

The Emmanuel Schools Foundation

Annual Report and Financial Statements

31 August 2015

Registered number
4464331

**The Emmanuel Schools Foundation
Annual Report and Financial Statements
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The Emmanuel Schools Foundation Company Information

Directors

Donald Hutton
Martin Oldknow
Dr Mark Andrew Pike
Nigel Robson

Secretary

Christine Taylor (appointed May 2015)
Patricia Rowland (resigned May 2015)

Auditors

Kinnair and Company
Aston House
Redburn Road
Newcastle Upon Tyne
NE5 1NB

Bankers

Barclays Bank plc
71 Grey Street
Newcastle upon Tyne
NE99 1JA

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Registered office

Trinity House
Bede Academy
Sixth Avenue
Blyth
NE24 2SY

Registered number

4464331

The Emmanuel Schools Foundation

Registered number: 4464331

Directors' Report

The directors present their annual report and financial statements for the year ended 31 August 2015.

Principal activities

The foundation's principal activity is the operation of a group of schools comprising three academies (The Kings' Academy, Trinity Academy and Bede Academy) and a city technology college (Emmanuel College) which provide education for pupils of different abilities between the ages of 3 and 18.

Review of the business

In January 2012 it was announced that the Emmanuel Schools Foundation and United Learning Trust would separate. A new Board for ESF is now in place and will be extended and strengthened with new appointments to the board and local governing boards as we move to achieve our objective of Multi Academy Trust status.

Emmanuel College, Gateshead continues their history of high attainment. In this year's external examination results 85% of students achieved 5 or more A*-C grades at GCSE including English and Mathematics (target 90%). 50% of students achieved the English Baccalaureate (target 75%). The A Level pass rate was again 100% (target 100%), with a record 47% of grades at A or A*, and a record 74% at B or better (target 70%). Six students gained admission to Cambridge or Oxford, and many others went on to the top universities in the country. Attendance for the whole College prior to study leave stood at 96.2%, with unauthorised absence at 0.08%.

In April 2014 Emmanuel College was designated as a National Teaching School with Mr Winch recognised as a National Leader of Education (NLE). The Teaching School Alliance consists of Emmanuel College as the teaching school, The King's Academy, Bede Academy and Newcastle University as strategic partners with Trinity Academy as a partner school. The mandate for all teaching schools is to effect the change at national level into a 'school-led system' for school improvement. Specifically this is carried out through initial teacher training (School Direct), continuing professional development (CPD), and school to school support from senior leaders and Specialist Leaders of Education (SLE).

The King's Academy remains extremely popular and continues to receive significant oversubscription each year for student places. Many parents seek the best possible education for their young people and The King's Academy has become the secondary school of choice in Middlesbrough. It is also a specialist centre in the area for students with visual, hearing and physical impairments, and learning disabilities, with a significant proportion of the students requiring in-class support. During the year, the Academy has continued to work with and develop the Discovery Alliance (an Umbrella Trust Plus) which comprises a group of five primary schools and The King's Academy. The purpose of the alliance is to improve standards and achievement in the local primary schools, such that students are in a position to progress at pace in their secondary education. In sporting achievement and community involvement, the academy continues to excel.

This year's external examination results were lower than expected, due to a number of external and internal factors, including grade boundary adjustments by exam boards in both GCSE English and GCSE mathematics, and an as-yet-unexplained moderation adjustment to a set of GCSE English coursework. 41% of students achieved 5+ A*-C including English and mathematics, and 22% achieved EBacc. 56% of students made 'expected progress' in English and 50% of students made 'expected progress' in mathematics. In the Sixth Form, results were mixed, with some measures up and with other measures down on previous years. At A-Level, an average of 226 QCA points were scored per entry, 79% of students achieving grades A*-C and with 100% of students achieving grades A*-E. Many Sixth Form students have gone on to study for degrees at good quality universities.

