

Registration number: 04464331

EMMANUEL SCHOOLS FOUNDATION

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

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Emmanuel Schools Foundation

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Reference and administrative details

Members	Dr B Kenny (resigned 15 November 2022) S McKinlay N Robson K Stone
Trustees (Directors)	S McKinlay, Chairman Dame M Regan, Vice Chair S Goon M Oldknow P Pickthall Prof M Pike (accounting officer) H McEvoy
Company Secretary	C Taylor
Executive Team	Prof M Pike, Chief Executive Officer M Chambers, Chief Operating Officer W Adeniji, Principal and School Improvement Lead (resigned 31 August 2022) A Thelwell, Principal and School Improvement Lead
Principal and Registered Office	Trinity House Bede Academy Sixth Avenue Blyth Northumberland NE24 2SY
Company Name	Emmanuel Schools Foundation
Company Registration Number	04464331
Auditors	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Muckle LLP 32 Gallowgate Newcastle upon Tyne NE1 4BF Collingwood Legal 30 Riverside Studios Amethyst Road Newcastle upon Tyne NE4 7YL

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Trustees Report for the Year Ended 31 August 2022

The Trustees present their annual report together and financial statements for the year ended 31 August 2022.

The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates 6 schools across the North of England, with 5 academies and 1 city technology college. The Trust operates 4 secondary schools and 2 all-through schools with a combined pupil roll of 7,947 at October 2022.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Emmanuel Schools Foundation are also the directors of the charitable company for the purposes of company law. The charitable company operates as Emmanuel Schools Foundation.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

As a company limited by guarantee, the trust 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.

Trustees' Indemnities

The Trust has purchased insurance to protect Trustees and officers from negligent acts, errors or omissions occurring whilst on school business.

Method of Recruitment and Appointment or Election of Trustees

The power to appoint Trustees rests with the charitable company's members and the Secretary of State for Education. Trustees may serve for three years but are eligible for re-election at the meeting at which they retire. Subject to remaining eligible to be a particular type of trustee any trustee may be reappointed or re-elected for consecutive periods not exceeding 12 years in aggregate from the date of the original appointment but thereafter shall not be eligible for reappointment until one year after retirement unless there are exceptional circumstances.

Trustees may appoint Co-opted Trustees which means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. Members may appoint by ordinary resolution up to 11 Trustees. Trustees who are also employees must not exceed one third of the total number of Trustees. Parent trustees need not be appointed as the charitable company has local governing bodies at each school. The approach taken to recruit new Trustees is in accordance with constitutional documentation and the company's scheme of delegation.

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Trustees Report for the Year Ended 31 August 2022 (continued)

Policies and Procedures for the Induction and Training of Trustees and Governors

Training and induction is provided for all new Trustees and governors depending on their existing experience. All new Trustees and governors are given a tour of our schools and the chance to meet with staff and students. All Trustees and governors are provided with copies of any governing documents that are relevant to their role.

Organisational Structure

The Trustees are responsible for setting policy, adopting the strategic development plan and the annual budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The strategy of the Trust is executed and monitored by the Executive Team, consisting of the Chief Executive Officer, the Chief Operating Officer and a School Improvement Lead who is also the Principal of a school. The operational leadership of the Trust is led by the Trust Senior Leadership Team which consists of the Executive Team supplemented by the Director of Finance, the Head of Human Resources, six additional Principals and one Head of School.

The senior management team of each school is delegated responsibility to manage their school with oversight from the Executive Team, ensuring policies agreed by the Trustees are followed correctly, and reporting back to the Board of Trustees. These groups are responsible for the authorisation of spending within agreed budget limits and for the appointment of staff. The Chief Executive Officer is the Accounting Officer for the Trust, though the Principal and senior management team of each school retain delegated authority to manage the operational activities of their school.

Arrangements for setting pay and remuneration of key management personnel

Trustees do not receive any remuneration in their roles, except for the Chief Executive Officer. The pay and remuneration of the Academy Trust's key management personnel, being members of the Senior Leadership Team and Vice Principals, is approved by the Board of Trustees' delegated Remuneration Committee following consultation in accordance with the Senior Pay Policy such as with the Finance Director, Head of HR and for Principals, the Chair of the relevant local governing body. This is following a review against performance, 360 degree feedback and relevant benchmarks such as market recruitment surveys and STPCD headteacher pay groups.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
7	6.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1% - 50%	6
51% - 99%	0
100%	0

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Trustees Report for the Year Ended 31 August 2022 (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£3,101
Total pay bill	£41,326,802
Percentage of the total pay bill spend on facility time	0.01%

Paid trade union activities

Total spend on paid trade union activities as a percentage of total paid facility time hours	0%
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Connected Organisations including Related Party Relationships

Emmanuel Schools Foundation is a Multi Academy Trust and is governed by its members and Trustees, none of whom receive any remuneration for their positions, except for the Chief Executive Officer. Details of this and any expenses are detailed at note 10.

Emmanuel Schools Foundation is the sole shareholder of Emmanuel Academy Services which operated a uniform sales service across five of our schools during the year. This has been increased to six schools from November 2022 with the extension of the service to Christ's College.

Engagement with suppliers, customers and others in a business relationship with the trust

The Trust works closely with our suppliers, stakeholders and organisers of frameworks to ensure we foster the Trust's business relationships. This might include using relationships with local businesses to bring in knowledge and expertise into business studies lessons or careers support for example. Our relationships with local and regional businesses enable us to ensure we get good value for money on our trading relationships and understand changing, dynamic market conditions. This is reflected in dealings with suppliers such as catering firms, uniform suppliers, IT firms and stationery suppliers for example. During the coronavirus pandemic, such relationships proved invaluable to ensure we kept our schools open with access to cleaning materials for instance, as well as getting access to laptops for staff and students amongst other in-demand resources.

Objectives and Activities

Objects and Aims

The objects of the Trust are summarised below:

- to advance for the public benefit education in the United Kingdom by promoting schools with a Christian ethos offering a broad curriculum;
- to promote, for the benefit of the inhabitants of the areas in which the academies are situated, the provision of facilities for recreation or other leisure time with the object of improving the condition of life of the said inhabitants.

The main aims of the Trust are summarised below:

- to raise the standard of educational achievement and to maximise the progress of all students;

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Trustees Report for the Year Ended 31 August 2022 (continued)

- to ensure student's personal growth and character development;
- to ensure that every child enjoys the same high quality of education in terms of resourcing, tuition and care;
- to be a catalyst for economic growth within the communities our schools serve by raising aspiration, challenging parochialism and providing enhanced qualifications;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct our business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The Trust's objectives, strategies and activities are set to reflect the educational aims and the ethos of the Trust. The key strategic objectives for the year included:

- Building the character development of our students through better understanding of our culture and ethos, and practising the virtues underpinning good character, as well as improving attendance and punctuality
- Improving academic performance through developing better middle leadership, curriculum development and stronger key stage transition
- Strengthening communities through building relationships with key stakeholders and other schools, and seeking to grow the Trust to extend spiritual, social, cultural and economic regeneration to further communities

In addition, there are additional objectives around further enhancing and improving our support functions, governance, staff development and financial performance. These strategic objectives have set out a series of measures and success criteria which will be presented to and reviewed by the Board of Trustees. More detailed school specific development plans, linked to the overall strategy, are monitored by local governing bodies.

Our objectives are focussed on maintaining and enhancing the academic success and reputation of our schools, promoting two-way community involvement, and encouraging students to support a wide range of charitable projects and character-building activities. To ensure that standards are continually raised both in the short term and long term, our schools operate a rigorous programme of monitoring and self-evaluation, are visited by inspectors, inter-foundation departmental observations, departmental audits, teaching mentors and undertake a comprehensive comparison of results from entry to assess student level of progress and added value.

In addition, during the year we have focussed attention on school improvement at the two schools that joined the Trust in 2019, Grace College and Christ's College, as well as Trinity Academy. At Grace College, we continued to support the school leadership, which is augmented with a Head of School supporting the Principal. All three schools were also supported by School Improvement Leads and the Trust Director of Teaching and Learning during the year. At each of our schools we also continue to invest in improving the learning environment, buildings and IT infrastructure.

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Trustees Report for the Year Ended 31 August 2022 (continued)

Public Benefit

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and they are satisfied that the trust's public benefit is clearly demonstrated in the strategies and objectives set out above and the achievements summarised below.

Strategic Report

Achievements and Performance

Achievements in the Year

With the cancellation of exams in summer 2020 and 2021 our performance analysis detailed below compares, in the main, results from 2022 against KPIs and educational performance from the 2019 exams. It should be noted that due to the uneven impact of the Covid-19 pandemic, the DFE recommend that direct comparisons should not be made between schools or against previous years as these may be misleading.

Our schools continue to enjoy substantial popularity, particularly at Emmanuel College which continues to be one of the most successful state funded schools in the country and consistently recognised as one of the top performing state schools in the North East of England. The Real Schools Guide has named Emmanuel in the top two secondary schools in the North East for seven years running in 2022. In areas of exam success, achievement in creative subjects and sport, and for the personal character-development of the students, Emmanuel College has an outstanding reputation. In addition, the 2022 results for The King's Academy, Bede Academy and Christ's College compared favourably with schools in their areas.

