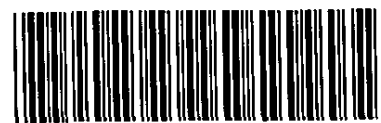


Registered Company number: 5735093
Registered Charity number 1113900

THE EXCELSIOR ACADEMY NEWCASTLE
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

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THE EXCELSIOR ACADEMY NEWCASTLE

FINANCIAL STATEMENTS

Year ended 31 August 2009

Contents

	Page
Company information	3
Governors' report	4 – 9
Auditors' report	10 – 11
Statement of financial activities	12
Income & expenditure account	13
Balance sheet	14
Cashflow statement	15
Notes to the financial statements	16-31

THE EXCELSIOR ACADEMY NEWCASTLE

COMPANY INFORMATION

Year ended 31 August 2009

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

The Excelsior Academy Newcastle is a company limited by guarantee (Company registration number 5735093) and is a registered charity (number 1113900)

Board of Governors

Lord Laidlaw Rothiemay
Mr P C Fair
Mrs P Marshall
Mr D Llewellyn
Mr C Jobe
Prof N Harris
Mr B Jones
Mrs S Irving
Mr M Strudwick (appointed 1 September 2009)
Mr A Hunter
Mr M Sehgal
Inspector S Hails
Mr R Higgins (resigned 31 May 2009)
Ms M McGinn (resigned 31 August 2009)

Directors

Lord Laidlaw of Rothiemay
Mr P C Fair
Mrs P Marshall

Company Secretary

Ever Secretary Limited

Registered Office.

Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Principal Office of Charity

Excelsior Academy Offices
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 2009

The governors present their report together with the financial statements of the charitable company for the year ended 31 August 2009. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies 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 a registered charity (registration no 1113900). 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 Laidlaw of Rothiemay, 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.

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

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 2009 and served throughout the year, except where shown are listed on page 3.

During the year under review the governors held 4 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity, 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.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued) Year ended 31 August 2009

Statement of trustees' accounting and reporting responsibilities

The trustees are responsible for preparing the Governors' Annual Report and the financial statements in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families, United Kingdom Generally Accepted Accounting Practice and applicable law and regulations

Company law requires the trustees (who are directors of the company for the purpose of the Companies Act) to prepare financial statements for each financial year. Under company law the trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- make judgements 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 accounts,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees 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

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.

Connected organisations

Lord Laird of Rothiemay is the principal sponsor to the Academy and since the Academy's founding has donated £2.3m to assist the Academy in achieving its objectives.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Year ended 31 August 2009

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.

Statement on the system of internal finance control

As governors, we acknowledge we have overall responsibility for ensuring that Excelsior Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

- The Academy is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or disposition,
- The proper records are maintained and financial information used within the Academy or for publication is reliable,
- The Academy complies with relevant laws and regulations.

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.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Year ended 31 August 2009

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

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

We have referred to the Charity Commission's guidance on public benefit when reviewing our aims and objectives, and in planning our future activities In particular the governors consider how planned activities will contribute to the aims and objectives they have set

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 2009 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

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Year ended 31 August 2009

Disabled persons

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

ACHIEVEMENTS AND PERFORMANCE

The Academy is now in its second 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 already in year 2 we are seeing huge improvements by those students who have been at Excelsior Academy for four terms.

The results of 2009/10 will be a clear indicator of the rate of progress but it will be in the years to come when the Academy has seen a cohort through from year 7 to leaving school that will be the real test of success. 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

Most of the Academy's income is obtained from the DCSF in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DCSF during the year ended 31 August 2009 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 DCSF. 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 2009, total expenditure of £12,094,207 (excluding pension adjustments) was more than covered by the recurrent grant funding from the DCSF together with other incoming resources. The excess of income over expenditure for the year (excluding adjustments for FRS17) was £83,398.

Including adjustments for FRS17, the net movement in funds was a deficit of £1,146,602.

At 31 August 2009 the net book value of fixed assets was £34,914,254 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 31st August 2009 the FRS17 pension deficit amounted to £1,380,900.

Reserves policy and financial position

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 £(145,093) which is less than is needed. The Academy intends to continue building up free reserves to the level needed through its unrestricted activities.

GOVERNORS' REPORT (continued)

Year ended 31 August 2009

Financial position

The Academy held fund balances at 31 August 2009 of £33,814,417

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.