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Directors' Report

Review of the business (continued)

The Principal of Trinity Academy, and his senior team have led the academy through a series of substantial challenges over the last twelve months. The academy has been in "Special Measures", has endured substantial budget reductions and has, as a result, had to undergo staffing restructures within and across departments and the senior team. The school was removed from "Special Measures" in September 2015, and the school budget is balanced, with a leaner staffing structure. Data tracking and assessment has continued to improve markedly over the course of the year, such that Her Majesty's Inspectors were keen to praise the academy's systems and processes in their most recent monitoring visit. Much work has gone on to raise the quality of teaching and learning, including an extensive in-house staff development programme and high quality external scrutiny.

The 2015 results have been a source of encouragement, and a key marker on the academy's journey from "Special Measures" towards Good or better in the future. 54% of students achieved 5+ A*-C including English and mathematics (up from 51% in 2014), and 30% of students achieved the EBacc (up from 23% in 2014). 61% of students made "expected progress" in mathematics (up from 53% in 2014), although 74% of students made "expected progress" in English (which was down on the 79% achieved in 2014). In "more than expected progress" in both English and mathematics, improvements were made on that achieved in 2014. At A-Level, an average of 217 QCA points were scored per entry, with an ALPs score of 0.93 ("outstanding"). Many sixth form students have gone on to study for degrees at a wide range of Russell Group and non-Russell Group universities.

In 2015 Bede Academy saw the second A Level results for the Academy. The A level pass rate was 99% with 7% A grades, and 72% C grades or better; 36 of the 58 students who completed year 13 are now at University. The fourth year of GCSE results for Bede Academy saw an improvement over 2014 results, particularly in Maths: 88% of students achieving 5 or more A*-C grades at GCSE and, when English and Mathematics are included, the figure was 69%. The English Baccalaureate figure was 29%. The figures for Progress 8 and for Disadvantaged students demonstrate that Bede Academy is performing ahead of national standards. The AS level pass rate was 93% with 12% A grades, and 61% C grades or better; again, this was very encouraging for the Academy.

The support service team continue to provide support for our schools delivering expertise to the highest standard. The procurement of school uniform has been brought in house after the previous provider entered into administration. The new company 'Emmanuel Academy Services', purchases school uniform direct from a number of wholesales, giving the best possible price for parents whilst ensuring the garments are ethically sourced and are high quality. Each of our schools has a uniform shop in its premises from which the goods are traded.

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Directors' Report

Review of principal risks and uncertainties

The foundation faces a variety of risks and uncertainties, both foreseeable and unforeseeable which, if they materialise, could adversely affect its reputation, profitability or financial position. A large proportion of the foundation's costs relate to staff costs which are relatively fixed each year. There is a risk that a significant drop in grant income may lead to an inability to cover such costs. Senior management and directors aim to keep abreast of proposed changes to funding streams and these are taken into account when preparing financial forecasts for our schools. Risk management is embedded in the day to day processes of the foundation. Principal risk areas for the foundation are the protection of pupils, employees and of assets and systems, and procedures to minimise these are constantly being reviewed and updated.

The foundation schools have Safeguarding and Child protection policies in place which focus on the need to ensure its pupils are safe, feel safe and are fully supported in this respect by their school. These policies provide a framework for its schools to develop secure processes for identifying and supporting pupils at risk of abuse. The implementation and effectiveness of these policies and procedures, which adhere to DfE guidelines on safeguarding and child protection are regularly monitored.

Future developments

The foundation continues to build on its achievements over the coming year and will continue to improve educational standards, increase aspiration and develop the life opportunities of students. Trinity Academy will continue to be supported and will receive specialist support from a variety of sources from within and beyond the foundation as the academy continues its work to enhance students outcomes. The teaching and learning program has yielded excellent results and continues to be developed and implemented. The Kings' Academy, in light of this year's disappointing results is benefitting from the creation of a school improvement board. A new principal is now in place and regular mentoring and monitoring of data, together with departmental inspections by educational specialists is enhancing outcomes. As a Teaching School, (responsible for initial teacher training, research and development, school to school support and professional development) the priority at Emmanuel College for the future will be to increase both the number of teachers it trains and the amount of outreach work it engages in. The college is also seeking to develop relationships with primaries and exploring generally ways of expanding its provision. Bede Academy continues to face a number of challenges, as it enters its seventh year but is greatly encouraged by the successful A2 and GCSE results. It looks to develop its curriculum further and engage both students and the local community in the academy's culture and ethos. It is refining its curriculum to address the needs of the academy population and to accommodate post 16 students. The academy is developing a wider involvement in education improvement in Northumberland and is seeking to broaden student experience.