The 2022 external examination results continued Emmanuel College's history of high attainment with 88% of students achieving grade 4 or higher in Maths and English (standard Basics) and 68% grade 5 or higher (strong Basics). Emmanuel College's progress 8 score in 2022 of +0.44 was the highest in Gateshead. The average attainment score at 59.08 was also the highest in Gateshead, as was the EBacc 4+ score of 58.1%. The A Level pass rate saw 71% of grades at B or better, and 46% at A or better. Many of our students have gone on to further education at the top universities in the country. The school increased its intake in 2019 to 240 in year 7 as it looks to bring a high standard of education to more students and this has continued since working the increase through the year groups.

The King's Academy remains extremely popular and has therefore increased its intake by 32 students a year to 240. In addition, the local authority requested the school take on board further students with an intake of 270 in 2022/23 and 256 in 2023/24 to assist with a shortage of places in the area and the school is building an extension to accommodate this increase, funded by the local authority. The extension will open in December 2022. It is also a specialist centre, within a mainstream school setting, in Teesside for students with visual, hearing and physical impairments, and learning difficulties. The Summer 2022 external examination results saw an Attainment 8 score of 47.08 and an EBacc 4+ score of 23% showing some strong achievements despite the higher than national average numbers of disadvantaged and SEN students. The standard basics measure rose from 52% in 2019 to 71% in 2022. A-level results continue to perform well with 74% achieving C grades or higher in 2022 and 31% achieving A or better. Kings was inspected by Ofsted in March 2022 and again received a Good result.

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Trustees Report for the Year Ended 31 August 2022 (continued)

2022's GCSE results for Bede Academy saw a good attainment 8 at 45.7. The standard Basics measure was 67% in 2019 and strong basics of 41%. The English Baccalaureate 4+ score was 23%. The A level pass rate achieving C grades or better was 73%. Key Stage 2 results were a good 76% reaching the expected standard in Reading, Writing, Teacher Assessment and Maths, with 12% achieving the higher standard. All attainment results were above national averages with the most significant being in maths and writing. Bede has also achieved a Safeguarding Gold Award from Anchored Schools in June 2022, a School of Character Kitemark Plus award in April 2022 and was rated Excellent in its section 48 inspection in January 2020.

The 2022 GCSE results at Trinity showed attainment 8 at 42.9. Also, the Basics 5+ score rose from 24% in 2019 to 35% in 2021. A Level results continued to be positive with 71% achieving a grade C or better. Further focus will be placed on improving outcomes this year on a trajectory to achieving an overall Good with Ofsted. The Ofsted visit in October 2021 showed that significant progress had been made with four out of five areas being classified as Good. In addition, the section 48 inspection in September 2022 gave the school an overall grade of Excellent.

2022's GCSE results for Grace College saw attainment 8 at 42.4 with progress 8 below average. The standard Basics measure was 48% and strong basics of 27% with the very high levels of deprivation of the students lagging behind national averages as we emerge from Covid-19 with 40% of students in receipt of free school meals. The A level pass rate showed 58% achieving C grades or better. The Trust has continued its major school improvement plan to significantly improve outcomes at Grace with a plan to achieve a Good rating for the next Ofsted visit. Grace also saw an increase in the year 7 intake to 240 which is seeing the school grow over a number of years and has seen significant investment by the Trust in the infrastructure of the building during each of the summers since 2019.

2022's GCSE results for Christ's College saw progress 8 around the national average and attainment 8 at 45.5. The standard Basics measure was 58% and strong basics of 36%. The English Baccalaureate 4+ score was 23%. Key Stage 2 results saw 51% reaching the expected standard in Reading, Writing, Teacher Assessment and Maths, with 4% achieving the higher standard. Writing in particular remains well above national averages. The Trust continues to invest in the major school improvement plan for Christ's to significantly improve outcomes following the school joining our trust in 2019. Christ's College has also seen a significant investment in the infrastructure of the school in each of the years since 2019 by the Trust with the help, in first two years, of grant funding from the DFE. Christ's was last visited by Ofsted in November 2021 and whilst it received a Requires Improvement rating the Inspectors noted that leaders are taking the right actions to improve the school and all areas identified in the previous inspection had improved.

The Academy Trust promotes community involvement by making its facilities available to individuals, groups and businesses in the respective local area for sports and conferencing activities. A number of community groups use our facilities on a weekly basis while Emmanuel College enjoys an active partnership with Whickham Fellside Youth Football Club with whom outdoor sports facilities are shared. Whilst lettings were interrupted during coronavirus restrictions, we have since developed further partnerships over the last year that will enable community groups to thrive including a plan to improve our sporting facilities at Grace, Trinity and Bede for our students and community. Over this coming year, we will be working with local grassroots sporting groups, the Football Association and the Football Foundation on bids to build 3G pitches at Grace, Bede and Trinity over the next 2 years for school and community use.

The Academy Trust encourages students to be involved in activities in the community. Students visit primary schools and special schools in their local area; some work for charities and charity shops; others have given time to work in residential care homes and some act as reading mentors to younger students in their school. In addition, students are encouraged to gain an understanding of the world and take part in outdoor activities and educational trips. We also have a Combined Cadet Force centre at The King's Academy to offer additional opportunities to our students there and are looking to implement a naval cadet force at Bede in the near future.

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Trustees Report for the Year Ended 31 August 2022 (continued)

Key Performance Indicators

Selection of Key financial performance indicators from 2022:

	Emmanuel	The King's	Bede	Trinity	Grace	Christ's
Progress 8	+0.44	-0.20	-0.15	-0.44	-0.67	-0.09
Attainment 8	59.1	47.1	45.7	42.9	42.4	45.5
% Achieving basics	88	71	67	53	48	58

Selection of Key financial performance indicators from 2019:

	Emmanuel	The King's	Bede	Trinity	Grace	Christ's
Progress 8	+0.49	-0.05	-0.2	-0.39	-0.34	+0.58
Attainment 8	57.4	42.7	45.3	40.4	43.4	52.7
% Achieving basics	83	50	65	53	55	72

Current Ofsted ratings are: Emmanuel (Outstanding); Bede (Good); The King's (Good); Grace College (n/a); Trinity (Requires Improvement) and Christ's College (Requires Improvement).

The unrestricted fund reserves are £1,779,000 (2022 £2,522,000)

The restricted general fund reserves are £50,000 (2022 £78,000) excluding pension reserve

Total free reserves are £1,829,000 (2022 £2,600,000)

Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

The Trustees recognise that their role as directors of the company must promote the success of the company, and in doing so must act fairly and have regard to a range of consequences of their decisions on the Trust's long term viability. These include the interests of our pupils and our employees; business relationships with suppliers, customers and stakeholders; the community and the environment, and our reputation for high standards of business conduct. The Trustees take all their decisions in the best interests of the Trust and our many stakeholders in order that we maintain our good reputation and to further the needs of the communities in which we operate.

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Trustees Report for the Year Ended 31 August 2022 (continued)

Our main focus is always on the needs of our pupils and we endeavour to develop our curriculum and school development plans in order to improve the quality of education for our students. This takes into account feedback from students in assisting us to develop our plans, as well as focussing on attendance and narrowing the gap for disadvantaged students. With regards to employees, we are developing our employee consultation committees to increase the amount of feedback we receive, in addition to promoting greater continuous professional development such as with early career teacher plans. We have also refreshed our ethos and virtues as a platform to promoting greater wellbeing for our staff, such as through the use of our employee assistance programme.

In addition, we are working closely with other partners outside of school, including building our relationships with local authorities, which has led to Middlesbrough MBC fully funding an extension at The King's to provide additional places for students in the area from 2022/23. We are also, for example building relationships with local sporting clubs in Gateshead, Blyth and Thorne and with the Football Foundation and Football Association as part of plans to develop partially funded 3G pitches we aim to build at Grace, Bede and Trinity. These are just recent examples of our continued promotion of links to the local communities that we operate in, as well as developing good working relationships with key suppliers, whilst ensuring we maintain assurances on their ethos and working practices.

Financial Review

Review of the Financial Position of the Academy Trust

The Trust took on two new schools in 2019 and has continued to spend time and resources during this year embedding these into the Trust, implementing school improvement plans and investing in the infrastructure of the buildings and IT to create a better learning environment. In addition, there has been a significant impact on the Trust from inflationary factors, particularly on energy costs and higher than expected nationally agreed pay rises without additional funding to offset these. Therefore, we have undertaken savings exercises to mitigate the impacts of these increases.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The main funding for our academies is covered by a master-funding agreement whilst Emmanuel College is subject to a separate city technology college funding agreement. The grants received during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Expenditure for the year was mainly covered by grants from the ESFA, LEA and other income. The surplus for the period was £17,896,000. The revenue surplus for the year was £105,000 before transfers, actuarial gains and pension administration costs.

At 31 August 2022 the net book value of tangible fixed assets was £90,295,000 and movements in tangible fixed assets are shown in Note 12 to the accounts. The assets are used exclusively for providing education and associated support services to the pupils of the Trust. The balance sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned to agree to the net book value.