From 1 April 2010, the Young People's Learning Agency (YPLA) will act on behalf of the Secretary of State to deliver a range of functions in funding, supporting and challenging Academies.

AUDITORS

The current auditors are Baker Tilly. Governors have requested a best value exercise is undertaken before a decision to appoint Auditors for 2009/10.

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.

The report of the Governors was approved by the Trustees and signed on their behalf by



Peter Fair
Chairman

Date 28 April 2010

**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 2009 on pages 12 to 31

The financial statements have been prepared under the accounting policies set out therein

This report is made solely to the charitable company's members, as a body, in accordance 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 auditors

The responsibilities of the governors (who act as trustees for charitable activities of the Excelsior Academy Newcastle and are also the directors for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families, applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Governors' Responsibilities

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

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families, United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Governors' Annual Report is consistent with those financial statements. We also report to you whether in our opinion grants made by the Department for Children, Schools and Families have been applied for the purposes intended

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosures of governors' remuneration, specified by law are not made

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

Basis of audit opinion

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

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

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

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Children, Schools and Families in respect of the relevant financial year,
- Grants made by the Department for Children, Schools and Families have been applied for the purposes intended, and
- the information given in the Governors' Annual Report is consistent with the financial statements

Baker Tilly UK Audit LLP

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

18 May 2010

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

for the year ended 31 August 2009

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2009 £	Total 2008 £
Incoming resources						
Incoming resources from generated funds						
- Voluntary income	4	43,136	87,963	83,994	215,093	284,115
- Activities for generating funds	5	100,584	-	-	100,584	-
Investment income	6	2,710	-	-	2,710	1,815
Incoming resources from charitable activities						
- Funding of the Academy educational operations	2	-	10,400,867	1,458,351	11,859,218	23,824,489
Total incoming resources		<u>146,430</u>	<u>10,488,830</u>	<u>1,542,345</u>	<u>12,177,605</u>	<u>24,110,419</u>
Resources expended						
<i>Costs of Generating Funds</i>						
- Costs of generating voluntary income	8	100,584	-	-	100,584	20,669
<i>Charitable activities</i>						
- Academy's educational operations	9	-	9,877,693	2,008,371	11,886,064	796,155
Costs of transfer of scheme assets and liabilities	15	-	570,000	-	570,000	-
Governance costs	10	137,559	-	-	137,559	9,275
Redundancy costs	11	-	-	-	-	66,666
Total resources expended		<u>238,143</u>	<u>10,447,693</u>	<u>2,008,371</u>	<u>12,694,207</u>	<u>892,765</u>
Net incoming/ (outgoing) before other recognised gains and losses and transfers		(91,713)	41,137	(466,026)	(516,602)	23,217,654
Transfer between funds	16	150,900	(150,900)	-	-	-
Actuarial losses on defined benefit pension schemes	15	-	(630,000)	-	(630,000)	(29,800)
Reconciliation of funds		59,187	(739,763)	(466,026)	(1,146,602)	23,187,854
Total fund balances brought forward at 1 September 2008		<u>(204,280)</u>	<u>72,128</u>	<u>35,093,171</u>	<u>34,961,019</u>	<u>11,773,165</u>
Total fund balances carried forward at 31 August 2009		<u>(145,093)</u>	<u>667,635</u>	<u>34,627,145</u>	<u>33,814,417</u>	<u>34,961,019</u>

All of the Academy's activities are derived from continuing activities

THE EXCELSIOR ACADEMY NEWCASTLE
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 August 2009

	2009	2008
	£	£
Income		
GAG	9,459,281	72,128
DCSF & other government grants	2,399,937	23,752,361
Private sector sponsorship	108,994	239,625
Other income	209,393	46,305
Total income	<u>12,177,605</u>	<u>24,110,419</u>
Expenditure		
GAG related expenditure	9,244,994	-
Other DCFS & grant expenditure	602,699	776,155
Depreciation	2,008,371	-
Other expenditure	238,143	96,610
FRS17 expenditure	600,000	20,000
Total expenditure	<u>12,694,207</u>	<u>892,765</u>
Expenditure of income over expenditure	<u>(516,602)</u>	<u>23,217,654</u>
Statement of total recognised gains & losses		
Excess of income over expenditure	(516,602)	23,217,654
Actuarial losses on defined benefit scheme	(630,000)	(29,800)
Total recognised gains and losses for the year	<u>(1,146,602)</u>	<u>23,187,854</u>
Net transfer to funds		
Unrestricted fund	(91,713)	(80,105)
Restricted general fund	641,136	72,128
Restricted fixed asset fund	(466,026)	23,195,831
Restricted pension fund	(1,230,000)	-
	<u>(1,146,602)</u>	<u>23,187,854</u>

