

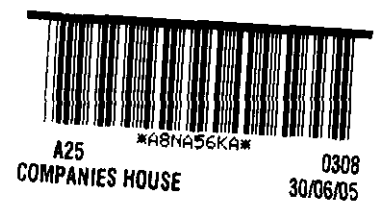
# **THE EMMANUEL SCHOOLS FOUNDATION**

Report and Consolidated Accounts

31 August 2004

Company registration number  
4464331

Charity registration number  
1093739



**THE EMMANUEL SCHOOLS FOUNDATION**  
**Report and Consolidated Accounts**  
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**THE EMMANUEL SCHOOLS FOUNDATION**  
**Charity Information**

<b>Company number</b>	4464331
<b>Charity number</b>	1093739
<b>Trustees</b>	John Burn OBE Nigel McQuoid (resigned March 2004) David Vardy Lady Margaret Vardy Richard Vardy Sir Peter Vardy (chairman)
<b>Secretary</b>	Patricia Rowland
<b>Auditors</b>	Kinnair and Company Aston House Redburn Road Newcastle Upon Tyne NE5 1NB
<b>Solicitors</b>	Dickinson Dees St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE99 1SB  Eversheds LLP Central Square South Orchard Street Newcastle Upon Tyne NE1 3XX
<b>Bankers</b>	Barclays Bank plc 71 Grey Street Newcastle Upon Tyne NE99 1JA
<b>Registered office</b>	Houghton House Emperor Way Doxford International Business Park Sunderland SR3 3XR

## **THE EMMANUEL SCHOOLS FOUNDATION**

### **Trustees' Report**

The trustees, who act as directors for the purposes of company law, present their report and accounts for the year ended 31 August 2004. These are prepared in accordance with applicable accounting standards, the recommendations of Statement of Recommended Practice: Accounting and Reporting by Charities, and the Companies Act 1985.

#### **Objectives and principal activity**

The overall objective of The Emmanuel Schools Foundation (the Foundation, the group, the charity) is the advancement for the public benefit of education in the United Kingdom. In particular this is to be achieved with the development of Academies (formerly City Academies) that, whilst offering a broad curriculum, will be based around a Christian ethos.

The Foundation acts as an "umbrella" organisation for city academies that have been (and will be) set up by the members. The charity currently has one operational Academy subsidiary (The King's Academy in Middlesbrough) but during the year a second subsidiary was formed to develop and operate a new Academy in Doncaster, Trinity Academy, which is scheduled for opening in September 2005.

The Foundation also has close ties with Emmanuel College in Gateshead which became part of the Emmanuel Schools Foundation group of schools in 2005.

The charity also holds one share (giving 100% ownership) in EC Educational Services Limited a trading company that provides design and building services and educational consultancy during the initial development of the academies

#### **Legal status**

The Emmanuel Schools Foundation is a company limited by guarantee (registered number 4464331) and a registered charity.

As a company limited by guarantee, the Foundation 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.

The Foundation is registered with the Charity Commission as a main charity (registered number 1093739) with two registered subsidiary charities, The King's Academy and Trinity Academy. The registered office of the charity is shown on page 1.

#### **Structure and decision making**

The governing body of the charity is the board of trustees, which currently comprises 5 members. The trustees who acted during the year and up to the date of this report are shown on page 1.

Trustees are initially appointed by the board of The Vardy Foundation and may serve for four years. Retiring trustees are eligible for re-election at the meeting at which they retire.

Each of the charity's subsidiaries appoints a board of directors or trustees in accordance with its own governing document.

## THE EMMANUEL SCHOOLS FOUNDATION

### Trustees' Report

#### Statement of trustees' responsibilities

The trustees are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period. In preparing those accounts, the trustees are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with statutory requirements and with the charity's constitution and rules. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Trustees' powers of investment

The trustees have the power to invest moneys of the charity, not immediately required for the furtherance of its objects, as they see fit.

#### Consolidation

The consolidated accounts reflect the combined financial activities and balances of The Emmanuel Schools Foundation, The King's Academy, Trinity Academy and EC Educational Services Limited.

#### Reserves

Surplus funds within the main charity may be retained for the benefit of current and future schools within the group. Each of the Foundation's charitable subsidiaries has its own policy for reserves which is stated in the annual report of the subsidiary.

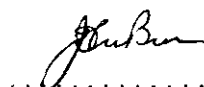
#### Risks

As part of the charity's strategy for managing risk, the trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the charity it should, as the parent of publicly funded bodies, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the identification of major risks and appropriate actions to mitigate those risks.

#### Review of the year

The trustees are satisfied with the result for the year and the state of affairs at the balance sheet date.

This report was approved by the board on 28<sup>th</sup> June 2005



John Burn OBE - trustee

## THE EMMANUEL SCHOOLS FOUNDATION

### Independent auditors' report to the members of THE EMMANUEL SCHOOLS FOUNDATION

We have audited the accounts for the year ended 31 August 2004 which comprise pages 5 to 17.

