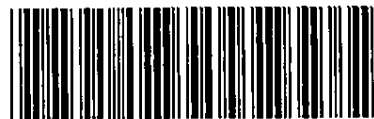


Registered Company number: 5735093
Registered Charity number: 1113900

Amended copy.

THE EXCELSIOR ACADEMY NEWCASTLE
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2007

THURSDAY



PEDMEAMC
PC2 11/06/2009 159
COMPANIES HOUSE

THE EXCELSIOR ACADEMY NEWCASTLE

FINANCIAL STATEMENTS

Period ended 31 August 2007

Contents

	Page
Company information	3
Governors' report	4 – 9
Auditors' report	10
Statement of financial activities	11
Balance sheet	12
Cashflow statement	13
Notes to the financial statements	14 – 25

THE EXCELSIOR ACADEMY NEWCASTLE

COMPANY INFORMATION

Period ended 31 August 2007

Board of Trustees (Academy Trust Board)	Date of appointment	Position
Lord I A S Laidlaw	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 I A S Laidlaw
Mr P C Fair
Mrs P Marshall
Ms M McGinn
Mr D Llewellyn
Mr C Jobe
Mr R Higgins
Prof N Harris
Mr H Shukla
Mr B Jones
Mrs S Irving

Directors

Lord I A S Laidlaw
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

Period ended 31 August 2007

The Governors of The Excelsior Academy Newcastle ('the Academy'), who are also directors of the Academy for the purposes of the Companies Act, present their statutory report and the audited financial statements for the period ended 31 August 2007.

The financial statements have been prepared in accordance with the accounting policies in note 1 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 1985 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 and principal activities

The Academy is a company limited by guarantee (No.5735093) and a registered charity (No. 1113900). The company's Memorandum and Articles of Association are the primary governing documents of the Academy. Membership of the Academy Trust comprises the following:-

- Lord I A S Laidlaw (the initial subscriber and principal sponsor)
- Mr P C Fair (Chair)
- Mrs P Marshall (Executive Principal)

The Secretary of State for Children, Schools and Families (DCSF) has the right to appoint one person to the membership of the Academy Trust. This right has not yet been exercised.

The members may unanimously agree to appoint such additional members as they think fit.

The objects of the Academy are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to ICT with Business Enterprise.

Members' liability

Each member of the Academy undertakes to contribute such amount as may be required (not exceeding £1) to the Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member for the payment of the Trust's debts and liabilities contracted before he or she ceases to be a member.

Governors

The Academy Trust has provision for the following governors:

- Lord I A S Laidlaw (initial subscriber and principal sponsor) may appoint up to seven sponsor governors
- One LEA governor
- One staff governor
- Executive principal as an ex-officio governor
- Additional governors appointed by the Secretary of State

Governors receive no remuneration or benefits in respect of their duties as governors but are reimbursed for expenses incurred in carrying out their duties.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Period ended 31 August 2007

During the year, the governors held a number of meetings. All governors received induction training and were supplied with copies of policies, procedures, minutes, budgets, plans and other documents that they will require to undertake their role as governor.

Statement of governors' accounting and reporting responsibilities

Company law requires governors (who are the directors of the company for the purpose of the Companies Act) to prepare financial statements which give a true and fair view of the state of affairs of the Academy at the end of the financial year and of its surplus or deficit for that year. In preparing accounts giving a true and fair view, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Academy will continue in operation.

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

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

Organisational structure

The organisational structure consists of the Academy Trust Board (the governors) and the academy has a Senior Management Team.

The Academy Trust Board (the governors) is responsible for the overall strategic direction of each academy and for those statutory duties which may not be delegated to sub-committees.

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 Management Team are the Executive Principal, four school Principals 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. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team, with limits above which a Senior Manager must countersign.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Period ended 31 August 2007

Connected organisations

Lord I A S Laidlaw is the principal sponsor to the Academy and since the Academy's founding has donated £2m to assist the Academy in achieving its objectives.