THE EXCELSIOR ACADEMY NEWCASTLE

BALANCE SHEET
at 31 August 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	12	<u>34,914,254</u>	<u>35,300,904</u>
Current assets			
Debtors	13	144,521	2,143,070
Cash at bank and in hand		<u>712,328</u>	<u>192,606</u>
		856,849	2,335,676
Creditors amounts falling due within one year	14	<u>(575,786)</u>	<u>(2,524,661)</u>
Net current assets/(liabilities)		<u>281,063</u>	<u>(188,985)</u>
Total assets less current liabilities (excluding pension Liability)		35,195,317	35,111,919
Pension scheme liability	15	<u>(1,380,900)</u>	<u>(150,900)</u>
Net assets		<u><u>33,814,417</u></u>	<u><u>34,961,019</u></u>
Total funds of charity			
Restricted fund			
Restricted Fixed Asset fund	16	34,627,145	35,093,171
Restricted General fund	16	713,265	72,128
Pension fund		<u>(1,380,900)</u>	
	16	<u>33,959,510</u>	<u>35,165,299</u>
General fund			
Unrestricted fund	17	(145,093)	(53,380)
Pension fund	15	-	(150,900)
Total charity funds	17	<u><u>33,814,417</u></u>	<u><u>34,961,019</u></u>

The financial statements on pages 12 to 31 were approved by the Trustees and authorised for issue on 28 April 2010 and signed on its behalf by



Trustee

THE EXCELSIOR ACADEMY NEWCASTLE
CASHFLOW STATEMENT
for the year ended 31 August 2009

		2009	2008
		£	£
Operating activities			
Receipts	Implementation grant from DCSF	-	817,977
	Recurrent grant from DCSF	9,459,281	72,128
	Other receipts	206,683	44,490
	Other grants	963,663	-
	Private Sponsorship	25,000	-
Payments	Other costs	(3,083,948)	(772,066)
	Staff costs	(6,973,885)	-
Net cash inflow from operating activities		<u>596,794</u>	<u>118,039</u>
Returns on investments and servicing of finance			
	Interest received	2,710	-
	Interest paid	(406)	-
		<u>2,304</u>	<u>-</u>
Capital (expenditure)/income			
	Capital grants from DCSF	1,458,351	21,953,372
	Purchase of tangible fixed assets	(1,621,721)	(21,941,943)
	Capital funding received from sponsors	83,994	-
		<u>(79,376)</u>	<u>11,429</u>
Net increase in cash		<u>519,722</u>	<u>173,958</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		519,722	173,958
Change in net funds		519,722	173,958
Net funds at 1 September 2008		192,606	18,648
Net funds at 31 August 2009		<u>712,328</u>	<u>192,606</u>
		At 1	At 31
		September	August
		2008	2009
		£	£
Cash at bank and in hand		<u>192,606</u>	<u>712,328</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

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 and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with Accounting and Reporting by Charities ('Charities SORP 2005'), the Academies Financial Handbook and the Companies Act 2006.

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 DCSF and other donors which are to be used for specific purposes.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the year is shown in the restricted income fund on the balance sheet.

Sponsorship

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

Donations

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable 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.

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.

Governance costs

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

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

Tangible fixed assets

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Taxation

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

Pensions

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Children, Schools and Families. As the Academy is unable to identify its shares of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS 17) and has accounted for its contributions to the Scheme as if it was a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

Local Government Scheme

Non teaching members of staff form part of the LGPS, whose assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

2 FUNDING OF THE ACADEMIES EDUCATIONAL OPERATIONS

	2009	2008
	£	£
DCSF Capital grants	1,458,351	22,956,206
Implementation grant	-	796,155
DCSF Recurrent grant (GAG)	9,459,281	72,128
Special Education Needs	162,114	-
Devolved Formula Capital Grant	170,611	-
Standards Fund Grant	533,831	-
Other Grant income	75,030	-
	<u>11,859,218</u>	<u>23,824,489</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