The Trust held fund balances at 31 August 2022 of £91,580,000 comprising £90,677,000 in the restricted fixed asset fund, a deficit of £876,000 in restricted income funds, including a pension reserve deficit of £926,000, and £1,779,000 in unrestricted income funds.

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Trustees Report for the Year Ended 31 August 2022 (continued)

Reserves Policy

In order to alleviate the financial risks identified by our risk assessment and guarantee the continued activities of the Trust, the Board of Trustees will accumulate a minimum reserve of 2.5% of GAG income. The financial risk to the Trust is balanced alongside the Trust's vision to maintain the highest levels of educational provision for its beneficiaries. The Board of Trustees will therefore set a maximum limit for its reserve funds of 12.5% of GAG income. This equates to one and a half months of the delegated funding from the ESFA.

Reserves held in excess of the maximum limit will be reviewed by the Board of Trustees on a regular basis and an appropriate range of options will be considered based upon Trust priorities. These might include re-investing funds in capital projects or to generate extra income for the Trust's activities. The reserves policy is reviewed annually taking into account new risks that have emerged.

The current level of free reserves (total funds less the amount held in fixed asset restricted funds and excluding the pension reserve) is £1,829,000 which is within the boundaries of our stated policy.

Investment Policy

The Trustees have the power to invest monies of the charitable company, not immediately required for the furtherance of its objects, in accordance with the Academy Trust Handbook. Any investments made will be in funds deemed by Trustees to be low risk such as bank deposit accounts. Investments must be made only in accordance with written procedures approved by the Board of Trustees. This should take account of the level of risk inherent in the investment and any social or ethical considerations.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures will ensure any income receivable from the investment is received and monitored. Currently the only investments made are circa £1m held in a deposit account with Lloyds and up to £350,000 to the Trust's trading subsidiary Emmanuel Academy Services.

Principal Risks and Uncertainties

The Trustees have ensured that the major risks to which the Trust is exposed have been identified and that risk management strategies have been implemented.

The Trustees have developed systems to respond quickly to evolving risks arising from factors within the Trust and to changes in the external environment including procedures for reporting failings immediately to appropriate levels of management and the Trustees, together with details of corrective action being undertaken. They have embedded the control system in the Trust's operations so that it becomes part of the culture of the Trust and communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.

Current risks include strong inflationary pressures such as on energy costs and salaries, levels of future funding and pension contributions on the financial performance of the Trust. Our schools were all subject to detailed risk assessments to remain open where possible during periods of Covid restrictions and we have put in place detailed plans for remote learning including providing access to a wide variety of devices and learning platforms. We are continuing to work with an integrated curriculum and financial plan model to improve financial performance to mitigate future financial risks, and to build a succession plan for leaders.

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Trustees Report for the Year Ended 31 August 2022 (continued)

Fundraising

The Trust undertakes an element of charitable fundraising largely for other local and international charities. The Trust is committed to encouraging students to promote charitable activities in their involvement in the community and awareness of those less fortunate in the world, which has led to a number of fundraising events being held over recent years which raise money for charities including the Love Trust which aims to improve education in South Africa at the Nokuphila School; Health and Hope to improve education and health in Myanmar, St Oswald's Hospice and Cancer Research.

Our schools do not work with any commercial participators / professional fundraisers, nor do we employ dedicated fundraising staff. The Trust is mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

Streamlined Energy and Carbon Reporting

In line with the Academies Accounts Direction 2021 to 2022 document and the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, the Emmanuel Schools Foundation (ESF) continues to be engaged in strategies and processes aimed at reducing our energy and greenhouse gas emissions.

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force on 1st April 2019 for accounting periods commencing on or after that date. It requires "large companies," subject to certain qualifying criteria, which consume more than 40,000 kWh of energy in a reporting period to include in their annual report's energy and carbon information.

ESF currently maintain both scope one (1) and two (2) emissions, which are generated from our schools and offices, and emissions from transport (minibuses and grey fleet; personal cars used for business purposes). Transport is split between scopes one (1) and three (3).

ESF previously devised a strategy to reduce carbon emissions by:

- Encouraging employees/staff to purchase renewable technology cars i.e., hybrid vehicles,
- Purchasing energy efficient equipment where appropriate in our schools,
- Replacing HVAC and heating systems with energy-efficient equipment where possible,
- Adopting behavioural change measures where possible.

Whilst progress was interrupted by covid, we have made significant steps in our efforts to reduce emissions.

We have a longstanding commitment to tackling climate change. Our calculated carbon footprint for the current Trust financial year is 1,905.47 tCO₂e, whilst energy consumption was 9,086,461.27 kWh (9,086.4 MWh).

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Trustees Report for the Year Ended 31 August 2022 (continued)

Methodology

We have reported all of emission sources under the above legislation as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2022 guidance.

The reporting period is our fiscal year from September 2021 to August 2022, Academies Accounts Direction 2021 to 2022

2021/2022 Emissions

	<u>Tonnes CO2 equivalent (tCO2e)</u>
Scope 1 (natural gas)	1,046
Scope 2 (electricity)	768.96
Scope 3 (transport, electricity T&D)	90.51
Total	1,905.47

Our emissions have reduced to 77.89% of last years reported emissions.

A proportion of electricity generated at the Grace college is from solar.

Intensity Metric

Scope 1, 2 and 3 carbon intensity: 0.24 tCO2e / per pupil.

The metric is based on 7,947 average number of pupils taught during the financial year.

Efficiency Measures Taken

- 1) Through our facilities managers we are actively managing our heating systems through our in-situ building management systems (BMS) by adjusting set points and times,
- 2) We are actively communicating with schools to be aware of their energy use by making sure lights are switched off when not needed, and adjusting clothing to suit different seasons,
- 3) We are working through a programme to install LED lamps and Solar pv at all of our sites; design and specifications are on-going.

Objectives for 2022 / 2023

- 1) Reduce our baseline electricity consumption by 2%.
- 2) Lighting: Continue to evolve and install low energy lighting across our building portfolio.
- 3) Continual review of existing office equipment and company policies.
- 4) Reviewing supply contracts to determine feasibility of renewable energy.

Summary

Emissions have reduced significantly, which is due to driving home the need to reduce emissions with staff, as well as generating best practices across our estate.

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Trustees Report for the Year Ended 31 August 2022 (continued)

ESF will report on progress within our next set of financial accounts.

Plans for Future Periods

Our schools aim to maintain and improve upon the high level of academic achievement already evident, as well as seeking to improve consistency, communication and collaboration within and across the schools. In addition, we will continue to follow our five-year strategic development plan focussing on our three main goals supported by three key enablers:

- **Character Development:** We are working towards a first-principles approach to character development that will command national respect and generate international interest
- **Academic Excellence:** We are working to set all ESF schools on trajectory of Ofsted outstanding
- **Community Transformation:** We aspire to educate as many as possible of our students from early childhood so that the impact on our schools' communities can be strengthened and to expand into new communities
- **Investment in Staff:** We are working to make ESF the employer of choice amongst Multi-Academy Trusts
- **Support and Challenge:** We are committed to building a support team whose support and strategic guidance is recognised by the schools as invaluable
- **Wise Spending:** We are committed to ensuring that all of our activities are financially sustainable and offer excellent value for money.

The next academic year will see continued focus on improving academic outcomes at Trinity Academy, Grace College and Christ's College; greater collaboration between our schools on curriculum and further implementation of both our refreshed ethos and virtues, and our updated IT strategy. We expect financial pressures and inflation to provide a significant challenge during the year, and expect this to occupy management time in ensuring that we can continue to provide a quality education to our students despite financial challenges. In addition, we will continue to investigate options to expand our educational provision to a wider student body through expansion of the Multi-Academy Trust.

Disabled Employees

The Trust aims to comply with its obligations under the Equality Act 2010 and takes such factors into account. Thus, we do not have separate policies relating to protected characteristics in respect of recruitment or any other employment practice.

Where, under the Act, reasonable adjustments are required to be made for either prospective (in the case of recruitment) or existing employees the Trust accommodates such adjustments where we have constructive knowledge of the disability and of the adjustments required.

As a public sector organisation, appropriate steps have already been taken to ensure our premises are accessible e.g. lifts, ramps, automatic and wide doors; appropriate toilet facilities; braille signage etc. We listen to user feedback to ensure that we continue to meet the needs of the communities we serve

Emmanuel Schools Foundation

Trustees Report for the Year Ended 31 August 2022 (continued)

Employee Engagement

The year before last we started establishing employee consultation bodies across our schools, our ambitions to undertake a staff survey were disrupted by COVID-19 – though schools took steps to ensure consultation on local risk assessments and engage in relation to staff well-being and other matters of mutual concern. These processes continue to be developed .

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved and authorised for issue by order of the members of the Governing Body on 19 December 2022 signed on its behalf by:



Signed: McKinlay 19 Dec 2022 11:49:09 GMT (UTC +0)

S McKinlay
Trustee

Emmanuel Schools Foundation

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Emmanuel Schools Foundation has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities.

