u>31,609,557</u>	<u>32,802,226</u>

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

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 EXCELSIOR ACADEMY NEWCASTLE
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 August 2011

	2011	2010
	£	£
Income		
GAG	8,720,916	8,317,895
Standards funds grant	572,669	953,973
DfE & other government grants	874,800	726,241
Private sector sponsorship	121,500	115,000
Other income	175,980	153,270
Total income	<u>10,465,865</u>	<u>10,266,379</u>
Expenditure		
GAG related expenditure	8,335,794	8,376,843
Past service credit	-	(290,000)
Other DfE & grant expenditure	993,005	790,700
Depreciation	2,108,915	2,072,988
Other expenditure	110,820	178,039
FRS17 (income)/expenditure	70,000	100,000
Total expenditure	<u>11,618,534</u>	<u>11,228,570</u>
Excess of expenditure over income	<u>(1,152,669)</u>	<u>(962,191)</u>
Statement of total recognised gains & losses		
Excess of expenditure over income	(1,152,669)	(962,191)
Actuarial losses on defined benefit scheme	(40,000)	(50,000)
Total recognised gains and losses for the year	<u>(1,192,669)</u>	<u>(1,012,191)</u>
Net transfer to funds		
Unrestricted fund	65,160	(24,769)
Restricted general fund	642,069	617,703
Restricted fixed asset fund	(1,789,898)	(1,745,125)
Restricted pension fund	(110,000)	140,000
	<u>(1,192,669)</u>	<u>(1,012,191)</u>

THE EXCELSIOR ACADEMY NEWCASTLE (Company Number: 05735093)

BALANCE SHEET

at 31 August 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	12	31,361,265	33,326,467
Current assets			
Debtors	13	261,102	288,697
Cash at bank and in hand		1,875,758	1,039,096
		<u>2,136,860</u>	<u>1,327,793</u>
Creditors amounts falling due within one year	14	(537,668)	(611,134)
Net current assets		<u>1,599,192</u>	<u>716,659</u>
Total assets less current liabilities (excluding pension liability)		32,960,457	34,043,126
Pension scheme liability	15	(1,350,900)	(1,240,900)
Net assets		<u>31,609,557</u>	<u>32,802,226</u>
Total funds			
Restricted fund			
Restricted Fixed Asset fund	16	31,092,122	32,882,020
Restricted General fund	16	1,973,037	1,330,968
Pension fund	15	(1,350,900)	(1,240,900)
	16	<u>31,714,259</u>	<u>32,972,088</u>
General fund			
Unrestricted fund	17	(104,702)	(169,862)
Total funds	17	<u>31,609,557</u>	<u>32,802,226</u>

The financial statements on pages 12 to 33 were approved by the Trustees and authorised for issue on 17/12/11 and signed on its behalf by



Peter Fair
Chairman

THE EXCELSIOR ACADEMY NEWCASTLE
CASHFLOW STATEMENT
for the year ended 31 August 2011

	Note	2011	2010
		£	£
Operating activities			
Receipts	Recurrent grant from DfE		
	GAG	8,720,916	8,317,895
	Other Grants	1,169,803	1,420,900
	Other receipts	185,874	134,646
	Private Sponsorship	102,999	28,001
Payments	Staff costs	(7,380,282)	(7,252,018)
	Other costs	(2,182,205)	(2,125,019)
Net cash inflow from operating activities	24	<u>617,105</u>	<u>524,405</u>
Returns on investments and servicing of finance			
Interest received		9,119	1,120
Interest paid		(334)	(719)
		<u>8,785</u>	<u>401</u>
Capital income/(expenditure)			
Capital grants from DfE		298,219	261,696
Other capital grants		56,266	-
Purchase of tangible fixed assets		(143,713)	(459,734)
		<u>210,772</u>	<u>(198,038)</u>
Net increase in cash		<u>836,662</u>	<u>326,768</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		836,662	326,768
Change in net funds		836,662	326,768
Net funds at 1 September 2010		1,039,096	712,328
Net funds at 31 August 2011		<u>1,875,758</u>	<u>1,039,096</u>
	At 1		At 31
	September	Cash	August
	2010	Flows	2011
	£	£	£
Cash at bank and in hand	<u>1,039,096</u>	<u>836,662</u>	<u>1,875,758</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year are