3	GENERAL ANNUAL GRANT (GAG)	2009	2008
		£	£
	Results and Carry Forward for the year		
	GAG brought forward from previous year	72,128	0
	GAG allocation for the current year	9,459,281	72,128
	Total GAG available to spend	<u>9,531,409</u>	<u>72,128</u>
	Recurrent expenditure from GAG	9,244,994	
	GAG carried forward to next year	286,415	
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,135,114)	
	GAG to surrender to DCSF (12% breached if result is positive)	<u>-</u>	
4	VOLUNTARY INCOME	2009	2008
		£	£
	Private sponsorship	108,994	239,625
	Other income	106,099	44,490
		<u>215,093</u>	<u>284,115</u>
5	ACTIVITIES FOR GENERATING FUNDS	2009	2008
		£	£
	Meal charges and hire	100,584	-
		<u>100,584</u>	<u>-</u>
6	INVESTMENT INCOME	2009	2008
		£	£
	Bank interest	2,710	1,815
		<u>2,710</u>	<u>1,815</u>

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

for the year ended 31 August 2009

7 RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other £	Total 2009 £	Total 2008 £
Costs of generating voluntary income	-	-	100,584	100,584	20,669
Academy's Educational Operations					
Direct	4,996,287	2,008,371	766,365	7,771,023	-
Allocated support	2,034,264	-	2,080,777	4,115,041	796,155
Governance including allocated support	-	-	137,559	137,559	9,275
	<u>7,030,551</u>	<u>2,008,371</u>	<u>3,085,285</u>	<u>12,124,207</u>	<u>826,099</u>

8 COST OF GENERATING FUNDS

	2009 £	2008 £
Other expenses	<u>100,584</u>	<u>20,669</u>

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

for the year ended 31 August 2009

9 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	2009	2008
	£	£
Direct costs		
Teaching and education support staff costs	4,996,287	-
Depreciation	2,008,371	-
Books, apparatus & stationery	283,300	-
Examination fees	146,722	-
Staff development	65,253	-
Education consultancy	45,494	-
Other direct costs	225,596	-
	<u>7,771,023</u>	<u>-</u>
Allocated support costs		
Support staff costs	2,034,264	-
Pupil recruitment & support	4,156	-
Maintenance of premises & equipment	99,016	-
Cleaning	31,552	-
Rent & rates	105,518	-
Heat & light	285,832	-
Insurance	102,694	-
Security	157,233	-
Transport	32,166	-
Catering	135,894	-
Technology costs	154,607	-
Bank interest & charges (incl FRS 17)	40,406	-
Other support costs	246,559	-
Implementation costs	685,144	796,155
	<u>4,115,041</u>	<u>796,155</u>
Total costs	<u>11,886,064</u>	<u>796,155</u>

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

for the year ended 31 August 2009

10 GOVERNANCE COSTS

	2009	2008
	£	£
Audit fees	8,500	8,500
Accountancy fees	9,393	775
Legal and professional	119,654	-
Governors expenses	12	-
	<u>137,559</u>	<u>9,275</u>

11 STAFF COSTS

The Governors did not receive any payment from the Academy other than the reimbursement of expenses incurred in the course of their duties

During the year ended 31 August 2009, travel and subsistence expenses totalling £12 (2008 – Nil) were reimbursed to 1 governor

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2009 expressed as full time equivalents was as follows

	2009	2008
	No.	No.
Charitable Activities		
Teachers	98	2
Administration and support	97	1
Management	6	2
	<u>201</u>	<u>5</u>

	2009	2008
	£	£
Staff costs comprise		
Wages and salaries	5,573,892	352,490
Social security costs	428,674	31,324
Other pension costs	726,418	51,415
Contracted out staffing costs	311,567	-
Redundancy costs	-	66,666
FRS 17 Costs (note 15)	(10,000)	-
	<u>7,030,551</u>	<u>501,895</u>

Six employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2009. The total emoluments of these employees were in the following ranges

	2009	2008
	No.	No.
£60,001 – £70,000	3	4
£70,000 – £80,000	2	-
£90,001 – £100,000	-	1
£140,000 – £150,000	1	-
	<u>6</u>	<u>5</u>

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

for the year ended 31 August 2009

11 STAFF COSTS (continued)

Five of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2009, pension contributions for these staff amounted to £54,193 (2008 £39,715)

