

The Emmanuel Schools Foundation

Annual Report and Financial Statements

31 August 2016

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

Auditors

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

Bankers

Lloyds Bank
32 The Gosforth Centre
Gosforth
Newcastle upon Tyne
NE3 1JZ

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 2016.

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 19.

Review of the business

In January 2012 it was announced that the Emmanuel Schools Foundation and United Learning Trust would separate. Approval for Emmanuel Schools Foundation to form a Multi-Academy Trust was granted by the DFE and headteachers board in July 2016 and The King's Academy; Emmanuel College in Gateshead, Trinity Academy in Doncaster and Bede Academy in Northumberland will join the Multi-Academy Trust along with Emmanuel Academy Services Limited. Work has commenced during the year establishing a new Board for ESF and a revised governance structure is now in place. The directors of the United Learning Trust have resigned from the ESF board. The ethos and character of the Emmanuel Schools Foundation schools within the North East of England has been maintained and the updated corporate structure and governance reflects the current needs. The governance structure will be extended and strengthened in the forthcoming academic year as new appointments to the board and local governing boards continue to take place.

Emmanuel College continues to enjoy substantial popularity. Oversubscriptions for Year 7 continues to be extremely high as large numbers of parents and guardians seek places at the college for their children. The college continues to be one of the most successful state funded schools in the country and consistently recognised as the top performing state school in the North East of England. In areas of exam success, achievement in creative subjects and sport and for the personal development of the students Emmanuel College has an outstanding reputation. This year, the college has been recognised as the top North East comprehensive in the Real Schools Guide, was made NCS Regional Ambassador School for the North East and was highly commended in the DfE character awards.

This year's external examination results continued the college's history of high attainment with 88.5% of students achieving 5 or more A*-C grades at GCSE including English and Mathematics (target 90%). 49% of student achieved the English Baccalaureate (target 62%). The A Level pass rate was again 100% (target 100%), with 42% of grades at A or A* and 65% at B or better (target 70%). Four students gained admission to Cambridge or Oxford and many others went on to the top universities in the country. Attendance for the whole school prior to study leave stood at 96.4%, with unauthorised absence at 0.2%.

2016 saw the third A level results for Bede Academy. The A level pass rate was 100% with 15% A grades, and 71% C grades or better; 56 of the 72 students who completed year 13 are now at University. Our sixth year of GCSE results for Bede Academy saw a consolidation of the 66% CHIME figure from 2015 and a Progress 8 figure of 0.47. The English Baccalaureate figure was 33%. Value Added figures are once again expected to demonstrate that the Academy is far exceeding national expectations. The AS level pass rate was 95% with 19% A grades, and 66% C grades or better; these represent the Academy's best AS results to date.

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Directors' Report

Review of the business (continued)

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.

In King s Academy the significant measures taken as a result of the review following the 2015 results have had a strong impact, even in the short period over which students in years 11 and 13 have benefitted from them. At GCSE, Basics (59%) and 5ACEM (55%) figures hit targets set by governors, and are significantly up on last year's - 41% for both measures. For a school with such disadvantage to achieve figures so close to the national average is most encouraging. Progress 8 is -0.07 (not significantly different from average), being much better than the previous year. The improvement in progress is pleasing, particularly as this reflects the performance of all subjects and not just English and maths. Given the level of disadvantage in the year group this is a real achievement, whilst a relentless focus continues to address progress of disadvantaged students. Both English and maths results are positive and encouraging at both 3 and 4 levels of progress. Results achieved are not far from the aspirational targets set. The RE department did exceptionally well with 81% and 59% 3 and 4 LoP. Other subjects that did well include French, German (small cohort), food and technology (resistant materials). Science results are ahead of national for core and additional, which is encouraging, although year 10's results for core science were less positive. The academy's poor Ebacc showing is in very large part due to course selection patterns established early in 2014 and also due to Spanish.