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2010/11 issued by the Young People's Learning Agency and Companies Act 2006

Going Concern

After reviewing financial and other information available, the governors consider that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements

Fund accounting

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

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Department for Education, where the asset acquired or created is held for a specific purpose

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability

Grants receivable

Fixed asset grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on 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 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.

Sponsorship

The value of sponsorship provided to the Academy is recognised in the statement of financial activities in the year in which it is receivable and the amount can be reliably measured

Donations

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

Interest receivable

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

Resources expended

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

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

1 ACCOUNTING POLICIES (continued)

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy Trust'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.

Charitable activities expenditure includes both the costs that can be allocated directly to the Academy's educational operations and those costs out of an indirect nature necessary to support them.

Governance costs

Governance costs include the costs attributable to the Academy's compliance with statutory requirements, including audit, strategic management and governance meetings.

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates -

Freehold property	2% p a
Furniture, fittings and equipment	25% p a
Computer equipment	25% p a

Where 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 a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Impairment

A review for the impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Recognition of a Liability

Liabilities are recognised within creditors in the balance sheet when there is an obligation at the year-end for the Academy to transfer benefits.

Deferred Income

Deferred income is included as a creditor within the balance sheet and relates to restricted funding received in advance but where the related expenditure can only take place in a future accounting period.

Leased assets

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

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2011

1 ACCOUNTING POLICIES (continued)

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 15, the TPS is a multi employer scheme and the Academy Trust 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.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an 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 equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

2	FUNDING OF THE ACADEMIES EDUCATIONAL OPERATIONS	2011	2010
		£	£
	DfE grants		
	DfE Capital grants (retention reimbursement)	175,304	327,863
	DfE Recurrent grant (GAG)	8,720,916	8,317,895
	DfE Start up grants	301,998	-
	DfE National Challenge Support Grant	103,000	103,000
	DfE Standards Funds Grant	572,669	953,973
		<u>9,873,887</u>	<u>9,702,731</u>
	Other Grants		
	Special Education Needs	69,826	61,542
	Devolved Formula Capital Grant	56,266	124,991
	Other Standard Funds Grant	36,645	99,491
	Pupil Premium	99,700	-
	Other Grant income	32,061	9,354
		<u>294,498</u>	<u>295,378</u>
		<u>10,168,385</u>	<u>9,998,109</u>
3	GENERAL ANNUAL GRANT (GAG)	2011	2010
		£	£
	a. Results and Carry Forward for the year		
	GAG brought forward from previous year	227,467	286,415
	GAG allocation for the current year	8,720,916	8,317,895
	Total GAG available to spend	<u>8,948,383</u>	<u>8,604,310</u>
	Recurrent expenditure from GAG	(8,335,794)	(8,376,843)
	Fixed assets purchased from GAG	(143,713)	-
	GAG carried forward to next year	<u>468,876</u>	<u>227,467</u>
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,046,510)	(998,147)
	GAG to surrender to DfE (12% breached if result is positive)	<u>(577,634)</u>	<u>(770,680)</u>
		No breach	No breach

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

3 GENERAL ANNUAL GRANT (GAG) (continued)

	2011	2010
	£	£
b. Use of GAG brought forward from previous year for recurrent purposes		
Recurrent expenditure from GAG in current year	8,335,794	8,376,843
GAG allocation for current year	(8,720,916)	(8,317,895)
GAG allocation for previous year x 2%	(166,358)	(189,186)
	(551,480)	(130,238)
GAG brought forward from previous year in excess of 2%, used on recurrent expenditure in current year		
(2% rule breached if positive)	No breach	No breach

