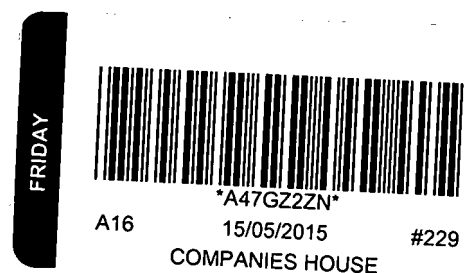


The Emmanuel Schools Foundation

Annual Report and Financial Statements

31 August 2014

Registered number
4464331



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

Directors

Geoffrey Davies (resigned July 2014)
Edward Gould (resigned July 2014)
Donald Hutton (appointed July 2014)
Martin Oldknow (appointed July 2014)
Dr Mark Andrew Pike (appointed July 2014)
Nigel Robson

Secretary

Patricia Rowland

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

Eversheds LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

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 2014.

Principal activities

The company's principal activity is the operation of a group of schools comprising three academies (The King's 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. Work has taken place during the year establishing a new Board for ESF and new governors have been appointed and a revised governance structure is now taking 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 take place.

Emmanuel College, Gateshead continued the college's history of high attainment. This year's external examination results continued the college's history of high attainment with 94.8% of students achieving 5 or more A*-C grades at GCSE and, when English and Mathematics are included, the figure is 84.5%. The English Baccalaureate figure remained high at 61.7%. The A Level pass rate was again 100%, with new record highs achieved in all reported statistics, including 41.5% achieving A grade or better, and 71.2% achieving B grade or better. Four students gained admission to Cambridge or Oxford, and many others went on to the top universities in the country.

The King's Academy, Middlesbrough continues to be a very popular school with the demand for places remaining very high. This year's external examination results reflected the change in rules set by the government. However, the academic performance of the students remained strong with 57% of students achieving 5A*-C including English and Mathematics (Wolf rules) and 69% of students achieving 5A*-C or equivalent (Wolf rules). The indicative Progress 8 figure for the school for 2013-14 was -0.01. All measures place the performance of the school significantly above the government's floor standards. 25% of students achieved the English Baccalaureate. The A Level pass rate was 98.5%, with 34% of entries achieving A or A* grades, 66% achieving A*-B and 86% of entries graded at C grade or better. The early release data from the DFE show that students in the sixth form made progress on academic courses that was significantly above average. Many students went on to the top universities in the country.

In summer 2013 Trinity Academy experienced a disappointing set of results at AS level, and in Maths at KS4. Elsewhere the data suggested that levels of progress in many areas were well below national average, especially with particular cohorts. A series of decisions were implemented to change the leadership in the 6th Form, and at subject head of department level. At the section 5 Ofsted Inspection in December 2013 Trinity Academy was judged to be 'inadequate', and was placed in Special Measures. In February 2014 the Principal, Ian Brew, retired and Vice-Principal David Page stepped up to Acting Principal. Chris Drew, Principal of The Kings Academy, Middlesbrough, was appointed Executive Principal of Trinity Academy, to take responsibility for progress and to support the Acting Principal. The senior leadership team was significantly reshaped, with a number of new appointments. As a result a new data tracking system has been introduced with a more rigorous approach to ensuring accurate predictions and benchmarking of progress. An effective programme of Teaching and Learning has been implemented and is on going. This will progressively improve teaching quality, and as a result learning on the part of the students. The former head of Maths has been recruited to return as Director of Maths together with an enhanced team. Ofsted have carried out monitoring inspections, and the Academy is deemed to be making progress towards exiting Special Measures.

The Emmanuel Schools Foundation
Registered number: 4464331
Directors' Report

Review of the business (continued)

The 2014 results were seen to be very much part of the journey back to its previous reputation for educational improvement. Although there was a slight dip in the KS4 results, Trinity Academy was ahead of the national results except in levels of progress for maths. The results at AS and A2 represented a significant improvement, and there were positive outcomes in many areas at KS4 in a year when many academies suffered unexpected outcomes. In the summer of 2013 the proportion of grades at A2, A* - C was 61% and 71 students secured a place at university. The proportion of grades A* - E at A-Level was 98.3%. Trinity Academy continues to have a positive impact in the community when we remember just 11 pupils applied in the year before it opened. At KS4 the figure of A* - C CHIME increased to 58%. There was significant improvement in English with 80% of pupils achieving 3 levels of progress. The English Baccalaureate measure was 24%, a 3 % improvement. Y10 outcomes looked to be improved which will provide encouragement for 2015 results and moving out of special measures.