Directors

The following persons served as directors during the year:

- Donald Hutton
- Martin Oldknow
- Dr Mark Andrew Pike
- Nigel Robson

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Directors' Report

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 7 December 2015 and signed on its behalf.



Nigel Robson
Director

**The Emmanuel Schools Foundation
Independent auditors' report
to the members of The Emmanuel Schools Foundation**

We have audited the accounts of The Emmanuel Schools Foundation for the year ended 31 August 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

The independent auditors' report continues on the following page

**The Emmanuel Schools Foundation
Independent auditors' report
to the members of The Emmanuel Schools Foundation (continued)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mai Mak
Senior Statutory Auditor

for and on behalf of
Kinnair and Company
Accountants and Statutory Auditors

Aston House
Redburn Road
Newcastle Upon Tyne
NE5 1NB

7th December 2015

**The Emmanuel Schools Foundation
Profit and Loss Account
for the year ended 31 August 2015**

	Notes	2015 £	2014 £
Turnover	2	1,114,720	1,055,460
Direct costs		(1,156,627)	(942,215)
Gross (loss)/profit		<u>(41,907)</u>	<u>113,245</u>
Other operating income		21,884	-
Operating (loss)/profit	3	<u>(20,023)</u>	<u>113,245</u>
Interest receivable		1,201	1,066
(Loss)/profit on ordinary activities before taxation		<u>(18,822)</u>	<u>114,311</u>
Tax on (loss)/profit on ordinary activities		-	-
(Loss)/profit for the financial year		<u>(18,822)</u>	<u>114,311</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the (loss)/profit for the above two financial years.

**The Emmanuel Schools Foundation
Balance Sheet
as at 31 August 2015**

	Notes	2015 £	2014 £
Fixed assets			
Investments	5	1	1
Current assets			
Debtors	6	280,565	300,160
Cash at bank and in hand		62,599	57,491
		<u>343,164</u>	<u>357,651</u>
Creditors: amounts falling due within one year	7	(12,905)	(8,570)
Net current assets		<u>330,259</u>	<u>349,081</u>
Net assets		<u>330,260</u>	<u>349,082</u>
Capital and reserves			
Profit and loss account	8	330,260	349,082
Members' funds	9	<u>330,260</u>	<u>349,082</u>

For the year ending 31 August 2015 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to small companies subject to the small companies' regime.

Nigel Robson

Director

Approved by the board on 9th December 2015

**The Emmanuel Schools Foundation
Cash Flow Statement
for the year ended 31 August 2015**

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	10	3,907	(186,230)
Returns on investments and servicing of finance	11	1,201	1,066
Capital expenditure	11	-	(1)
Increase/(decrease) in cash		<u>5,108</u>	<u>(185,165)</u>
 Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		5,108	(185,165)
Change in net debt	12	<u>5,108</u>	<u>(185,165)</u>
Net funds at 1 September		57,491	242,656
Net funds at 31 August		<u>62,599</u>	<u>57,491</u>

**The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2015**

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirements to prepare group accounts, therefore the accounts present information about the individual undertaking only.

Turnover

Turnover represents the value, net of value added tax and discounts, of educational support services provided.

Investments

Investments in subsidiaries are stated at cost less any provisions for impairment.

Taxation

The company meets the definition of a charitable company for UK corporation tax purposes. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Leases

Rentals paid under operating leases are expensed on a straight line basis over the lease term.

Pensions

The company does not directly employ any staff and therefore does not operate a pension scheme. However, the staff costs charged to the company by its subsidiaries include an element of pension cost. Such costs are charged to the profit and loss account as they become payable.

2 Analysis of turnover

	2015	2014
	£	£
By activity:		
Educational support	<u>1,114,720</u>	<u>1,055,460</u>
By market:		
United Kingdom	<u>1,114,720</u>	<u>1,055,460</u>

3 Operating profit

	2015	2014
	£	£
This is stated after charging:		
Operating lease rentals - land & buildings	20,004	20,004
Auditors' remuneration for audit services	<u>4,125</u>	<u>4,300</u>

The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2015

4 Staff costs

2015 **2014**
£ **£**

The company does not directly pay any staff. The staff costs shown below are the amounts charged to the company by its subsidiaries.