4 VOLUNTARY INCOME

	2011	2010
	£	£
Private sponsorship	121,500	115,000
Other income	29,741	25,017
	151,241	140,017

5 ACTIVITIES FOR GENERATING FUNDS

	2011	2010
	£	£
Catering income	110,930	108,978
Letting income	26,190	18,155
	137,120	127,133

6 INVESTMENT INCOME

	2011	2010
	£	£
Bank interest	9,119	1,120
	9,119	1,120

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

7 RESOURCES EXPENDED

	Staff Costs £	Premises £	Other £	Total 2011 £	Total 2010 £
Costs of generating voluntary income	-	-	110,820	110,820	108,978
Academy's Educational Operations					
Direct	5,190,119	2,108,915	534,373	7,833,407	7,807,703
Allocated support	2,230,163	-	1,370,182	3,600,345	3,242,828
Governance including allocated support	-	-	73,962	73,962	69,061
	<u>7,420,282</u>	<u>2,108,915</u>	<u>2,089,337</u>	<u>11,618,534</u>	<u>11,228,570</u>

Net incoming resources for the year is stated after deducting

	2011 £	2010 £
Fees payable to Baker Tilly UK Audit LLP and its associates for		
- Audit	7,000	11,789
- Other services	5,500	8,771
Operating lease costs	<u>14,161</u>	<u>30,768</u>

8 COST OF GENERATING FUNDS

	2011 £	2010 £
Catering expenses	<u>110,820</u>	<u>108,978</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

9 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS	2011 £	2010 £
Direct costs		
Teaching and education support staff costs (including past service credit of £nil (2010 £290,000))	5,190,119	4,977,523
Depreciation	2,108,915	2,072,988
Books, apparatus & stationery	131,976	138,252
Examination fees	144,777	202,641
Staff development	46,372	65,342
Education consultancy	21,063	44,963
Alternative education	165,772	285,438
Other direct costs	24,413	20,556
	7,833,407	7,807,703
Allocated support costs		
Personnel Costs		
Support staff costs	2,230,163	2,084,495
	2,230,163	2,084,495
Establishment Expenses		
Maintenance of premises & equipment	121,801	96,765
Rent & rates	102,252	55,901
Heat & light	208,816	96,474
Insurance	116,117	110,249
Security	122,475	150,188
	671,461	509,577
General Expenses		
Cleaning	28,876	39,389
Transport	45,072	35,254
Catering	147,736	113,298
Technology costs	161,171	154,331
Bank interest & charges	334	719
FRS 17 finance costs	30,000	60,000
Other support costs	285,532	245,765
	698,721	648,765
Total allocated support costs	3,600,345	3,242,828
Total costs	11,433,752	11,050,531

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

10 GOVERNANCE COSTS

	2011	2010
	£	£
Audit fees	7,000	11,789
Accountancy fees	5,500	8,771
Legal and professional	58,249	46,616
Governors expenses	3,213	1,885
	<u>73,962</u>	<u>69,061</u>

11 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2011 expressed as full time equivalents was as follows

	2011	2010
	No.	No.
Charitable Activities		
Teachers	104	105
Administration and support	90	87
Management	7	7
	<u>201</u>	<u>199</u>

	2011	2010
	£	£
Staff costs comprise		
Wages and salaries	6,064,358	5,956,826
Social security costs	483,822	467,491
Other pension costs	782,798	785,529
Contracted out staffing costs	49,304	102,172
Past service credit	-	(290,000)
FRS17 Costs excluding past service credit (note 15)	40,000	40,000
	<u>7,420,282</u>	<u>7,062,018</u>

Seven employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2011. The total emoluments of these employees were in the following ranges

	2011	2010
	No.	No.
£60,001 - £70,000	1	3
£70,001 - £80,000	4	3
£80,001 - £90,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>7</u>	<u>7</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

11 STAFF COSTS (continued)

Six of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £66,017 (2010 £63,228). The other employees participated in the Local Government Pension Scheme, pension contributions amounted of £11,852 (2010 £10,965).

Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff governors and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Principal's remuneration was £132,760 in 2011. The value of staff governor's remuneration in their role of governor was £nil.

During the year ended 31 August 2011, travel and subsistence expenses totalling £3,213 (2010 £1,885) were reimbursed to governors.

Related party transactions involving the trustees are set out in note 21.

Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2011 was £5,406 (2010 £5,406).

12 TANGIBLE FIXED ASSETS

	Land & Buildings £	Equipment, fixtures & fittings £	Total £
Cost			
At 1 September 2010	31,647,699	5,760,127	37,407,826
Additions	-	143,713	143,713
At 31 August 2011	<u>31,647,699</u>	<u>5,903,840</u>	<u>37,551,539</u>
Depreciation			
At 1 September 2010	1,259,158	2,822,201	4,081,359
Charge in year	632,954	1,475,961	2,108,915
At 31 August 2011	<u>1,892,112</u>	<u>4,298,162</u>	<u>6,190,274</u>
Net book value			
At 31 August 2011	<u>29,755,587</u>	<u>1,605,678</u>	<u>31,361,265</u>
At 31 August 2010	<u>30,388,541</u>	<u>2,937,926</u>	<u>33,326,467</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

13 DEBTORS

	2011	2010
	£	£
Trade debtors	8,183	8,695
Prepayments	66,543	48,740
Sundry debtors	186,376	108,347
Capital debtors	-	122,915
	<u>261,102</u>	<u>288,697</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	169,177	304,941
Other creditors	800	-
Accruals and deferred income	367,691	306,193
	<u>537,668</u>	<u>611,134</u>

Accruals and deferred income comprises:	2011	2010
	£	£
Deferred income at 1 September 2010	162,245	69,140
Amount released from previous year	(121,020)	(54,736)
Incoming resources deferred in the year	74,924	147,841
Deferred income at 31 August 2011	<u>116,149</u>	<u>162,245</u>
Accruals	<u>251,542</u>	<u>143,948</u>
Total accruals and deferred income	<u>367,691</u>	<u>306,193</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

15 PENSIONS AND SIMILAR OBLIGATIONS

The Academy Trust'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 South Tyneside Council 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 31 March 2004 and of the LGPS 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employer's Supplementary Contribution) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August was £310,000, of which employer's contributions totalled £220,000 and employees' contribution totalled £90,000. The provisional rates for future years (which are subject to review) are 13.9% per cent for employers, plus additional annual contributions of £35,800 and between 5.5% and 7.5% for employees.

The principal actuarial assumptions as at the balance sheet date were

	2011	2010
	%	%
Discount rate	5.4	4.9
Rate of increase in salaries	5.1	4.8
Rate of increase in pensions in payment	2.7	2.6
Rate of increase in deferred pensions	2.7	2.6
RPI Inflation	3.6	3.3

The amounts recognised in the balance sheet are as follows

	2011	2010
	£	£
Present value of funded obligations	(4,020,900)	(3,400,900)
Fair value of scheme assets	2,670,000	2,160,000
Deficit in the scheme	(1,350,900)	(1,240,900)
Net pension liability	(1,350,900)	(1,240,900)

Changes in the present value of the defined benefit obligation scheme are as follows

	2011	2010
	£	£
Opening defined benefit obligation	3,400,900	2,980,900
Current service cost	260,000	250,000
Past service cost	-	(290,000)
Interest on scheme liabilities	180,000	170,000
Actuarial loss	80,000	170,000
Contributions by scheme participants	90,000	80,000
Benefits paid out	10,000	40,000
Closing defined benefit obligation	4,020,900	3,400,900

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

The defined benefit obligation may be analysed between wholly unfunded and wholly or partly funded schemes as follows

	2011	2010
	£	£
Funded	4,020,900	3,400,900
Unfunded	-	-
	<u>4,020,900</u>	<u>3,400,900</u>