Bede Academy saw its first A2 results. The A Level pass rate was 100% with 21% A grades, and 75% C grades or better; 58 of the 78 students who completed Year 13 are now at university. The third year of GCSE results for Bede Academy saw an improvement over 2013 results, particularly in Maths: 75% of students achieving 5 or more A*-C grades at GCSE and, when English and Mathematics are included, the figure was 52%. The English Baccalaureate figure was 32%. 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 88% with 19% A grades, and 61% C grades or better; again, this was very encouraging for the first ever Sixth Form examinations for the Academy. The primary school is also performing exceptionally well.

The support services team have settled well into Trinity House and continue to support our schools delivering expertise to the highest standard. A review of the support services functions was carried out during the year to ensure that it meets the demands of our schools. As a result of this review, the IT support throughout the foundation has been brought together and is now managed by support services in order to share best practice and achieve value for money.

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. 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 intends to build upon its achievements over the coming year and will continue to improve education standards, increase aspiration and develop the life opportunities of students. In order to support Trinity Academy progress towards exiting Special Measures, the senior leadership team has been significantly reshaped, with a number of new appointments. A new data tracking system has been introduced with a more rigorous approach to ensuring accurate predictions and benchmarking of progress.

The Emmanuel Schools Foundation
Registered number: 4464331
Directors' Report

Future developments (continued)

An effective programme of Teaching and Learning has been implemented and is on going. This will progressively improve teaching quality, and as a result learning on the part of the students. Ofsted have carried out monitoring inspections, and the Academy is deemed to be making progress towards exiting Special Measures. These achievement will continue to be done against the ever challenging financial climate, with further costs being incurred in schools budgets in light of Pension and National insurance increases. The Foundation, true to its ethos, will endeavour to maintain its standards and services to the best of its ability.

Directors

The following persons served as directors during the year:

- Geoffrey Davies (resigned July 2014)
- Edward Gould (resigned July 2014)
- Donald Hutton (appointed July 2014)
- Martin Oldknow (appointed July 2014)
- Dr Mark Andrew Pike (appointed July 2014)
- 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.

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 12 December 2014 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 2014 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 2014 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

18 DEC. 2014

The Emmanuel Schools Foundation
Profit and Loss Account
for the year ended 31 August 2014

	Notes	2014 £	2013 £
Turnover	2	1,055,460	865,151
Direct costs		(942,215)	(807,501)
Gross profit		<u>113,245</u>	<u>57,650</u>
Administrative expenses		-	(6,695)
Exceptional items:			
- Operating lease early termination charges		-	(206,435)
Operating profit/(loss)	3	<u>113,245</u>	<u>(155,480)</u>
Interest receivable		1,066	2,107
Profit/(loss) on ordinary activities before taxation		<u>114,311</u>	<u>(153,373)</u>
Tax on profit/(loss) on ordinary activities		-	-
Profit/(loss) for the financial year		<u>114,311</u>	<u>(153,373)</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 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	5	1	-
Current assets			
Debtors	6	300,160	6,202
Cash at bank and in hand		<u>57,491</u>	<u>242,656</u>
		357,651	248,858
Creditors: amounts falling due within one year	7	(8,570)	(14,087)
Net current assets		<u>349,081</u>	<u>234,771</u>
Net assets		<u>349,082</u>	<u>234,771</u>
Capital and reserves			
Profit and loss account	8	349,082	234,771
Members' funds	9	<u>349,082</u>	<u>234,771</u>



.....
Nigel Robson
Director

Approved by the board on 12 December 2014

The Emmanuel Schools Foundation
Cash Flow Statement
for the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash outflow from operating activities	10	(186,230)	(148,826)
Returns on investments and servicing of finance	11	1,066	2,107
Capital expenditure	11	(1)	-
Decrease in cash		<u>(185,165)</u>	<u>(146,719)</u>