Risk Management

The governors confirm that they are in the process of assessing the major risks to which the Academy is exposed. Risks identified will be regularly reviewed and systems to mitigate identified risks will be established.

Statement on the system of internal financial control

The governors acknowledge they have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy Trust and enable them to ensure that the financial statements comply with the Companies Act. The governors 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;
- 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 Trust'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:-

- budgeting and monitoring systems with an annual budget and yearly financial reports which are reviewed and agreed by the governors;
- reviews by the governors 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 guidelines;
- delegation of authority and segregation of duty;
- identification and management of risks.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Period ended 31 August 2007

In addition, the governors intend to consider the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy, it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they will:

- 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 benefit obtained;
 - clarify the responsibility of each academy's Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;
 - explain to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
 - embed the control system in the Academy's operations so that it becomes part of the culture of the Academy;
 - develop systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
 - include 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 manner.

OBJECTIVES AND ACTIVITIES

The objects of the Academy are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to ICT with Business Enterprise.

The Academy Trust has, to date, been constructing its first building which opened in September 2008.

The main aims of the Academy are:

- to deliver the five outcomes of The Children's Act, developing confident well rounded students who are able to make a positive contribution to any community;
- to enable every student to achieve their academic potential and develop the practical skills and tools necessary to continue to learn;
- through effective assessment and the offer of a wide range of academic and vocational qualifications, courses and learning experiences each pupil will achieve and attain the highest standard possible;
- to provide high quality support and guidance for all students to enable them to enjoy learning and achieving, creating a community where achievement and success are promoted and celebrated;
- through our specialism of Business Enterprise we will enable students to develop the skills necessary to ensure their own life long economic wellbeing and positively contribute to the wider economic development of any community they are part of; and
- to provide a safe, exciting and stimulating learning environment. We will enable students to take responsibility for their own health, safety and wellbeing and also to accept responsibility for their role in respecting the health, safety and wellbeing of other community members.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Period ended 31 August 2007

Equal opportunities policy

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

The policy of the Academy is to support the recruitment and retention of students and employees with disabilities. Disabled employees are accorded equal opportunities for training, career development and promotion.

ACHIEVEMENTS AND PERFORMANCE

This is the first report of the governors covering the period from incorporation on 16 November 2006 to the 31 August 2007. The period is characterised by the preparatory phases for the governance of the Academy Trust and the capital build and implementation of the Trust's first academy, the Excelsior Academy Newcastle. The Academy Trust has worked closely with the DCSF and other advisers during the period.

FINANCIAL REVIEW

Financial report for the period

Most of the Academy's income is obtained from the DCSF in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Capital grants received from the DCSF during the period amounted to £9,820,053. 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.

Implementation costs of £427,661 were covered by grants from the DCSF. Grants received and expenditure incurred are shown in the restricted general fund in the Statement of Financial Activities.

Unrestricted income and expenditure in the period amounted to £27,872 and £37,547 respectively.

At 31 August 2007 the net book value of fixed assets was £12,019,673 and movements in tangible fixed assets are shown in Note 8 to the financial statements. All fixed asset additions relate to the major construction project at the Academy.

Reserves policy

The governors will determine the appropriate level of free reserves considered necessary once the Academy is operational.

Financial position

The Academy Trust held fund balances at 31 August 2007 of £11,773,165 comprising £11,897,340 of restricted fixed asset funds and £(124,175) unrestricted funds.

THE EXCELSIOR ACADEMY NEWCASTLE

GOVERNORS' REPORT (continued)

Period ended 31 August 2007

PLANS FOR FUTURE YEARS

The governors look forward with great optimism to the successful establishment of the Academy.

The financial performance of the Academy will be monitored against the approved budget on a regular basis to ensure that the Academy operates within the resources available.