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

#### Respective responsibilities of trustees and auditors

The responsibilities of the trustees, who are also the directors of the company for the purposes of company law, for preparing the annual report and accounts in accordance with applicable law and United Kingdom accounting standards are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustee remuneration and transactions with the charity is not disclosed.

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

#### Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

#### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31 August 2004 and of the incoming resources and resources expended including the income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Kinnair & Company*

Kinnair and Company  
Chartered Accountants & Registered Auditors  
Newcastle Upon Tyne

28<sup>th</sup> June 2005

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Consolidated Statement of Financial Activities**  
**for the year ended 31 August 2004 (incorporating an Income and Expenditure Account)**

	Notes	Unrestricted funds £	Restricted income funds £	Restricted fixed asset funds £	Total funds 2004 £	Restated total funds 2003 £
<b>Incoming resources</b>						
Donations and gifts	2	-	899,669	-	899,669	-
Activities in furtherance of charitable objectives:						
- Public sector funding	3	-	7,452,110	4,568,996	12,021,106	20,863,785
- Non-public sector funding	4	-	-	899,669	899,669	2,000,000
Activities for generating funds:						
- Trading income	5	5,134,364	-	-	5,134,364	-
- Other income	6	-	179,378	-	179,378	-
Investment income		36,829	-	-	36,829	3,516
<b>Total Incoming Resources</b>		<b>5,171,193</b>	<b>8,531,157</b>	<b>5,468,665</b>	<b>19,171,015</b>	<b>22,867,301</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
- Costs of trading activities		5,101,110	-	-	5,101,110	-
<b>Charitable expenditure</b>						
Costs of activities in furtherance of charitable objectives:						
- Provision of education		-	5,237,138	494,519	5,731,657	717,846
- Support costs	7	-	925,359	172,392	1,097,751	125,305
- Charitable donations	8	-	899,669	-	899,669	-
Management and administration	9	10,317	834,025	185,707	1,030,049	352,924
<b>Total resources expended</b>		<b>5,111,427</b>	<b>7,896,191</b>	<b>852,618</b>	<b>13,860,236</b>	<b>1,196,075</b>
<b>Net incoming resources for the year</b>		<b>59,766</b>	<b>634,966</b>	<b>4,616,047</b>	<b>5,310,779</b>	<b>21,671,226</b>
Taxation on profits from trading activities		-	-	-	-	23
<b>Net movement in Funds</b>		<b>59,766</b>	<b>634,966</b>	<b>4,616,047</b>	<b>5,310,779</b>	<b>21,671,249</b>
Funds brought forward		779	(93,817)	21,765,266	21,672,228	979
<b>Funds carried forward</b>		<b>60,545</b>	<b>541,149</b>	<b>26,381,313</b>	<b>26,983,007</b>	<b>21,672,228</b>

Incoming resources includes £5,579,456 from activities acquired during the year (2003 - £22,867,296).

The charity has no gains or losses other than those recognised in the Statement of Financial Activities.

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Main Charity's Statement of Financial Activities**  
**for the year ended 31 August 2004 (incorporating an Income and Expenditure Account)**

	Notes	Unrestricted funds £	Restricted income funds £	Total funds 2004 £	Restated total funds 2003 £
<b>Incoming resources</b>					
Donations and gifts	2	-	899,669	899,669	1
<b>Total Incoming Resources</b>		-	899,669	899,669	1
<b>Resources expended</b>					
<b>Charitable expenditure</b>					
Costs of activities in furtherance of charitable objectives:					
- Charitable donations	8	-	899,669	899,669	
Management and administration	9	3,000	-	3,000	-
<b>Total resources expended</b>		3,000	899,669	902,669	-
<b>Net (outgoing)/incoming resources for the year</b>		(3,000)	-	(3,000)	1
<b>Net movement in Funds</b>		(3,000)	-	(3,000)	1
Funds brought forward		1	-	1	-
<b>Funds carried forward</b>		(2,999)	-	(2,999)	1

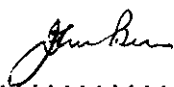
The charity has no gains or losses other than those recognised in the Statement of Financial Activities.



**THE EMMANUEL SCHOOLS FOUNDATION**  
**Balance Sheets**  
**as at 31 August 2004**

	Notes	Group 2004 £	Restated Group 2003 £	Charity 2004 £	Restated Charity 2003 £
<b>Fixed assets</b>					
Tangible assets	12	25,044,131	20,809,326	-	-
Investments	13	-	-	1	1
		<u>25,044,131</u>	<u>20,809,326</u>	<u>1</u>	<u>1</u>
<b>Current assets</b>					
Debtors	14	1,624,709	692,748	99,669	-
Investments held as current assets		-	200,000	-	-
Cash at bank and in hand		2,656,586	708,309	-	-
		<u>4,281,295</u>	<u>1,601,057</u>	<u>99,669</u>	<u>-</u>
<b>Creditors: amounts falling due within one year</b>	15	(2,342,419)	(738,155)	(102,669)	-
<b>Net current assets</b>		<u>1,938,876</u>	<u>862,902</u>	<u>(3,000)</u>	<u>-</u>
<b>Total assets less current liabilities:</b>		<u>26,983,007</u>	<u>21,672,228</u>	<u>(2,999)</u>	<u>1</u>
<b>Net Assets</b>		<u>26,983,007</u>	<u>21,672,228</u>	<u>(2,999)</u>	<u>1</u>
<b>Funds</b>					
Unrestricted funds	16	60,545	779	(2,999)	1
Restricted income funds	16	541,149	(93,817)	-	-
Restricted fixed asset funds	16	26,381,313	21,765,266	-	-
		<u>26,983,007</u>	<u>21,672,228</u>	<u>(2,999)</u>	<u>1</u>