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 2009 was £5,406

12 TANGIBLE FIXED ASSETS

	Assets under Construction £	Land & Buildings £	Equipment, fixtures & fittings £	Total £
Cost				
At 1 September 2008	-	30,681,958	4,618,946	35,300,904
Additions		628,126	993,595	1,621,721
At 31 August 2009	-	<u>31,310,084</u>	<u>5,612,541</u>	<u>36,922,625</u>
Depreciation				
At 1 September 2008	-	-	-	-
Charge in year		626,202	1,382,169	2,008,371
At 31 August 2009		<u>626,202</u>	<u>1,382,169</u>	<u>2,008,371</u>
Net book value				
At 31 August 2009		<u>30,683,882</u>	<u>4,230,372</u>	<u>34,914,254</u>
At 31 August 2008	-	<u>30,681,958</u>	<u>4,618,946</u>	<u>35,300,904</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

12 TANGIBLE FIXED ASSETS (continued)

	At 31 August 2009	At 31 August 2008
	£	£
Source of funding for assets acquired		
Private sponsorship	2,346,856	2,262,862
DCSF capital grant	34,288,660	32,830,309
Other DCSF grants	29,459	-
Other funds (non grant income)	257,650	207,733
	<u>36,922,625</u>	<u>35,300,904</u>
Cost of fixed assets at 31 August 2009	36,922,625	35,300,904
	<u>(2,008,371)</u>	<u>-</u>
Less accumulated depreciation	(2,008,371)	-
Net book value of fixed assets at 31 August 2009	<u>34,914,254</u>	<u>35,300,904</u>

13 DEBTORS

	At 31 August 2009	At 31 August 2008
	£	£
Accrued grant income	-	2,141,255
Trade debtors	8,669	-
Prepayments	76,933	1,815
Sundry debtors	58,919	-
	<u>144,521</u>	<u>2,143,070</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 August 2009	At 31 August 2008
	£	£
Trade creditors	395,002	2,439,449
Accruals and deferred income	180,784	18,546
Redundancy provision	-	66,666
	<u>575,786</u>	<u>2,524,661</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

15 PENSIONS AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes, the Teachers' Pensions Scheme England and Wales (TPS), and the Local Government Pension Scheme (LGPS) which was managed by South Tyneside Council. Both are defined-benefit schemes.

The total pension cost to the Academy during the year ended 31 August 2009 was £726,418 of which £530,394 relates to the TPS and £196,024 relates to the LGPS.

Teachers Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension scheme. The Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out below the latest information available for the scheme.

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

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

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

Not less than every five years, the Government Actuary (GA), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The latest actuarial review carried out as at 31 March 2004 showed the value of the scheme assets was less than the value of the scheme liabilities. The scheme assets consist of the notional investments and the future contributions in respect of existing members. Thus, the balance in the Account as at 31 March 2004 is determined as the difference between the value of the scheme liabilities and the value of future contributions.

The Teachers Pensions Regulations were amended to implement significant changes to the benefit structure of the Teachers Pension Scheme with effect from 1 January 2007, both for new members and existing members. The new TPS regulations also allow existing members and new entrants retiring after 1 January 2007 to take advantage of the new pensions tax regime introduced from 6 April 2006. Both changes have consequential implications for actuarial reviews (including the current review, as at 31 March 2004).

Contributions are assessed in two parts. First, a normal contribution is determined. This is the contribution, expressed as a percentage of the salary of the teacher newly entering service, which would defray the cost of benefits payable in respect of that service.

Secondly, a supplementary contribution is payable by employers if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund build up from past contributions. As the 2004 valuation revealed a deficiency a supplementary contribution is payable from 1 January 2007.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

The last valuation of the TPS was for the period 1 April 2001 to 31 March 2004. The GA's report of November 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) was less than the value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date). The amount of the deficiency determined under the new provisions and under the current provisions is noted below. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

Under the new provisions that came into force on 1 January 2007, the combined standard contribution rate payable in respect of all members is 19.75%, payable from 1 January 2007. (This is based on the adjusted contribution rate for existing members of 19.8% and the standard contribution rate for new entrants of 19.15%, both payable from 1 January 2007). There is a deficiency of £1,840 million as at 31 March 2004, which would be eliminated by a supplementary contribution of 0.75% of salary payable for 15 years from 1 January 2007. The total contribution rate payable from 1 January 2007 would have been 21.45% of salary.

Under a UK-wide agreement the member contribution rate has been set at 6.4% from 1 January 2007 until it is reviewed in light of the next actuarial valuation. The total recommended rate of contribution payable by employers from 1 January 2007 is therefore 14.1% of salary.