AUDITORS

Baker Tilly UK Audit LLP were appointed as auditors to the Academy Trust in November 2008. A resolution to re-appoint them will be proposed at the annual general meeting.

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

P. Fawcett

Date: *8/6/09.*

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

We have audited the financial statements on pages 11 to 25.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governors and the auditors

The responsibilities of the Governors (who are also the directors of The Excelsior Academy Newcastle for the purposes of company law) for preparing the Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Governors' Report.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Governors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding governors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Academy at 31 August 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the DCSF in respect of the relevant financial year;
- proper accounting records have been kept by the Academy throughout the financial year;
- grants made by the DCSF have been applied for the purposes intended; and
- the information given in the Governors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP

Registered Auditor

Chartered Accountants

1 St James Gate

Newcastle upon Tyne

NE1 4AD

Date: 10 June 2009

THE EXCELSIOR ACADEMY NEWCASTLE
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT)

for the period ended 31 August 2007

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2007 £
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	3	27,872	-	2,077,287	2,105,159
Incoming resources from charitable activities					
- Funding of the Academy Trust's educational operations	2	-	427,661	9,820,053	10,247,714
Total incoming resources		<u>27,872</u>	<u>427,661</u>	<u>11,897,340</u>	<u>12,352,873</u>
Resources expended					
Costs of generating funds					
- Miscellaneous expenses	4	28,272	-	-	28,272
Charitable activities					
- Academy's educational operations	5	-	427,661	-	427,661
Governance costs	6	9,275	-	-	9,275
Total resources expended		<u>37,547</u>	<u>427,661</u>	<u>-</u>	<u>465,208</u>
Net incoming/(outgoing) resources before other recognised gains and losses		(9,675)	-	11,897,340	11,887,665
Actuarial losses on defined benefit pension schemes		(3,100)	-	-	(3,100)
Transfer of defined benefit liability		(111,400)	-	-	(111,400)
Net movement in funds		<u>(124,175)</u>	<u>-</u>	<u>11,897,340</u>	<u>11,773,165</u>
Fund balances carried forward at 31 August 2007		<u>(124,175)</u>	<u>-</u>	<u>11,897,340</u>	<u>11,773,165</u>

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

THE EXCELSIOR ACADEMY NEWCASTLE

BALANCE SHEET
at 31 August 2007

	Note	2007 £
Fixed assets		
Tangible assets	8	12,019,673
Current assets		
Debtors	9	1,208,203
Cash at bank and in hand		18,648
		1,226,851
Current liabilities		
Creditors: amounts falling due within one year	10	(1,358,459)
Net current liabilities		(131,608)
Total assets less current liabilities (excluding pension liability)		11,888,065
Pension scheme liability	11	(114,900)
Net assets		11,773,165
Funds		
Restricted fund		
Restricted Fixed Asset fund	12	11,897,340
Restricted General fund	12	-
	12	11,897,340
General fund		
Unrestricted fund	13	(9,275)
Pension reserve	11	(114,900)
Total funds	13	11,773,165

The financial statements on pages 11 to 25 were approved by the Trustees and authorised for issue on 2009 and signed on its behalf by:

8th June

R Faw.

Trustee

THE EXCELSIOR ACADEMY NEWCASTLE
CASHFLOW STATEMENT
for the period ended 31 August 2007

	2007 £
Operating activities	
Receipts: Implementation grant from DCSF	368,751
Other receipts	27,872
	396,623
Payments: Other costs	(383,824)
Net cash inflow from operating activities	12,799
 Returns on investments and servicing of finance	
Interest received	-
Interest paid	-
	-
 Capital (expenditure)/income	
Capital grants from DCSF	7,602,934
Purchase of tangible fixed assets	(7,597,085)
	5,849
Net increase in cash	18,648
 Reconciliation of net cash flow to movement in net funds	
Increase in cash in the period	18,648
Net funds at 31 August 2007	18,648
 Analysis of changes	
Cash at bank and in hand	18,648
Total	18,648

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

I ACCOUNTING POLICIES

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

Format of Financial Statements

The standard format for the financial statements as required by the Companies Act 1985, Schedule 4, Part 1 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (Charities SORP 2005') and reflects the activities of the Academy.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Charities SORP 2005 and applicable accounting standards.