The Board of Trustees met five times during the year. Attendance was as follows:

Director	Meetings attended	Out of a possible
Stewart McKinlay	5	5
Martin Oldknow	4	5
Prof. Mark Pike	5	5
Dame Maura Regan	1	5
Peter Pickthall	5	5
Simon Goon	5	5
Helen McEvoy	5	5

Two Trustees are responsible for health and safety across the Academy Trust, one Trustee is the safeguarding lead and one Trustee is the CEO. Five committees have been formed namely a Finance and Resources Committee, an Audit and Risk Committee, an Education, Standards and Performance Committee, a Remuneration Committee and an Investment Panel. All have terms of reference. The Board of Trustees will normally meet at least six times a year, but during 2021/22 two meetings were merged.

The Finance and Resources Committee met four times during the year. Attendance was as follows:

Director	Meetings attended	Out of a possible
Peter Pickthall	4	4
Martin Oldknow	3	4
Stewart McKinlay	4	4
Simon Goon	4	4

Emmanuel Schools Foundation

Governance Statement (continued)

The Audit and Risk Committee met three times during the year. Attendance was as follows:

Director	Meetings attended	Out of a possible
Simon Goon	3	3
Martin Oldknow	3	3
Peter Pickthall	3	3

In 2021-22 the Board of Trustees and its committees discussed and dealt with a variety of issues covering, for example:-

- Strategic Development
- Teacher Assessed Grades and exam results, and plans for teaching, learning and curriculum
- Character development and ethos
- Improvement plans for the 2 schools who joined the Trust in 2019
- Action plans for Trinity Academy and school leadership
- Policy updates
- Updates to the Scheme of Delegation
- Developed a Trustee Development Plan
- Review of finances across the Academy Trust and approval of budgets and forecasts
- Review of human resources, governance and premises management
- Leadership structure and succession planning
- IT and premises infrastructure and investment
- Safeguarding, and health and safety

Governance Review

A review of Board and committee effectiveness took place during 2020-21 which informs the Trustees' Development Plan. The Board continues to consider the skills matrix with a view to bringing in additional trustees. Local governing bodies continue to review their effectiveness bi-annually with the last review having taken place in spring 2021, the results of which are incorporated into governor/ Academy development plans.

A termly health and safety forum constituted of H&S leaders across the Trust and two Trustees has been formed as we develop our practices in health and safety. A similar approach has taken place with safeguarding leads.

Review of Value for Money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Multi-Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Emmanuel Schools Foundation

Governance Statement (continued)

The accounting officer, working with the Finance Director, considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Trust has delivered improved value for money during the year by:

The raising of academic attainment

The Trust has invested heavily in improving standards and ensuring the learning environment, IT resources and quality teaching are in place to enable effective learning both in school and via remote learning. This has involved significant investment in IT resources, in particular over the last two financial years, due to Covid-19 issues but this will benefit our students in the long term as well. As stated above, the performance indicators for this year should not be used as direct comparisons with other schools or previous years.

In 2022, 88% of Emmanuel College students achieved grade 4 or higher in maths and English (standard Basics) and 68% grade 5 or higher (strong Basics). The English Baccalaureate 4+ score was 59%. The Progress 8 figure of +0.44 indicated that Emmanuel College had maintained the strong performances of previous years. At A Level, 71% of A Level grades were at grade B or higher, with 46% of all grades being A*-A in 2019.

When last inspected Emmanuel was graded 'Outstanding' in every category. Key findings included the following statements: Regardless of their starting points, all students make exceptional progress to exceed significantly the national average by the end of Year 11 and in the sixth form; behaviour is outstanding and provision in the sixth form is excellent.

The King's Academy continues to provide a very good quality education to the students of south Middlesbrough. In its most recent inspection (March 2022), Ofsted graded the Academy as 'Good'. This is the fifth such grading of "Good" in succession, demonstrating a high degree of consistency in the standard of high-quality education they provide. Behaviour has improved significantly and the Academy's focus on teaching quality has led to further improvements in students' learning. GCSE results in 2022 showed a Progress 8 score of -0.2 despite high levels of deprivation and SEN. In addition, the school had an attainment 8 of 47.08. At A Level, 74% of all grades were grade C or higher, with 31% of all grades being A*-A in 2022. The King's Academy remains extremely popular, hence the expansion of the school in 2022 and 2023 with bulge years, and is also a specialist centre in Teesside for students with visual, hearing and physical impairments, and learning difficulties.

Bede Academy continues to ensure that the highest support is in place to ensure an outstanding and transformational education from ages 3-19. GCSE results in 2022 showed a Progress 8 score of -0.15, a standard Basics measure of 67% and strong basics of 41%. At A Level, 73% of all grades were grade C or higher with 20% at grades A*-A. In particular, improvements were made at Key Stage 2 with 76% achieving the expected standard in reading, writing teacher assessment and maths, and 12% achieving the higher standard. At its most recent Ofsted inspection in June 2017, the Academy was again rated as 'Good' in every category.

A new Principal was appointed in September 2022 to lead Trinity Academy with significant support from the Trust. GCSE results in 2022 saw a Progress 8 score of -0.44. The standard Basics measure was 55% and strong Basics 36%. At A Level, 71% of all grades were grade C or higher, with 27% of all grades being A*-A.

Emmanuel Schools Foundation

Governance Statement (continued)

Since Grace College joined ESF in April 2019 it has seen significant investment in leadership, staff and infrastructure with a Head of School supporting the Principal to ensure the school has the capacity to implement plans for improvements. The exam results for 2022 saw a Progress 8 of -0.67 as the high levels of deprivation in the community have seen some students struggle to be re-integrated back into school after the pandemic. Standard Basics was 48% and strong basics was 27%. Also, in 2022 students getting A*-C grades in their A Levels was 58%. The school leadership has a robust action plan to deliver improvements in future years.

Christ's College also joined ESF in May 2019 and the Principal is supported by a Trust school improvement lead. With a new refreshed leadership team and further investment in staff and infrastructure the school has also seen some early improvements. GCSE results in 2022 saw Progress 8 at -0.09 in line with the national average. Standard Basics was 58% and strong Basics was 36%. At Key Stage 2, 51% achieved the expected standard in reading, writing teacher assessment and maths, and 4% achieved the higher standard. A further action plan is in place to deliver a long term sustainable future for the school. The school remains very popular and has seen pupil numbers increase from 532 in 2019 to 683 in 2022.

Our schools continue to enjoy substantial popularity, particularly at Emmanuel College which continues to be one of the most successful state funded schools in the country and is consistently recognised as one of the top performing state schools in the North East of England. In areas of exam success, achievement in creative subjects and sport, and for the personal character-development of the students Emmanuel College has an outstanding reputation. In addition, the results for The King's Academy have seen consistent improvement with particularly strong progress being made in science and technology subjects. Results at Bede Academy continue to be amongst the best in Northumberland whilst Christ's College's results are also good at Key Stage 4.

Robust governance and oversight of the trust's finances

Monitoring of the trust's internal controls was carried out during the year by our external auditors Azets Audit Services (who were known as Tait Walker LLP earlier in the year) and our internal auditors who were also Azets Audit Services, and this gives assurance that controls are in place and carried out in accordance to set policies and procedures.

Financial control is managed by a central resource and comprehensive budgeting and monitoring, together with the production of timely management accounts which are produced by the Finance Director and reviewed by the Accounting Officer, Trustees and for school specific accounts by Principals and members of the local governing boards. Joint tendering exercises are frequently carried out between the Emmanuel Schools Foundation schools to achieve economies of scale.

All major capital projects and financial costs associated with the trust's strategic development plan, school condition allocation and school development plans are approved by the Trustees and are monitored by the Finance Director and Investment Panel.

As a result of financial pressures in the education sector, the staffing structure and curriculum has been reviewed across our schools, using integrated curriculum led financial planning, with staff being deployed efficiently whilst ensuring that our students' education is not compromised.

Shared services and systems are used across the Foundation schools to ensure value for money is being achieved. Plans are in place to undertake further reviews in the coming year to ensure fit for purpose and efficient support services are in place for the future.

Targets are set to measure financial and other performances and are reviewed by the Accounting Officer, Trustees and governors.

Emmanuel Schools Foundation

Governance Statement (continued)

Clearly defined purchasing guidelines have been put in place with delegated lines of authority and segregation of duties.

Risks have been identified and managed and are updated on a regular basis.

Contracts are reviewed to ensure we receive value for money whilst ensuring quality and effectiveness. Procurement of IT and premises costs are managed centrally to ensure the trust benefits from bulk purchasing of capital items and software supplies.

The Trustees, governors and senior staff apply the principles of best value when making decisions about the allocation of resources to best promote the aims and values of the trust, targeting resources to best improve standards and the quality of the provision and the use of resources to best support the various educational needs of all pupils.

Ensuring the trust demonstrates good value from money and effective use of resources

The trust benchmarks financial performance against other schools and Multi-Academy Trusts to demonstrate value for money and to learn where savings can be made.

Tender exercises are carried out regularly to ensure that high value purchases are competitive in the market place. All tenders are carried out in accordance with set policies and procedures.

Maximising income generation

Emmanuel Schools Foundation centrally employs a Business Development Manager who actively seeks to maximise income through the hire of the Trust's facilities across its schools, and to identify new sources of funding.

Reviewing controls and managing risks

Monthly Trust management accounts are produced and reviewed by the Finance Director and the Chief Executive, and any significant variances that may have an impact on budgets are addressed and rectified.