Changes in the fair value of scheme assets are as follows

	2011	2010
	£	£
Opening of fair value of scheme assets	2,160,000	1,600,000
Expected return on scheme assets	150,000	110,000
Contributions by employer	220,000	210,000
Contributions by scheme participants	90,000	80,000
Actuarial gain	40,000	120,000
Benefits paid out	10,000	40,000
	<u>2,670,000</u>	<u>2,160,000</u>

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows

	2011	2010
	%	%
Equities	67.6	65.3
Property	8.5	8.1
Cash	1.3	1.4
Government bonds	6.9	10.0
Corporate bonds	11.6	12.3
Other	4.1	2.9

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Amounts charged to the statement of financial activities

	2011 £	2010 £
<i>Staff costs</i>		
Current service cost	260,000	250,000
Past service costs	-	(290,000)
Contributions by employers	(220,000)	(210,000)
<i>Finance costs</i>		
Interest on scheme liabilities	180,000	170,000
Expected return on scheme assets	(150,000)	(110,000)
Total operating charge / (credit)	<u>70,000</u>	<u>(190,000)</u>

Other pension costs in 2010 included an exceptional credit of £290,000 relating to FRS 17 past service costs. In its June 2010 budget, the Government announced that it intended for future increases in public sector pension schemes to be linked to changes in the Consumer Prices Index (CPI) rather than, as previously, the Retail Price Index (RPI). The Academy considered the LGPS scheme rules and associated members' literature and concluded that this change is a change in benefits and so recognised the resulting credit in the Income & Expenditure account.

Employer contributions for the financial year ended 31 August 2012 are estimated at approximately £230,000 (2010 £220,000).

Amounts charged as gains and losses are as follows

	2011 £	2010 £
Actuarial loss on scheme liabilities	80,000	170,000
Actuarial gain on scheme assets	(40,000)	(120,000)
Actuarial loss	<u>40,000</u>	<u>50,000</u>

Rate of return

The long term expected rate of return on 31 August 2011 is as follows

	2011 %	2010 %
Equities	7.7	7.7
Property	7.2	7.2
Cash	1.6	1.4
Government bonds	3.7	3.7
Corporate bonds	4.8	4.3
Total	<u>7.0</u>	<u>6.8</u>

Excelsior Academy employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2011.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

History of experience gains and losses

	2011 £	2010 £	2009 £	2008 £	2007 £
Experience adjustments on share of scheme assets	40,000	120,000	(150,000)	(17,300)	800
Experience adjustments on scheme liabilities	(330,000)	-	(70,000)	(29,900)	(3,900)

History of asset values, present value of liabilities and surplus/deficit

	2011 £	2010 £	2009 £	2008 £	2007 £
Present value of defined benefit obligation	(4,020,900)	(3,400,900)	(2,980,900)	(391,000)	(352,100)
Fair value of scheme assets	2,670,000	2,160,000	1,600,000	240,100	237,200
Deficit in the scheme	(1,350,900)	(1,240,900)	(1,380,900)	(150,900)	(114,900)

Principal demographic assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates
The assumed life expectations on future lifetime from retirement age 65 are

	2011	2010
<i>Males</i>		
Retiring today	21.5	20.0
Retiring in 20 years	23.3	22.2
<i>Females</i>		
Retiring today	23.7	22.9
Retiring in 20 years	25.6	25.1