A-level results for 2016 were most encouraging in terms of the trajectory, with the level 3 value-added (L3VA) score estimated at +0.2, which is 'sig+', being a dramatic uplift on the previous year. Whereas the cohort was one point lower in average prior attainment, the average points per A-level entry rose from 30.3 to 37.8 points - equivalent to three out of every four entries being graded a full grade higher than last year. Improvement was largely made in the weaker half of the year group; proportions of A and A* grades are down but an outstanding 90% of all grades were a C or higher. 78% of students were known to be going on to university. 2016 AS results have also shown considerable improvement, particularly in value-added from this cohort who performed weakly in 2015 GCSEs.

In Trinity Academy, David Page, the principal, and his senior team have led the academy through a period of consolidation over the last twelve months. The academy had been in "Special Measures", and endures 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 quality of teaching improvement has led to improved outcomes in August 2016 though there is still room for further growth and development.

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Directors' Report

Review of the business (continued)

The 2015 results had been a source of encouragement, and a key marker on the academy's journey from "Special Measures" towards good or better in the future. In 2016 the results showed further improvement in some crucial measures. 62% of students achieved 5+a*-C including English and mathematics (up from 54% in 2015), 62% of students made "expected progress" in mathematics (up from 53% in 2014), although 80% of students made "expected progress" in English (a further improvement on previous measures). In "more than expected progress" in both English and mathematics, improvements were made on that achieved in 2015. At A-Level, many sixth form students have gone on to study for degrees at a wide range of Russell Group and non-Russel Group universities. Overall achievement in L3 qualifications gained an ALPS 3 (top 25% nationally) based on progress at KS5.

2016 saw the third A level results for Bede Academy. The A level pass rate was 100% with 15% A grades, and 71% C grades or better; 56 of the 72 students who completed year 13 are now at University. Our sixth year of GCSE results for Bede Academy saw a consolidation of the 66% CHIME figure from 2015 and a Progress 8 figure of 0.47. The English Baccalaureate figure was 33%. Value Added figures are once again expected to demonstrate that the Academy is far exceeding national expectations. The AS level pass rate was 95% with 19% A grades, and 66% C grades or better; these represent the Academy's best AS results to date.

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.

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 affects 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.

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Directors' Report

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 eighth 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. The foundation will become a Multi-Academy Trust on 1 January 2017 and will be joined by two primary schools when the relevant permissions have been granted.

Directors

The following persons served as directors during the year:

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

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.

The Emmanuel Schools Foundation
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Directors' Report

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 *12th December 2016* 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 2016 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 the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 2016 and of its profit 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

19th December 2016

**The Emmanuel Schools Foundation
Profit and Loss Account
for the year ended 31 August 2016**

	Notes	2016 £	2015 £
Turnover	2	1,097,960	1,114,720
Direct costs		(1,113,410)	(1,156,627)
Gross loss		<u>(15,450)</u>	<u>(41,907)</u>
Other operating income		38,500	21,884
Operating profit/(loss)	3	<u>23,050</u>	<u>(20,023)</u>
Interest receivable		498	1,201
Profit/(loss) on ordinary activities before taxation		<u>23,548</u>	<u>(18,822)</u>
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) for the financial year		<u>23,548</u>	<u>(18,822)</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 profit/(loss) for the above two financial years.

**The Emmanuel Schools Foundation
Balance Sheet
as at 31 August 2016**

	Notes	2016 £	2015 £
Fixed assets			
Investments	5	1	1
Current assets			
Debtors	6	206,613	280,565
Cash at bank and in hand		173,839	62,599
		<u>380,452</u>	<u>343,164</u>
Creditors: amounts falling due within one year	7	(26,645)	(12,905)
Net current assets		<u>353,807</u>	<u>330,259</u>
Net assets		<u>353,808</u>	<u>330,260</u>
Capital and reserves			
Profit and loss account	8	353,808	330,260
Members' funds	9	<u>353,808</u>	<u>330,260</u>

For the year ending 31 August 2016 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 12th December 2016