Similarly, each school has monthly management accounts produced and reviewed by the Finance Director and the relevant Principal.

Insurance levels are reviewed annually and used cost-effectively to manage risks.

The Trustees review the reserve levels of the Trust regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that an appropriate level of free reserves should be maintained. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to plan for future capital projects.

The Trust ensures that all surplus cash balances are invested in an interest bearing account to maximise interest earning potential.

Emmanuel Schools Foundation

Governance Statement (continued)

Reviewing budget holders accounts

Budget holders receive monthly budget reports which are scrutinised to ensure the most effective use of resources to meet the objectives of the Foundation. These reports are reviewed on a monthly basis, and all transactions and up to date balances are available on the web portal to be viewed and monitored by budget holders, Principals and finance staff. Curriculum changes and any new strategies are identified in the Trust strategic development plan and individual school development plans.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trust board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board.

The Risk and Control Framework

The 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:

- comprehensive budgeting and monitoring systems with annual budget and periodic financial reports which are reviewed and agreed by the Board;
- regular reviews of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed Azets Audit Services to perform this function during 2021/22. Due to the merger of Azets and Tait Walker in 2022, the internal audit function will be fulfilled by Clive Owen LLP from 2022/23.

Emmanuel Schools Foundation

Governance Statement (continued)

Azets (formerly Tait Walker), our external auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis the internal auditor reports to the Audit Committee on the operation of the systems of control and on the discharge of the board's financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Trustees confirm that the external and internal auditors have delivered their schedules of work as planned. The work performed revealed no material control weaknesses.


Review of Effectiveness


As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external and internal auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved and authorised for issue by order of the members of the Governing Body on 19 December 2022 and signed on its behalf by:


Signed: 19 Dec 2022 11:49:09 GMT (UTC +0) .
S McKinlay
Trustee


Mark Pike 19 Dec 2022 14:26:20 GMT (UTC +0)
Prof M Pike
Trustee

Emmanuel Schools Foundation

Statement of regularity, propriety and compliance

As Accounting Officer of Emmanuel Schools Foundation I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreements in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and ESFA.

Mark Pike

Mark Pike 19 Dec 2022 14:20:29 GMT (UTC +0)

Prof M Pike
Accounting officer

Date: 19 December 2022

Emmanuel Schools Foundation

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and authorised for issue by order of the members of the Board on 19 December 2022 signed on its behalf by:



..Saw on Monday 19 Dec 2022 11:09:09 GMT (UTC +0)

S McKinlay
Trustee

Emmanuel Schools Foundation

Independent Auditor's Report on the Financial Statements to the Members of Emmanuel Schools Foundation

Opinion

We have audited the financial statements of Emmanuel Schools Foundation (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information (covers the Reference and administrative details, the Trustees Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Emmanuel Schools Foundation

Independent Auditor's Report on the Financial Statements to the Members of Emmanuel Schools Foundation (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 23], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Emmanuel Schools Foundation

Independent Auditor's Report on the Financial Statements to the Members of Emmanuel Schools Foundation (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing Health and Safety and other relevant reports;
- reading correspondence with regulators including the OFSTED; and
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Emmanuel Schools Foundation

Independent Auditor's Report on the Financial Statements to the Members of Emmanuel Schools Foundation (continued)

Use of our report

This report is made solely to the Academy's Trustees, 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 Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Brian Laidlaw 19 Dec 2022 14:05:57 GMT (UTC +0)

Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Chartered Accountants

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 19 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

Emmanuel Schools Foundation

Independent Reporting Accountant's Assurance Report on Regularity to Emmanuel Schools Foundation and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Emmanuel Schools Foundation during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 17 February 2017 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available internal assurance reports;
- Completion of self assessment questionnaire by the Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained a formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expense claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Emmanuel Schools Foundation

Independent Reporting Accountant's Assurance Report on Regularity to Emmanuel Schools Foundation and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- Consideration of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to Emmanuel Schools Foundation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Emmanuel Schools Foundation and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Emmanuel Schools Foundation and the ESFA, for our work, for this report, or for the conclusion we have formed.

Azets Audit Services

Brian Laidlaw 19 Dec 2022 14:06:57 GMT (UTC +0)

Azets Audit Services
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 19 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

Emmanuel Schools Foundation

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2022 £ 000
Income and endowments from:					
Donations and capital grants	2	30	-	3,237	3,267
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	15	49,543	-	49,558
Teaching schools		127	-	-	127
Other trading activities	4	1,625	-	-	1,625
Investments	5	1	-	-	1
Total		1,798	49,543	3,237	54,578
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,763	52,304	3,323	57,390
Teaching schools		-	27	-	27
Total		1,763	52,331	3,323	57,417
Net income/(expenditure)		35	(2,788)	(86)	(2,839)
Transfers between funds		(778)	(98)	876	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	27	-	20,735	-	20,735
Net movement in (deficit)/funds		(743)	17,849	790	17,896
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2021		2,522	(18,725)	89,887	73,684
Total funds/(deficit) carried forward at 31 August 2022		1,779	(876)	90,677	91,580

Emmanuel Schools Foundation

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)


	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Donations and capital grants	2	28	-	2,061	2,089
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	46,962	-	46,962
Teaching schools		106	40	-	146
Other trading activities	4	1,004	-	-	1,004
Investments	5	1	-	-	1
Total		1,139	47,002	2,061	50,202
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,433	48,268	3,190	52,891
Teaching schools		-	21	-	21
Total		1,433	48,289	3,190	52,912
Net expenditure		(294)	(1,287)	(1,129)	(2,710)
Transfers between funds		(13)	(904)	917	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	27	-	794	-	794
Net movement in deficit		(307)	(1,397)	(212)	(1,916)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		2,829	(17,328)	90,099	75,600
Total funds/(deficit) carried forward at 31 August 2021		<u>2,522</u>	<u>(18,725)</u>	<u>89,887</u>	<u>73,684</u>

Emmanuel Schools Foundation

(Registration number: 04464331) Balance Sheet

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Tangible assets	12	90,295	89,372
Current assets			
Debtors	14	3,378	2,361
Cash at bank and in hand		4,331	5,422
		<u>7,709</u>	<u>7,783</u>
Creditors: Amounts falling due within one year	15	<u>(5,368)</u>	<u>(4,486)</u>
Net current assets		<u>2,341</u>	<u>3,297</u>
Total assets less current liabilities		92,636	92,669
Creditors: Amounts falling due after more than one year	16	<u>(130)</u>	<u>(182)</u>
Net assets excluding pension liability		92,506	92,487
Pension scheme liability	27	<u>(926)</u>	<u>(18,803)</u>
Net assets including pension liability		<u>91,580</u>	<u>73,684</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	50	78
Restricted fixed asset fund	17	90,677	89,887
Pension reserve	17	<u>(926)</u>	<u>(18,803)</u>
		89,801	71,162
Unrestricted funds			
Unrestricted income fund	17	<u>1,779</u>	<u>2,522</u>
Total funds		<u>91,580</u>	<u>73,684</u>

The financial statements on pages 30 to 64 were approved and authorised for issue by the Trustees, on 19 December 2022 signed on their behalf by:


Susan McKinlay 19 Dec 2022 11:48:59 GMT (UTC +0)
S McKinlay
 Trustee

Emmanuel Schools Foundation

Statement of Cash Flows

	Note	2022 £ 000	2021 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	219	1,432
Cash flows from investing activities	23	(1,258)	(1,181)
Cash flows from financing activities	22	<u>(52)</u>	<u>(26)</u>
Change in cash and cash equivalents in the year		(1,091)	225
Cash and cash equivalents at 1 September		<u>5,422</u>	<u>5,197</u>
Cash and cash equivalents at 31 August	24	<u><u>4,331</u></u>	<u><u>5,422</u></u>

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

The academy trust has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that the results of its subsidiary undertaking are not material to the results of the group.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Investment income

Interest receivable is included in the statements of financial activities on an accruals basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, per the table below.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Asset class	Depreciation method and rate
Long leasehold land and buildings	over 50 years
Building components	over 10-15 years
Furniture and equipment	over 5 years
Computer equipment	over 5 years
Motor vehicles	over 5 years

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 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.