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

16 RESTRICTED FUNDS

	Balance at 1 September 2010 £	Transfer £	Incoming resources £	Expenditure £	FRS 17 Actuarial loss	Balance at 31 August 2011 £
Restricted General Fund						
Lord Laidlaw of Rothiemay donation	-	-	121,500	(121,500)	-	-
DfE GAG	227,467	(143,713)	8,720,916	(8,335,794)	-	468,876
DfE Start Up Grant	-	-	301,998	(301,998)	-	-
DfE Standards Funds Grant	870,196	-	572,669	(227,695)	-	1,215,170
Other Standards Funds Grant	-	-	36,645	(36,645)	-	-
DfE National Challenge Support Grant	-	-	103,000	(103,000)	-	-
SEN funding	-	-	69,826	(69,826)	-	-
Devolved Formula Capital Grant	233,305	-	56,266	(18,961)	-	270,610
Pupil Premium	-	-	99,700	(99,700)	-	-
Other grant income	-	-	32,061	(13,680)	-	18,381
	<u>1,330,968</u>	<u>(143,713)</u>	<u>10,114,581</u>	<u>(9,328,799)</u>	<u>-</u>	<u>1,973,037</u>
Restricted Pension Fund	<u>(1,240,900)</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>(40,000)</u>	<u>(1,350,900)</u>
Restricted General Funds	<u>90,068</u>	<u>(143,713)</u>	<u>10,114,581</u>	<u>(9,398,799)</u>	<u>(40,000)</u>	<u>622,137</u>
Capital expenditure from GAG	-	143,713	-	(17,964)	-	125,749
Other Restricted Fixed Asset Fund	32,882,020	-	175,304	(2,090,951)	-	30,966,373
Total Restricted funds	<u>32,972,088</u>	<u>-</u>	<u>10,289,885</u>	<u>(11,507,714)</u>	<u>(40,000)</u>	<u>31,714,259</u>

The specific purposes for which the funds are to be applied are as follows

General Annual Grant

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

School Standards Funds

Recurrent standards funds are received to provide a contribution to the schools development and improvement agenda, including personalised learning. It is calculated based on pupil numbers. Standards funds are now paid as a 'maintenance grant' included within the GAG income.

Devolved Formula Capital Funding

These arrangements allow Academies to decide how to fund local priorities. It can only be used for capital expenditure on premises/building projects or the purchase of ICT equipment.

**THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 August 2011

16 RESTRICTED FUNDS (continued)

Restricted Fixed Asset Fund

The Restricted Fixed Asset Fund represents fixed assets funded by DfE capital grants and other private sponsors

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2011 £	Total 2010 £
Tangible fixed assets	-	269,143	31,092,122	31,361,265	33,326,467
Current assets	8,183	2,128,677	-	2,136,860	1,327,793
Current liabilities	(112,885)	(424,783)	-	(537,668)	(611,134)
Pension liability	-	(1,350,900)	-	(1,350,900)	(1,240,900)
	<u>(104,702)</u>	<u>622,137</u>	<u>31,092,122</u>	<u>31,609,557</u>	<u>32,802,226</u>

18 CAPITAL COMMITMENTS

	Total 2011 £	Total 2010 £
Contracted for but not provided for in the financial statements	-	-
Authorised by the Governors but not yet contracted	-	-
	<u>-</u>	<u>-</u>

The above capital commitment will be met by DfE grants to be received in future years

19 OPERATING LEASE COMMITMENTS

At 31 August 2011, the Academy was committed to making the following payments during the next year in respect of operating leases for motor vehicles

	Total 2011 £	Total 2010 £
Leases which expire:		
Within 2-5 years	<u>13,932</u>	<u>11,184</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2011

20 ULTIMATE CONTROLLING PARTY

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members

21 RELATED PARTY TRANSCATIONS

During the year, the Academy recognised sponsorship income from Lord Laidlaw of Rothiemay, who is a director and governor of the Academy

	2011 £	2010 £
Capital	-	-
Other	121,500	115,000
	<u>121,500</u>	<u>115,000</u>

At 31 August 2011 £105,500 (2010 £86,999) was owed to the Academy and is included in sundry debtors

22 CONTINGENT LIABILITIES

In the event that during the year of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes

23 MEMBERS LIABILITY

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

24 RECONCILIATION OF OPERATING DEFICIT AND NET CASHFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating deficit	(1,152,669)	(962,191)
Depreciation	2,108,915	2,072,988
Interest payable	334	719
Interest receivable	(9,119)	(1,120)
FRS 17 Impact	70,000	(190,000)
(Increase) / decrease in debtors	(95,320)	28,661
(Decrease) / increase in creditors	(73,466)	35,348
Capital income	(231,570)	(460,000)
	<u>617,105</u>	<u>524,405</u>