**The Emmanuel Schools Foundation
Cash Flow Statement
for the year ended 31 August 2016**

	Notes	2016 £	2015 £
Net cash inflow from operating activities	10	110,742	3,907
Returns on investments and servicing of finance	11	498	1,201
Increase in cash		<u>111,240</u>	<u>5,108</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		111,240	5,108
Change in net debt	12	<u>111,240</u>	<u>5,108</u>
Net funds at 1 September		62,599	57,491
Net funds at 31 August		<u>173,839</u>	<u>62,599</u>

**The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2016**

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). 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

	2016	2015
	£	£
By activity:		
Educational support	<u>1,097,960</u>	<u>1,114,720</u>
By market:		
United Kingdom	<u>1,097,960</u>	<u>1,114,720</u>

3 Operating profit

	2016	2015
	£	£
This is stated after charging:		
Operating lease rentals - land & buildings	20,000	20,004
Auditors' remuneration for audit services	<u>4,100</u>	<u>4,100</u>

**The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2016**

4 Staff costs	2016	2015
	£	£

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	<u>877,651</u>	<u>899,262</u>
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Average number of employees during the year	Number	Number
Administration	<u>20</u>	<u>20</u>

5 Investments

Cost	Investments in subsidiary undertakings
	£
At 1 September 2015	1
At 31 August 2016	<u>1</u>

The company also holds investments in the following:

Company	Holding %	Capital and reserves £000	Profit (loss) for the year £000
Emmanuel College	100	8,427	(356)
The King's Academy	100	13,741	(2,523)
Trinity Academy	100	17,241	(1,939)
Bede Academy	100	28,012	(2,046)
Emmanuel Academy Services	100	8	(2)

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 (2015 - £1).

6 Debtors	2016	2015
	£	£
Trade debtors	639	3,504
Amounts owed by group undertakings and undertakings in which the company has a participating interest	149,999	249,999
Other debtors	14,817	6,679
Prepayments and accrued income	<u>41,158</u>	<u>20,383</u>
	<u>206,613</u>	<u>280,565</u>

The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2016

7 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	10,544	8,754
Other creditors	10,000	-
Accruals and deferred income	6,101	4,151
	<u>26,645</u>	<u>12,905</u>
8 Profit and loss account	2016	
	£	
At 1 September 2015	330,260	
Profit for the financial year	23,548	
	<u>353,808</u>	
At 31 August 2016		
9 Reconciliation of movement in members' funds	2016	2015
	£	£
At 1 September	330,260	349,082
Profit/(loss) for the financial year	23,548	(18,822)
	<u>353,808</u>	<u>330,260</u>
At 31 August		
10 Reconciliation of operating surplus/(deficit) to net cash inflow from operating activities	2016	2015
	£	£
Operating profit/(loss)	23,050	(20,023)
Exceptional items	-	-
Decrease in debtors	73,952	19,595
Increase in creditors	13,740	4,335
	<u>110,742</u>	<u>3,907</u>
Cash flows generated from normal operations		
Cash flows relating to exceptional items	-	-
	<u>110,742</u>	<u>3,907</u>
Net cash inflow from operating activities		
11 Gross cash flows	2016	2015
	£	£
Returns on investments and servicing of finance		
Interest received	498	1,201
	<u>498</u>	<u>1,201</u>

**The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2016**

12 Analysis of changes in net debt

	At 1 Sep 2015 £	Cash flows £	Non-cash changes £	At 31 Aug 2016 £
Cash at bank and in hand	62,599	111,240	-	173,839
Total	<u>62,599</u>	<u>111,240</u>	<u>-</u>	<u>173,839</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 2016**

	2016	2015
	£	£
Income		
Educational management services	<u>1,097,960</u>	<u>1,114,720</u>
Direct costs		
Recharged costs:		
• Staff costs	877,651	899,262
• Premises costs	30,578	28,069
• IT, technology & administration costs	<u>205,181</u>	<u>229,296</u>
	<u>1,113,410</u>	<u>1,156,627</u>
Gross profit	(15,450)	(41,907)
Other income	<u>38,500</u>	<u>21,884</u>
Operating profit/(loss)	23,050	(41,907)
Interest receivable	498	1,201
Profit/(loss) before tax	<u>23,548</u>	<u>(40,706)</u>