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from Education Skills and Funding Agency and the Department for Education Group.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £3,323,000 (2021 - £3,191,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
Capital grants	-	-	2,987	2,987	1,723
Donations - local authority asset transfer	-	-	-	-	54
Other donations	30	-	-	30	28
Donated fixed assets	-	-	250	250	284
	<u>30</u>	<u>-</u>	<u>3,237</u>	<u>3,267</u>	<u>2,089</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	
Total 2021	<u>28</u>	<u>-</u>	<u>2,061</u>	<u>2,089</u>	

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	43,062	-	43,062	39,383
Other ESFA Group grants	-	4,031	-	4,031	5,138
	-	47,093	-	47,093	44,521
Other government grants					
Local authority grants	-	1,521	-	1,521	1,387
	-	1,521	-	1,521	1,387
COVID-19 additional funding (DfE/ESFA)					
Other DfE/ESFA COVID-19 funding	-	379	-	379	781
	-	379	-	379	781
COVID-19 additional funding (non-DfE/ESFA)					
Coronavirus Job Retention Scheme grant	-	-	-	-	93
	-	-	-	-	93
Non-government grants and other income					
Other income	15	550	-	565	180
Total grants	15	49,543	-	49,558	46,962

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000		
Total 2021	-	46,962	-	46,962		
				2022 £ 000	2021 £ 000	
Other DfE/ESFA Grants						
Rates reclaim				272	274	
Student Support Services (per statement) (also known as Academy Post 16 Bursary Funding)				113	87	
Pupil Premium and Service Premium				2,216	2,086	
Universal Infant Free School Meals (UifSM)				112	125	
Insurance				29	29	
PE and Sports Grant				40	40	
Other				1,076	489	
Teachers' Pay Grant				173	2,008	
				<u>4,031</u>	<u>5,138</u>	

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
Hire of facilities	98	-	-	98	12
Recharges and reimbursements	125	-	-	125	122
Catering income	1,402	-	-	1,402	870
	<u>1,625</u>	<u>-</u>	<u>-</u>	<u>1,625</u>	<u>1,004</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	
Total 2021	<u>1,004</u>	<u>-</u>	<u>-</u>	<u>1,004</u>	

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
Short term deposits	1	-	-	1	1
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	
Total 2021	1	-	-	1	

6 Expenditure

	Non Pay Expenditure			2022/21 Total £ 000	2021/20 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	35,907	3,323	3,057	42,287	39,852
Allocated support costs	8,474	3,309	3,320	15,103	13,039
Teaching school hub					
Allocated support costs	-	-	27	27	21
	44,381	6,632	6,404	57,417	52,912
	Non Pay Expenditure			Total 2021 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2021	41,787	5,826	5,299	52,912	

Net income/(expenditure) for the year includes:

	2022 £ 000	2021 £ 000
Depreciation	3,323	3,191
Fees payable to auditor - audit	10	10
Fees payable to auditor - other audit services	2	2

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Charitable activities

		2022 £ 000	2021 £ 000
Direct costs - educational operations		42,287	39,852
Support costs - educational operations		15,103	13,039
		<u>57,390</u>	<u>52,891</u>
	Educational operations	Total	Total
	£ 000	2022	2021
		£ 000	£ 000
Analysis of support costs			
Support staff costs	8,474	8,474	7,559
Technology costs	619	619	551
Premises costs	3,309	3,309	2,636
Legal costs	250	250	164
Other support costs	2,403	2,403	2,094
Governance costs	48	48	35
Total support costs	<u>15,103</u>	<u>15,103</u>	<u>13,039</u>

8 Staff

Staff costs

	2022 £ 000	2021 £ 000
Staff costs during the year were:		
Wages and salaries	30,945	29,882
Social security costs	3,149	2,932
Operating costs of defined benefit pension schemes	9,160	8,348
	<u>43,254</u>	<u>41,162</u>
Supply staff costs	1,042	585
Staff restructuring costs	85	40
	<u>44,381</u>	<u>41,787</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £84,772 (2021: £Nil). Individually, the payments were:

Non-contractual payments £23,000

Non-contractual payments £10,000

Non-contractual payments £9,240

Non-contractual payments £13,240

Non-contractual payments £29,292

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff (continued)

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2022 No.	2021 No.
Charitable Activities		
Teachers	553	553
Administration and support	560	523
Management	4	4
	<u>1,117</u>	<u>1,080</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
£60,001 - £70,000	30	21
£70,001 - £80,000	8	8
£80,001 - £90,000	4	3
£90,001 - £100,000	2	3
£100,001 - £110,000	3	3
£110,001 - £120,000	2	1
£130,001 - £140,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust during the year 2021/22 comprised the CEO, COO and 2x Principals who are School Improvement Leads, however one of the Principles has left the trust in the year. During the year 2020/21 the key management personnel comprised the CEO, COO and 2x Principals who are School Improvement Leads. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £609,080 (2021 - £571,628).

	2022 £ 000	2021 £ 000
Staff restructuring costs comprise:		
Redundancy payments	<u>85</u>	<u>40</u>

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Central services

The academy trust has provided the following central services to its academies during the year:

- Educational support services
- Financial services
- Human resources, payroll, legal and governance services
- IT services
- Facilities and project management and business development

The academy trust charges for these services on the following basis:

- At a percentage of General Annual Grant income for schools that were part of the Trust for the whole year.

	2022 £ 000	2021 £ 000
Emmanuel College	379	305
Bede Academy	418	335
The King's Academy	369	302
Trinity Academy	333	266
Christ's College	125	98
Grace College	337	273
	<u>1,961</u>	<u>1,579</u>

10 Related party transactions - trustees' remuneration and expenses

During the year there was one staff member who was also a trustee of the academy trust.

Prof M Pike (CEO):

Remuneration: £135,000 - £140,000 (2021 - £125,000 - £130,000)

Employer's pension contributions: £25,000 - £30,000 (2021 - £15,000 - £20,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £4,225 (2021 - £1,934) were reimbursed or paid directly to 2 Trustees (2021 - 2).

Other related party transactions involving the Trustees are set out in note 28.

11 Trustees' and officers' insurance

The Academy Trust has taken out insurance protecting Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. This is provided by Zurich Municipal.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

12 Tangible fixed assets

	Land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Assets under construction £ 000	Total £ 000
Cost						
At 1 September 2021	95,482	3,005	76	2,891	466	101,920
Additions	878	585	-	409	2,374	4,246
Transfers	372	68	-	-	(440)	-
At 31 August 2022	<u>96,732</u>	<u>3,658</u>	<u>76</u>	<u>3,300</u>	<u>2,400</u>	<u>106,166</u>
Depreciation						
At 1 September 2021	9,413	1,546	22	1,567	-	12,548
Charge for the year	<u>2,353</u>	<u>502</u>	<u>15</u>	<u>453</u>	<u>-</u>	<u>3,323</u>
At 31 August 2022	<u>11,766</u>	<u>2,048</u>	<u>37</u>	<u>2,020</u>	<u>-</u>	<u>15,871</u>
Net book value						
At 31 August 2022	<u>84,966</u>	<u>1,610</u>	<u>39</u>	<u>1,280</u>	<u>2,400</u>	<u>90,295</u>
At 31 August 2021	<u>86,069</u>	<u>1,459</u>	<u>54</u>	<u>1,324</u>	<u>466</u>	<u>89,372</u>

Included within land and buildings above, are leasehold properties which had a carrying value of £39,546,314 (2021 - £40,274,281) and freehold properties which had a carrying value of £45,418,678 (2021 - £45,794,627).

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Investments

The academy owns 100% of the ordinary shares of Emmanuel Academy Services Limited, a company incorporated in England and Wales, company registration number 08809035. The principal activity of the company is uniform sales. Turnover for the year ended 31 August 2022 was £431,672, expenditure was £419,545 and the profit/(loss) for the year was £12,127. The assets of the company at 31 August 2022 were £271,866, liabilities were £259,678 and capital and reserves were £12,188.

The accounts present information about the academy trust as an individual undertaking and not as a group.

Group accounts have not been prepared on the grounds that the subsidiary undertaking results are not material to those of the academy trust.

14 Debtors

	2022 £ 000	2021 £ 000
Trade debtors	757	22
VAT recoverable	721	366
Other debtors	6	1
Prepayments and accrued income	1,705	1,847
Balances due from related entities	189	125
	<u>3,378</u>	<u>2,361</u>

15 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Trade creditors	1,689	1,109
Other taxation and social security	766	735
Other creditors	51	74
Accruals	632	413
Deferred income	1,460	1,404
Pension scheme creditor	770	751
	<u>5,368</u>	<u>4,486</u>

	2022 £ 000	2021 £ 000
Deferred income		
Deferred income at 1 September 2021	1,404	1,118
Resources deferred in the period	1,460	1,404
Amounts released from previous periods	<u>(1,404)</u>	<u>(1,118)</u>
Deferred income at 31 August 2022	<u>1,460</u>	<u>1,404</u>

At the year end, the academy trust held deferred income in respect of Universal Infant Free School Meals, Rates Relief, SCA Funding, Local Authority Funding, School meals and music lessons paid in advance.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Creditors: amounts falling due after one year

	2022 £ 000	2021 £ 000
Other	130	182

Loans of £181,617 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan (Joseph Swan Academy now Grace College) - Interest free loan repayable through GAG in 6-monthly instalments of £25,945 from March 2019.