Reconciliation of net cash flow to movement in net debt

Decrease in cash in the period		(185,165)	(146,719)
Change in net debt	12	<u>(185,165)</u>	<u>(146,719)</u>
Net funds at 1 September		242,656	389,375
Net funds at 31 August		<u>57,491</u>	<u>242,656</u>

The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2014

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

	2014	2013
	£	£
By activity:		
Educational support	<u>1,055,460</u>	<u>865,151</u>
By market:		
United Kingdom	<u>1,055,460</u>	<u>865,151</u>

3 Operating profit

	2014	2013
	£	£
This is stated after charging:		
Operating lease rentals - land & buildings	20,004	56,018
Auditors' remuneration for audit services	<u>4,300</u>	<u>4,025</u>

The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2014

4 Staff costs	2014	2013
	£	£

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>587,037</u>	<u>617,896</u>
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Average number of employees during the year	Number	Number
Administration	<u>13</u>	<u>14</u>

5 Investments	Investments in subsidiary undertakings
	£
Cost	
Additions	1
At 31 August 2014	<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	8,735	(53)
The King's Academy	100	16,893	(530)
Trinity Academy	100	19,956	(437)
Bede Academy	100	30,826	(1,378)
Emmanuel Academy Services	100	13	13

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 (2013 - £nil).

6 Debtors	2014	2013
	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	249,999	-
Other debtors	49,952	1,582
Prepayments and accrued income	<u>209</u>	<u>4,620</u>
	<u>300,160</u>	<u>6,202</u>

The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2014

7 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	1,596	4,010
Accruals and deferred income	6,974	10,077
	<u>8,570</u>	<u>14,087</u>
 8 Profit and loss account	 2014	
	£	
At 1 September 2013	234,771	
Profit for the financial year	114,311	
	<u>349,082</u>	
 9 Reconciliation of movement in members' funds	 2014	2013
	£	£
At 1 September	234,771	388,144
Profit/(loss) for the financial year	114,311	(153,373)
	<u>349,082</u>	<u>234,771</u>
 10 Reconciliation of operating surplus/(deficit) to net cash outflow from operating activities	 2014	2013
	£	£
Operating profit/(loss)	113,245	(155,480)
Exceptional items	-	206,435
(Increase)/decrease in debtors	(293,958)	12,518
Decrease in creditors	(5,517)	(5,864)
	<u>(186,230)</u>	<u>57,609</u>
Cash flows generated from normal operations		
Cash flows relating to exceptional items	-	(206,435)
	<u>(186,230)</u>	<u>(148,826)</u>
 11 Gross cash flows	 2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	<u>1,066</u>	<u>2,107</u>
 Capital expenditure		
Payments to acquire investments	<u>(1)</u>	<u>-</u>

The Emmanuel Schools Foundation
Notes to the Financial Statements
for the year ended 31 August 2014

12 Analysis of changes in net debt

	At 1 Sep 2013 £	Cash flows £	Non-cash changes £	At 31 Aug 2014 £
Cash at bank and in hand	242,656	(185,165)	-	57,491
Total	<u>242,656</u>	<u>(185,165)</u>	<u>-</u>	<u>57,491</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 2014

	2014	2013
	£	£
Income		
Educational management services	1,055,460	844,554
Other fees	-	20,597
	<u>1,055,460</u>	<u>865,151</u>
Direct costs		
Recharged costs:		
• Staff costs	587,037	617,896
• Premises costs	27,289	63,766
• IT, technology & administration costs	327,889	125,839
	<u>942,215</u>	<u>807,501</u>
Gross profit	113,245	57,650
General administrative expenses		
Bad debts	-	(6,695)
	<u>-</u>	<u>(6,695)</u>
Exceptional items		
Early termination charge on property lease	-	(206,435)
	<u>-</u>	<u>(206,435)</u>
Operating profit/(loss)	113,245	(155,480)
Interest receivable	1,066	2,107
Profit/(loss) before tax	<u>114,311</u>	<u>(153,373)</u>