Local Government Pension Scheme

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

The latest actuarial valuation of Excelsior Academy's liabilities took place as at 1 April 2008.

The principal actuarial assumptions as at the balance sheet date were

	2009	2008
	%	%
Discount rate	5.3	6.4
Rate of increase in salaries	5.0	5.5
Rate of increase in pensions in payment	3.5	4.0
Rate of increase in deferred pensions	3.5	4.0
Inflation	3.5	4.0

The amounts recognised in the balance sheet are as follows

	2009	2008
	£	£
Present value of funded obligations	(2,980,900)	(391,000)
Fair value of scheme assets	1,600,000	240,100
Deficit in the scheme	<u>(1,380,900)</u>	<u>(150,900)</u>
Net pension liability	<u><u>(1,380,900)</u></u>	<u><u>(150,900)</u></u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

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

	2009	2008
	£	£
Opening/Transfer of defined benefit obligation	391,000	352,100
Current service cost	190,000	14,300
Interest on scheme liabilities	140,000	20,900
Actuarial loss/(gain)	480,000	(100)
Contributions by scheme participants	80,000	4,100
Benefits paid out	(10,000)	(300)
Transfer of liabilities on employees transferred	1,709,900	-
	<u>-</u>	<u>-</u>
Closing defined benefit obligation	<u>2,980,900</u>	<u>391,000</u>

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

	2009	2008
	£	£
Funded	2,980,900	391,000
Unfunded	-	-
	<u>2,980,900</u>	<u>391,000</u>

Changes in the fair value of scheme assets are as follows

	2009	2008
	£	£
Opening/transfer of fair value of scheme assets	240,100	237,200
Expected return on scheme assets	100,000	17,300
Contributions by employer	200,000	11,700
Contributions by scheme participants	80,000	4,100
Actuarial loss	(150,000)	(29,900)
Benefits paid out	(10,000)	(300)
Transfer of assets on employees transferred	1,139,900	-
	<u>-</u>	<u>-</u>
Closing fair value of scheme assets	<u>1,600,000</u>	<u>240,100</u>

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

	2009	2008
	%	%
Equities	70.2	63.7
Property	6.5	9.6
Cash	1.8	6.4
Government bonds	9.8	8.2
Corporate bonds	11.7	12.1

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Amounts charged to the Statement of Financial Activities

	2009	2008
	£	£
<i>Staff costs</i>		
Current service cost	190,000	14,300
Contributions by members	(200,000)	(11,700)
<i>Finance costs</i>		
Interest on scheme liabilities	140,000	20,900
Expected return on scheme assets	(100,000)	(17,300)
<i>Cost of transfer of scheme assets and liabilities</i>	570,000	-
	<u>-</u>	<u>-</u>
Total operating charge	<u>600,000</u>	<u>6,200</u>

Employer contributions for the financial year ended 31 August 2010 are estimated at approximately £210,000

Amounts charged as gains and losses are as follows

	2009	2008
	£	£
Actuarial loss/(gain) on scheme liabilities	480,000	(100)
Actuarial losses on scheme assets	150,000	29,900
	<u>-</u>	<u>-</u>
Actuarial loss/(gain)	<u>630,000</u>	<u>29,800</u>

Rate of return

The long term expected rate of return on 31 August 2009 is as follows

	2009	2008
	%	%
Equities	7.5	7.6
Property	6.5	6.6
Cash	4.0	4.6
Government bonds	5.3	6.4
Corporate bonds	0.7	5.7
	<u>-</u>	<u>-</u>
Total	<u>6.7</u>	<u>6.9</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 2009.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

History of experience gains and losses

	2009	2008
	£	£
Experience gains/(losses) on scheme assets	(150,000)	(17,300)
Experience gains/(losses) on scheme liabilities	(70,000)	(29,900)

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

	2009	2009
	£	£
Defined benefit obligation	(2,980,900)	(391,000)
Fair value of scheme assets	1,600,000	240,100
Deficit in the scheme	(1,380,900)	(150,900)

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

	2009	2008
<i>Males</i>		
Retiring today	19 2	19 0
Retiring in 20 years	22 1	20 9
<i>Females</i>		
Retiring today	22 8	22 1
Retiring in 20 years	25 0	23 3

Transfer of assets and liabilities on employees transferred

During the year ended 31 August 2009, 35 members transferred from Newcastle City Council and 1 member transferred from City of Sunderland to Excelsior Academy bringing with them previous accrued service in the Fund. This transfer has been disclosed as a settlement event as approximated by the actuary using approximations where data is unavailable.