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 as explained in note 12.

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.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets

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

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.

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 DCSF GRANTS

	2007 £
Capital grants	9,820,053
Implementation grant	427,661
	<u>10,247,714</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

3	VOLUNTARY INCOME	2007 £
	Private sponsorship	2,077,287
	Other donations	27,872
		<u>2,105,159</u>
4	COST OF GENERATING FUNDS	2007 £
	Other expenses	28,272
		<u>28,272</u>
5	CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS	2007 £
	Implementation costs:	
	Academy lead in costs	156,130
	Project management costs	129,593
	School development costs	57,901
	Staff policy costs	26,929
	Finance and marketing	9,622
	Building project costs	9,029
	Other costs	38,457
		<u>427,661</u>
6	GOVERNANCE COSTS	2007 £
	Audit and accountancy costs	9,275
		<u>9,275</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

7 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.

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2007 expressed as full time equivalents was as follows:

	2007 No.
Charitable Activities	
Teachers	-
Administration and support	-
Management	0.5
	0.5
 Governance activities	-
	0.5
 Staff costs comprise:	2007 £
Wages and salaries	45,833
Social security costs	4,585
Other pension costs	6,495
	56,913

One employee would have earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) if the accounting period had been for 12 months. The total emoluments of this employee would have been in the following ranges:

	2007 No.
90,001 - 100,000	1

The employee earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the period ended 31 August 2007, pension contributions for this employee amounted to £5,875.

THE EXCELSIOR ACADEMY NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 August 2007

8 TANGIBLE FIXED ASSETS

	Assets under construction	Total
	£	£
Cost		
Additions	12,019,673	12,019,673
At 31 August 2007	<u>12,019,673</u>	<u>12,019,673</u>
	£	£
Depreciation		
Charge in year	-	-
At 31 August 2007	<u>-</u>	<u>-</u>
	£	£
Net book value		
At 31 August 2007	<u>12,019,673</u>	<u>12,019,673</u>

The costs incurred in respect of Educational Furniture and Equipment and ICT Equipment form part of the overall building project. Depreciation is not provided on assets under construction.

	At 31 August 2007 £
Source of funding for assets acquired	
DCSF capital grants	9,820,053
Private sponsorship	<u>2,077,287</u>
	<u>11,897,340</u>

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

9 DEBTORS

	At 31 August 2007
	£
DCSF capital grants debtor	1,130,528
DCSF implementation grant debtor	77,675
	1,208,203
	1,208,203

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 August 2007
	£
Trade creditors	1,303,456
Accruals	55,003
	1,358,459
	1,358,459

11 PENSIONS AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes, the Teachers' Pensions Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, 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 2007 was £6,495 of which £5,875 relates to the TPS and £620 relates to the LGPS.

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 2007.

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 schemes. 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 EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

11 PENSIONS AND SIMILAR OBLIGATIONS (continued)

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 actuarial review as at 31 March 2001 made the following assumptions. The balance in the Account as at 31 March 2001 shall be such that, in the current review, the value of the scheme assets equals 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 2001 will be determined as the difference between the value of the scheme liabilities and the value of future contributions.

Contributions are assessed in two parts. First, a normal contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Currently, teachers pay 6% of salary whilst their employers pay the balance of the normal contribution. 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 built up from past contributions. Because the liabilities were put into balance for the 2001 valuation there is no supplementary contribution. From 1 April 2003, employers pay 13.5% of salary.

The last valuation of the TPS was for the period 1 April 1996 - 31 March 2001. The GA's report of March 2003 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £142,880 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £142,880 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 7%.