Wages and salaries	899,262	587,037
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Average number of employees during the year

Number **Number**

Administration	14	13
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5 Investments

**Investments in
subsidiary
undertakings
£**

Cost	
At 1 September 2014	1
At 31 August 2015	1

The company also holds investments in the following:

Company	Holding %	Capital and reserves £000	Profit (loss) for the year £000
Emmanuel College	100	8,783	48
The King's Academy	100	16,264	(629)
Trinity Academy	100	19,180	(776)
Bede Academy	100	30,058	(768)
Emmanuel Academy Services	100	10	(3)

All except Emmanuel Academy Services Ltd are companies limited by guarantee and do not have share capital. The balance sheet value of investments is therefore just £1 (2014 - £1).

6 Debtors

2015 **2014**
£ **£**

Trade debtors	3,504	-
Amounts owed by group undertakings and undertakings in which the company has a participating interest	249,999	249,999
Other debtors	6,679	49,952
Prepayments and accrued income	20,383	209
	280,565	300,160

**The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2015**

7 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	8,754	1,596
Accruals and deferred income	4,151	6,974
	<u>12,905</u>	<u>8,570</u>
 8 Profit and loss account	 2015	
	£	
At 1 September 2014	349,082	
Loss for the financial year	(18,822)	
	<u>330,260</u>	
 9 Reconciliation of movement in members' funds	 2015	 2014
	£	£
At 1 September	349,082	234,771
(Loss)/profit for the financial year	(18,822)	114,311
	<u>330,260</u>	<u>349,082</u>
 10 Reconciliation of operating surplus/(deficit) to net cash inflow/(outflow) from operating activities	 2015	 2014
	£	£
Operating (loss)/profit	(20,023)	113,245
Exceptional items	-	-
Decrease/(increase) in debtors	19,595	(293,958)
Increase/(decrease) in creditors	4,335	(5,517)
	<u>3,907</u>	<u>(186,230)</u>
Cash flows generated from normal operations		
Cash flows relating to exceptional items	-	-
	<u>3,907</u>	<u>(186,230)</u>
Net cash inflow/(outflow) from operating activities		
	<u>3,907</u>	<u>(186,230)</u>
 11 Gross cash flows	 2015	 2014
	£	£
Returns on investments and servicing of finance		
Interest received	1,201	1,066
	<u>1,201</u>	<u>1,066</u>
Capital expenditure		
Payments to acquire investments	-	(1)
	<u>-</u>	<u>(1)</u>

**The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2015**

12 Analysis of changes in net debt

	At 1 Sep 2014 £	Cash flows £	Non-cash changes £	At 31 Aug 2015 £
Cash at bank and in hand	57,491	5,108	-	62,599
Total	<u>57,491</u>	<u>5,108</u>	<u>-</u>	<u>62,599</u>

13 Company limited by guarantee

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

14 Ultimate controlling party

The company's immediate parent is United Learning Trust, a company registered in England. The largest group of undertakings for which group accounts are prepared is that headed by United Church Schools Foundation Limited. The company is exempt from the requirement to disclose transactions with other members of the group headed by that company.

The Emmanuel Schools Foundation
Detailed profit and loss account
for the year ended 31 August 2015

	2015	2014
	£	£
Income		
Educational management services	<u>1,114,720</u>	<u>1,055,460</u>
Direct costs		
Recharged costs:		
• Staff costs	899,262	587,037
• Premises costs	28,069	27,289
• IT, technology & administration costs	<u>229,296</u>	<u>327,889</u>
	<u>1,156,627</u>	<u>942,215</u>
Gross profit	<u>(41,907)</u>	<u>113,245</u>
Exceptional items		
Early termination charge on property lease	<u>-</u>	<u>-</u>
Other income	<u>21,884</u>	<u>-</u>
Operating profit/(loss)	<u>(20,023)</u>	<u>113,245</u>
Interest receivable	1,201	1,066
(Loss)/profit before tax	<u>(18,822)</u>	<u>114,311</u>