17 Funds

	Balance at 1 September 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2022 £ 000
Restricted general funds					
General annual grant fund	-	43,062	(42,964)	(98)	-
Other DfE/ESFA grants fund	-	2,714	(2,714)	-	-
Other government grants	-	3,767	(3,767)	-	-
Parents, friends and family	9	-	-	-	9
Teaching school	69	-	(28)	-	41
	<u>78</u>	<u>49,543</u>	<u>(49,473)</u>	<u>(98)</u>	<u>50</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	75,414	3,237	(3,323)	876	76,204
Transfer from general funds	4,128	-	-	-	4,128
Private sector sponsorship	5,656	-	-	-	5,656
Capital expenditure from GAG	4,689	-	-	-	4,689
	<u>89,887</u>	<u>3,237</u>	<u>(3,323)</u>	<u>876</u>	<u>90,677</u>
Pension Reserve					
Pension reserve	<u>(18,803)</u>	<u>-</u>	<u>(2,858)</u>	<u>20,735</u>	<u>(926)</u>
Total restricted funds	<u>71,162</u>	<u>52,780</u>	<u>(55,654)</u>	<u>21,513</u>	<u>89,801</u>
Unrestricted funds					
Unrestricted general reserve	2,172	1,798	(1,763)	(778)	1,429
Unrestricted trust fund	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>
Total unrestricted funds	<u>2,522</u>	<u>1,798</u>	<u>(1,763)</u>	<u>(778)</u>	<u>1,779</u>
Total funds	<u>73,684</u>	<u>54,578</u>	<u>(57,417)</u>	<u>20,735</u>	<u>91,580</u>

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General annual grant fund	-	39,382	(38,478)	(904)	-
Other DfE/ESFA grants fund	-	5,122	(5,122)	-	-
Other government grants	-	1,387	(1,387)	-	-
Other income	-	197	(197)	-	-
COVID-19	-	874	(874)	-	-
Parents, friends and family	9	-	-	-	9
Teaching school	50	40	(21)	-	69
	<u>59</u>	<u>47,002</u>	<u>(46,079)</u>	<u>(904)</u>	<u>78</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	75,626	2,061	(3,190)	917	75,414
Transfer from general funds	4,128	-	-	-	4,128
Private sector sponsorship	5,656	-	-	-	5,656
Capital expenditure from GAG	4,689	-	-	-	4,689
	<u>90,099</u>	<u>2,061</u>	<u>(3,190)</u>	<u>917</u>	<u>89,887</u>
Pension Reserve					
Pension reserve	(17,387)	-	(2,210)	794	(18,803)
Total restricted funds	<u>72,771</u>	<u>49,063</u>	<u>(51,479)</u>	<u>807</u>	<u>71,162</u>
Unrestricted funds					
Unrestricted general reserve	2,479	1,139	(1,433)	(13)	2,172
Unrestricted trust fund	350	-	-	-	350
Total unrestricted funds	<u>2,829</u>	<u>1,139</u>	<u>(1,433)</u>	<u>(13)</u>	<u>2,522</u>
Total funds	<u>75,600</u>	<u>50,202</u>	<u>(52,912)</u>	<u>794</u>	<u>73,684</u>

The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at the balance sheet date.

A start up grant was received from the ESFA as a result of the conversion to academy status. The full grant was allocated.

Other DfE/ESFA grants include teachers pay and pension grants, pupil premium, PE and sports grant and other DfE/ESFA grants.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds (continued)

Other government grants comprise funding received from the Local Authority.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to Local Government Pension Scheme ('LGPS') and the pension liability has therefore been aligned with these funds. The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

The inherited fixed asset fund reflects the fixed assets acquired from the Local Authority on conversion to academy status. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants received in year consist of capital grants received in the year which have been received for expenditure on acquisition and maintenance of fixed assets.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £ 000	2021 £ 000
Central Services	1,024	1,683
Emmanuel College	805	917
Central Services	-	-
Total before fixed assets and pension reserve	1,829	2,600
Fixed asset reserve	90,677	89,887
Pension reserve	(926)	(18,803)
Total	91,580	73,684

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation and LGPS pension) £ 000	Total 2022 £ 000
Bede Academy	7,541	1,141	418	1,684	10,784
Central Services	472	1,237	26	325	2,060
Emmanuel College	6,622	926	362	1,153	9,063
The King's Academy	7,133	1,049	310	1,208	9,700
Trinity Academy	5,742	920	301	1,160	8,123
Grace College	5,905	614	269	1,400	8,188
Christ's College	2,276	500	91	448	3,315
Academy Trust	35,691	6,387	1,777	7,378	51,233

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2021
	£ 000	£ 000	£ 000	£ 000	£ 000
Bede Academy	7,191	1,477	317	1,325	10,310
Central Services	367	1,144	18	221	1,750
Emmanuel College	6,478	1,267	292	1,017	9,054
The King's Academy	6,755	1,317	225	1,038	9,335
Trinity Academy	5,578	1,204	282	1,042	8,106
Grace College	5,740	849	193	1,219	8,001
Christ's College	2,175	412	76	503	3,166
Academy Trust	<u>34,284</u>	<u>7,670</u>	<u>1,403</u>	<u>6,365</u>	<u>49,722</u>

From 2019/20 MAT reserves are treated as one single reserve to be managed by the Trust Board, albeit internally the Trust allocate resources to schools for operational purposes. CTC reserves are still disclosed separately.

18 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£ 000	£ 000	£ 000	£ 000
Tangible fixed assets	-	-	90,295	90,295
Current assets	1,779	5,366	564	7,709
Current liabilities	-	(5,316)	(52)	(5,368)
Creditors over 1 year	-	-	(130)	(130)
Pension scheme liability	-	(926)	-	(926)
Total net assets	<u>1,779</u>	<u>(876)</u>	<u>90,677</u>	<u>91,580</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£ 000	£ 000	£ 000	£ 000
Tangible fixed assets	-	-	89,372	89,372
Current assets	2,522	4,538	723	7,783
Current liabilities	-	(4,460)	(26)	(4,486)
Creditors over 1 year	-	-	(182)	(182)
Pension scheme liability	-	(18,803)	-	(18,803)
Total net assets	<u>2,522</u>	<u>(18,725)</u>	<u>89,887</u>	<u>73,684</u>

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

19 Capital commitments

	2022 £ 000	2021 £ 000
Contracted for, but not provided in the financial statements	<u>241</u>	<u>1,070</u>

20 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £ 000	2021 £ 000
Amounts due within one year	169	155
Amounts due between one and five years	<u>70</u>	<u>137</u>
	<u>239</u>	<u>292</u>

21 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

		2022 £ 000	2021 £ 000
Net expenditure		(2,839)	(2,710)
Depreciation	6	3,323	3,191
Capital grants from DfE and other capital income		(2,987)	(1,723)
Interest receivable	5	(1)	(1)
Defined benefit pension scheme cost less contributions payable	27	2,539	1,925
Defined benefit pension scheme finance cost	27	319	285
(Increase)/decrease in debtors		(1,017)	490
Increase/(decrease) in creditors		<u>884</u>	<u>(25)</u>
Net cash provided by Operating Activities		<u>221</u>	<u>1,432</u>

22 Cash flows from financing activities

	2022 £ 000	2021 £ 000
Repayments of borrowing	<u>(52)</u>	<u>(26)</u>
Net cash used in financing activities	<u>(52)</u>	<u>(26)</u>

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Cash flows from investing activities

	2022 £ 000	2021 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(4,246)	(2,905)
Capital funding received from sponsors and others	2,987	1,723
Net cash used in investing activities	<u>(1,258)</u>	<u>(1,181)</u>

24 Analysis of cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash at bank and in hand	<u>4,331</u>	<u>5,422</u>
Total cash and cash equivalents	<u>4,331</u>	<u>5,422</u>

25 Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash	5,422	(1,091)	4,331
Loans falling due within one year	(52)	-	(52)
Loans falling due after more than one year	<u>(182)</u>	<u>52</u>	<u>(130)</u>
Total	<u>5,188</u>	<u>(1,039)</u>	<u>4,149</u>

26 Member liability

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

27 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by various parties. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £769,919 (2021 - £751,270) were payable to the schemes at 31 August 2022 and are included within creditors.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £5,197,623 (2021: £5,085,684).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Local government pension schemes

Teesside Pension Fund

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 2022 was £301,000 (2021 - £295,000), of which employer's contributions totalled £225,000 (2021 - £221,000) and employees' contributions totalled £76,000 (2021 - £74,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Hymans Robertson LLP.

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.20	3.30
Rate of increase for pensions in payment/inflation	3.20	2.70
Discount rate for scheme liabilities	4.30	1.70
Inflation assumptions (CPI)	3.20	2.70

The current mortality assumptions include sufficient allowance for future improvements in the mortality rates. The assumed life expectations on retirement age 65 are:

	2022	2021
Retiring today		
Males retiring today	21.70	21.90
Females retiring today	23.50	23.60
Retiring in 20 years		
Males retiring in 20 years	22.90	23.30
Females retiring in 20 years	25.30	25.40

Sensitivity analysis

	At 31 August 2022 £000	At 31 August 2021 £000
Discount rate +0.1%	8,586	12,113
Discount rate -0.1%	8,926	12,657
Mortality assumption – 1 year increase	8,406	11,914
Mortality assumption – 1 year decrease	9,106	12,868
CPI rate +0.1%	8,920	12,633
CPI rate -0.1%	8,592	12,137

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2022	2021
	£ 000	£ 000
Equities	5,846	6,288
Property	1,548	580
Cash and other liquid assets	1,203	660
Other	-	421
Total market value of assets	8,597	7,949

The actual return on scheme assets was £491,000 (2021 - £1,383,000).