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. The total contribution made for the year ended 31 August 2007 was £870 of which employers contributions totalled £620 and employees contributions totalled £250. The agreed contribution rates for future years are 16.5 per cent for employers and 6 per cent for employees.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

11 PENSIONS AND SIMILAR OBLIGATIONS (continued)

The amounts recognised in the balance sheet are as follows:

	2007
	£
Present value of funded obligations	(352,100)
Fair value of scheme assets	237,200
	(114,900)
Deficit in the scheme	(114,900)
Net pension liability	(114,900)

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

	2007
	£
Transfer of defined benefit obligation	345,600
Current service cost	700
Interest on scheme liabilities	1,600
Actuarial loss/(gain)	3,900
Contributions by scheme participants	300
	352,100
Closing defined benefit obligation	352,100

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

	2007
	£
Funded	352,100
Unfunded	-
	352,100

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

11 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Changes in the fair value of scheme assets are as follows:

	2007
	£
Transfer of fair value of scheme assets	234,200
Expected return on scheme assets	1,300
Contributions by employer	600
Contributions by scheme participants	300
Actuarial gain	800
	237,200
Closing fair value of scheme assets	237,200

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

	2007
	%
Equities	66.6
Property	9.9
Cash	0.8
Government bonds	14.7
Corporate bonds	8.0

The principal actuarial assumptions as at the balance sheet date were:

	2007
	%
Discount rate	5.8
Rate of increase in salaries	4.9
Rate of increase in pensions in payment	3.4
Rate of increase in deferred pensions	3.4
Inflation	3.4

History of experience gains and losses

	2007
	£
Experience gains/(losses) on scheme assets:	800
Experience gains/(losses) on scheme liabilities:	(3,900)

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

	2007
	£
Defined benefit obligation	(352,100)
Fair value of scheme assets	237,200
	(114,900)
Deficit in the scheme	(114,900)

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

11 PENSIONS AND SIMILAR OBLIGATIONS (continued)

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:

	2007
<i>Males</i>	
Retiring today	19
Retiring in 20 years	20.9
	<hr/> <hr/>
<i>Females</i>	
Retiring today	22.1
Retiring in 20 years	23.3
	<hr/> <hr/>

12 RESTRICTED FUNDS

	Incoming resources £	Expenditure gains, losses & transfers £	Balance at 31 August 2007 £
Restricted General Fund	427,661	(427,661)	-
Restricted Fixed Asset Fund	11,897,340	-	11,897,340
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	12,325,001	(427,661)	11,897,340

The Restricted General Fund comprises implementation grants received from the DCSF and the related implementation expenditure for The Excelsior Academy Newcastle.

The Restricted Fixed Asset Fund represents fixed assets funded by DCSF capital grants and private sponsorship income.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2007 £
Tangible fixed assets	-	-	12,019,673	12,019,673
Current assets	-	-	1,226,851	1,226,851
Current liabilities	(9,275)	-	(1,349,184)	(1,358,459)
Pension scheme liability	(114,900)	-	-	(114,900)
	<u>(124,175)</u>	<u>-</u>	<u>11,897,340</u>	<u>11,773,165</u>

14 CAPITAL COMMITMENTS

	Total 2007 £
Contracted for but not provided for in the financial statements	25,863,270
Authorised by the Governors but not yet contracted	-
	<u>25,863,270</u>

The committed expenditure of £25,863,270 represents the balance of the cost of the major capital works at The Excelsior Academy Newcastle and will be funded by DCSF grants and private sponsorship.

THE EXCELSIOR ACADEMY NEWCASTLE
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 August 2007

15 ULTIMATE CONTROLLING PARTY

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

16 RELATED PARTY TRANSCATIONS

During the period, the Academy received sponsorship income of £2,077,287 to fund the capital expenditure from its main sponsor Lord I A S Laidlaw who is a director and governor of the Academy.

17 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.

18 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.