An agreement has not yet been reached on how the corresponding internal asset transfer is to proceed. The actuary of the Administering Authority of the funds has provided an estimate of the funding level of Newcastle City Council as 61%. It has therefore been assumed that the notional internal asset transfer is based on a share of assets approach using 61%.

This approach has been applied to the members liabilities transferred from City of Sunderland also.

The figures relating to the transfer show an increase in liabilities of £570,000, which has been included on the face of the Statement of Financial Activities.

Any changes in assumptions will be allowed for in the calculation of the pension liability in the year ended 31 August 2010.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

16 RESTRICTED FUNDS

	Balance at 1 September 2008 £	Transfer £	Incoming resources £	Expenditure £	FRS 17 Actuarial loss	Balance at 31 August 2009 £
Restricted General Fund						
Lord Laidlaw donation	-	-	25,000	(25,000)	-	-
Other donated income	-	-	62,963	(62,963)	-	-
DCSF GAG grant	72,128	-	9,459,281	(9,244,994)	-	286,415
Special Educational Needs	-	-	162,114	(162,114)	-	-
Devolved Formula Capital Grant	-	-	170,611	(30,752)	-	139,859
Standards Fund Grant	-	-	533,831	(246,840)	-	286,991
Other grant income	-	-	75,030	(75,030)	-	-
	<u>72,128</u>	<u>-</u>	<u>10,488,830</u>	<u>(9,847,693)</u>	<u>-</u>	<u>713,265</u>
Restricted Pension Fund	-	(150,900)	-	(600,000)	(630,000)	(1,380,900)
Restricted General Funds	<u>72,128</u>	<u>(150,900)</u>	<u>10,488,830</u>	<u>(10,447,693)</u>	<u>(630,000)</u>	<u>(667,635)</u>
Restricted Fixed Asset Fund	35,093,171	-	1,542,345	(2,008,371)	-	34,627,145
Total Restricted funds	<u>35,165,299</u>	<u>(150,900)</u>	<u>12,031,175</u>	<u>(12,456,064)</u>	<u>(630,000)</u>	<u>33,959,510</u>

The Restricted General Funds carried forward comprise

DCSF GAG Funding

The GAG consists of

- a School Budget Share (SBS)
- b LA Central Spend Equivalent Grant (LACSEG)
- c Specialist School Funding
- d School Standards Grant (SSG)
- e SSG (Personalisation)
- f VAT grant
- g Start-up grants
- h School Meals Grant
- i Insurance

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.

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 2009

16 RESTRICTED FUNDS (continued)

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

The Restricted Pension Fund relates to liability on the local Government Pension Scheme. The balance of £150,900 was transferred from unrestricted funds on 1 September 2008

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Fund	Total 2009	Total 2008
	£	£	£	£	£
Tangible fixed assets	-	-	34,914,254	34,914,254	35,300,904
Current assets	-	856,849	-	856,849	2,335,676
Current liabilities	(145,093)	(143,584)	(287,109)	(575,786)	(2,524,661)
Pension liability	-	(1,380,900)	-	(1,380,900)	(150,900)
	<u>(145,093)</u>	<u>(667,635)</u>	<u>34,627,145</u>	<u>33,814,417</u>	<u>34,961,019</u>

18 CAPITAL COMMITMENTS

	Total 2009	Total 2008
	£	£
Contracted for but not provided for in the financial statements	99,874	2,624,895
Authorised by the Governors but not yet contracted	-	-
	<u>99,874</u>	<u>2,624,895</u>

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

19 ULTIMATE CONTROLLING PARTY

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

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2009

20 RELATED PARTY TRANSCATIONS

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

	2009	2008
	£	£
Capital	83,994	239,625
Other	25,000	-
	<u>108,994</u>	<u>239,625</u>

21 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 to the Secretary of State for Schools, Children and Families 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

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

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

22 MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is 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

23 OPERATING PROFIT NOTE

	2009	2008
	£	£
Net incoming/(outgoing resources)	(516,602)	23,217,654
Depreciation	2,008,371	-
Decrease/(increase) in debtors	1,998,549	(934,867)
(Decrease)/increase in creditors	(1,948,875)	1,166,202
Capital expenditure	(1,621,721)	(23,281,231)
FRS17 change to net (outgoing resources)	600,000	6,200
	<u>519,722</u>	<u>173,958</u>