Amounts recognised in the statement of financial activities

	2022	2021
	£ 000	£ 000
Current service cost	708	606
Interest income	(136)	(110)
Interest cost	216	182
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	188	-
Total amount recognised in the SOFA	976	678

Changes in the present value of defined benefit obligations were as follows:

	2022	2021
	£ 000	£ 000
At start of period	12,385	10,767
Current service cost	708	606
Interest cost	216	182
Employee contributions	76	74
Actuarial (gain)/loss	(4,455)	901
Benefits paid	(174)	(145)
At 31 August	8,756	12,385

Changes in the fair value of academy trust's share of scheme assets:

	2022	2021
	£ 000	£ 000
At start of period	7,949	6,416
Interest income	136	110
Actuarial gain/(loss)	355	1,273
Employer contributions	225	221
Employee contributions	76	74
Benefits paid	(174)	(145)
At 31 August	8,567	7,949

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

South Yorkshire Pension Fund

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 2022 was £291,000 (2021 - £212,000), of which employer's contributions totalled £218,000 (2021 - £212,000) and employees' contributions totalled £73,000 (2021 - £Nil). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Hymans Robertson LLP.

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.20	4.00
Rate of increase for pensions in payment/inflation	3.20	2.80
Discount rate for scheme liabilities	4.30	1.70
Inflation assumptions (CPI)	<u>3.20</u>	<u>2.70</u>

The current mortality assumptions include sufficient allowance for future improvements in the mortality rates. The assumed life expectations on retirement age 65 are:

	2022	2021
Retiring today		
Males retiring today	22.60	22.40
Females retiring today	25.40	25.20
Retiring in 20 years		
Males retiring in 20 years	24.10	24.00
Females retiring in 20 years	<u>27.30</u>	<u>27.20</u>
Sensitivity analysis		

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

	At 31 August 2022 £000	At 31 August 2021 £000
Discount rate +0.1%	6,340	2,972
Discount rate -0.1%	6,608	3,352
Mortality assumption – 1 year increase	6,215	3,467
Mortality assumption – 1 year decrease	6,733	2,863
CPI rate +0.1%	6,590	3,352
CPI rate -0.1%	6,358	2,972

The academy trust's share of the assets in the scheme were:

	2022 £ 000	2021 £ 000
Equities	4,509	3,091
Government bonds	1,288	882
Other bonds	-	473
Property	580	549
Cash and other liquid assets	64	64
Other	-	1,329
Total market value of assets	6,441	6,388

The actual return on scheme assets was (£109,000) (2021 - £9,660,000).

Amounts recognised in the statement of financial activities

	2022 £ 000	2021 £ 000
Current service cost	546	499
Interest income	(110)	(97)
Interest cost	166	150
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	188	-
Admin expenses	-	6
Total amount recognised in the SOFA	790	558

Changes in the present value of defined benefit obligations were as follows:

	2022 £ 000	2021 £ 000
At start of period	9,548	8,422
Current service cost	546	499
Interest cost	166	150
Employee contributions	73	73
Actuarial (gain)/loss	(3,730)	573
Benefits paid	(129)	(169)
At 31 August	6,474	9,548

Changes in the fair value of academy trust's share of scheme assets:

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

	2022	2021
	£ 000	£ 000
At start of period	6,388	5,306
Interest income	110	97
Actuarial gain/(loss)	(219)	869
Employer contributions	218	212
Employee contributions	73	73
Benefits paid	(129)	(169)
At 31 August	<u>6,441</u>	<u>6,388</u>

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

Northumberland County Council Pension Fund (Part of the Tyne & Wear Pension Fund)

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 2022 was £930,000 (2021 - £810,000), of which employer's contributions totalled £710,000 (2021 - £610,000) and employees' contributions totalled £220,000 (2021 - £200,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Aon.

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.10	1.70
Inflation assumptions (CPI)	<u>2.70</u>	<u>2.60</u>

The current mortality assumptions include sufficient allowance for future improvements in the mortality rates. The assumed life expectations on retirement age 65 are:

	2022	2021
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	25.00	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	<u>26.70</u>	<u>26.90</u>

Sensitivity analysis

	At 31 August 2022	At 31 August 2021
	£000	£000
Discount rate +0.1%	10,760	15,750
Discount rate -0.1%	11,330	16,570
Mortality assumption – 1 year increase	10,730	15,550
Mortality assumption – 1 year decrease	11,350	16,760
CPI rate +0.1%	11,290	16,520
CPI rate -0.1%	<u>10,790</u>	<u>15,780</u>

The academy trust's share of the assets in the scheme were:

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Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

	2022 £ 000	2021 £ 000
Equities	5,790	5,520
Corporate bonds	2,000	2,000
Government bonds	170	210
Property	1,190	800
Cash and other liquid assets	190	400
Multi asset credit	470	-
Other	930	1,010
Total market value of assets	<u>10,740</u>	<u>9,940</u>

The actual return on scheme assets was (£40,000) (2021 - £1,510,000).

Amounts recognised in the statement of financial activities

	2022 £ 000	2021 £ 000
Current service cost	1,890	1,470
Interest income	(180)	(140)
Interest cost	280	230
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	<u>188</u>	<u>-</u>
Total amount recognised in the SOFA	<u>2,178</u>	<u>1,560</u>

Changes in the present value of defined benefit obligations were as follows:

	2022 £ 000	2021 £ 000
At start of period	16,150	13,350
Current service cost	1,890	1,470
Interest cost	280	230
Employee contributions	220	200
Actuarial (gain)/loss	(7,410)	990
Benefits paid	<u>(90)</u>	<u>(90)</u>
At 31 August	<u>11,040</u>	<u>16,150</u>

Changes in the fair value of academy trust's share of scheme assets:

	2022 £ 000	2021 £ 000
At start of period	9,940	7,710
Interest income	180	140
Actuarial gain/(loss)	(220)	1,370
Employer contributions	710	610
Employee contributions	220	200
Benefits paid	<u>(90)</u>	<u>(90)</u>
At 31 August	<u>10,740</u>	<u>9,940</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

Tyne & Wear Pension Fund

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 2022 was £359,000 (2021 - £317,000), of which employer's contributions totalled £271,000 (2021 - £239,000) and employees' contributions totalled £88,000 (2021 - £78,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Aon.

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.00	1.70
Inflation assumptions (CPI)	<u>2.70</u>	<u>2.60</u>

The current mortality assumptions include sufficient allowance for future improvements in the mortality rates. The assumed life expectations on retirement age 65 are:

	2022	2021
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	25.00	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	<u>26.70</u>	<u>26.90</u>

Sensitivity analysis

	At 31 August 2022	At 31 August 2021
	£000	£000
Discount rate +0.1%	6,305	10,791
Discount rate -0.1%	6,688	11,446
Mortality assumption – 1 year increase	6,311	10,702
Mortality assumption – 1 year decrease	6,675	11,535
CPI rate +0.1%	6,655	10,846
CPI rate -0.1%	<u>6,337</u>	<u>11,391</u>

The academy trust's share of the assets in the scheme were:

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Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Pension and similar obligations (continued)

	2022 £ 000	2021 £ 000
Equities	3,275	3,401
Corporate bonds	1,133	1,229
Government bonds	97	128
Property	676	489
Cash and other liquid assets	110	245
Multi asset credit	268	-
Other	530	624
Total market value of assets	<u>6,089</u>	<u>6,116</u>

The actual return on scheme assets was (£133,000) (2021 - £962,000).

Amounts recognised in the statement of financial activities

	2022 £ 000	2021 £ 000
Current service cost	819	632
Interest income	(105)	(87)
Interest cost	188	157
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	<u>188</u>	<u>-</u>
Total amount recognised in the SOFA	<u>1,090</u>	<u>702</u>

Changes in the present value of defined benefit obligations were as follows:

	2022 £ 000	2021 £ 000
At start of period	11,113	9,316
Current service cost	819	632
Interest cost	188	157
Employee contributions	88	78
Actuarial (gain)/loss	(5,462)	1,129
Benefits paid	<u>(253)</u>	<u>(199)</u>
At 31 August	<u>6,493</u>	<u>11,113</u>

Changes in the fair value of academy trust's share of scheme assets:

	2022 £ 000	2021 £ 000
At start of period	6,116	5,036
Interest income	105	87
Actuarial gain/(loss)	(238)	875
Employer contributions	271	239
Employee contributions	88	78
Benefits paid	<u>(253)</u>	<u>(199)</u>
At 31 August	<u>6,089</u>	<u>6,116</u>

Emmanuel Schools Foundation

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Income related party transactions

During the year the academy trust made the following related party transactions:

Emmanuel Academy Services Limited

(The company is a wholly owned subsidiary of Emmanuel Schools Foundation.)

During the year, expenditure of £111,112 (2021 - £71,624) was recharged from Emmanuel Schools Foundation in respect of salary and other costs relating to the company. Income was received of £29,508 (2021: £nil).

Included within debtors is a balance of £188,874 (2021 - £125,405) owed to Emmanuel Schools Foundation.

At the year end, the company recorded pre-tax profits of £14,027, in line with accounting standards, the taxable profits will be gift aided to Emmanuel Schools Foundation within 9 months of the year end. The gift aid payment will be recognised upon payment of the balance to the parent company, and is therefore not included in these financial statements. In earlier years, gift aid payments have been recognised in the year in which relevant profits were generated.

29 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £113,228 and disbursed £93,313 from the fund. An amount of £29,846 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £74,395 received, £64,464 disbursed and £9,931 included in other creditors.