These accounts were approved by the board on 28<sup>th</sup> June 2005



John Burn OBE - trustee

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 August 2004**

	Notes	2004 £	2003 £
<b>Net cash inflow from operating activities</b>	18	6,798,871	21,712,868
<b>Taxation</b>		-	23
<b>Returns on investments and servicing of finance</b>			
Interest received		36,829	3,516
		<hr/> 6,835,700	<hr/> 21,716,407
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(5,087,423)	(20,809,326)
		<hr/>	<hr/>
<b>Increase in cash</b>	19	<u>1,748,277</u>	<u>907,081</u>

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

**1 Accounting policies**

***Accounting conventions***

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, the recommendations of Statement of Recommended Practice: Accounting and Reporting by Charities, and the Companies Act 1985.

***Basis of consolidation***

The consolidated financial statements include the results, assets and liabilities of the charity, The King's Academy and Trinity Academy (both subsidiary charities of The Emmanuel Schools Foundation), and EC Educational Services Limited (a wholly owned subsidiary company). The results of the subsidiaries are consolidated on a line-by-line basis.

For the year ended 31 August 2003, the charity took advantage of the exemptions available to it and excluded the results and net assets of EC Educational Services Limited (ECES) from the consolidation. ECES did not trade during the year to 31 August 2003 and had negligible income, expenditure and net assets. The effect of including ECES within the consolidated accounts for the year ended 31 August 2004 is to restate the balance sheet comparatives and opening funds for further net assets of £780 and to restate the comparatives for the Statement of Financial Activities for net outgoing resources of £200.

***Income***

Fixed asset grants are included in the financial statements on a receivable basis. The balance of income received for a specific purpose but not matched to relevant expenditure during the period is carried forward within restricted funds on the balance sheet. The annual recurrent grant from the DfES is credited direct to the statement of financial activities.

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they can be assured with reasonable certainty.

***Expenditure***

The costs of activities in furtherance of charitable objectives includes all expenditure attributable to those activities. They are included in the accounts on an accruals basis.

Support costs primarily relate to premises costs and the cost of support staff and is included on an accruals basis.

Management and administration costs include all the expenditure of administration of the charitable group and compliance with constitutional and statutory requirements and an appropriate apportionment of indirect costs.

Where costs cannot be directly attributable to particular headings they have been allocated on a basis consistent with the use of resources or on the basis of staff headcount.

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

**1 Accounting policies (continued)**

***Fixed assets***

Fixed asset investments are stated at open market valuation at the year end. Actual gains or losses on sales of investments, plus unrealised gains or losses arising from movements in market value, are included in the statement of financial activities.

All tangible fixed assets are initially recorded at cost. 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 useful economic life. The related grants are credited to a specific restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet) and are released over the expected useful economic life of the asset on a basis consistent with the depreciation policy. The charity has not excluded any historic or inalienable assets from these accounts.

***Depreciation***

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Long leasehold properties - 50 years straight line;  
Plant and equipment - 5 years straight line.

***Fund accounting***

The charity operates restricted and unrestricted funds. Restricted funds relate to amounts received which have been specified for a particular use by the donor. All other funds are unrestricted funds which the charity may use for its charitable purposes at its discretion. Within unrestricted funds, the charity may designate certain funds for specific purposes.

***Pensions***

Full and part-time teaching staff employed under a contract of service are eligible to contribute to the teachers' pension scheme which is a statutory, contributory, final salary scheme administered by Capita Teachers' Pensions (CTP) on behalf of the DfES.

Costs may include normal and supplementary contributions. The regular cost is the normal contribution and is calculated as a fixed percentage (set by CTP) of a salary. Variations from the pension cost are met by a supplementary contribution. This occurs if, as a result of an actuarial valuation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by the normal contributions to be paid in the future and from the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the period.

Non-teaching members of staff are offered membership of a defined contribution scheme administered by Norwich Union. The amount charged to the statement of financial activities represents the contributions payable in the year.

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

<b>2 Donations and gifts</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Donations to The Emmanuel Schools Foundation	<u>899,669</u>	<u>-</u>

All of the above income is from The Vardy Foundation which is the personal charitable foundation of trustee Sir Peter Vardy and his family. Over the period of development, a total of £2 million will be donated by the Vardy Foundation to The Emmanuel Schools Foundation for the construction of Trinity Academy, which will equal the amount given to The King's Academy during its development (see note 4).

<b>3 Public sector funding</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Annual per capita grants and LEA funding	7,051,409	1,098,519
Feasibility and capital grants	4,568,996	19,765,266
Implementation and other grants	<u>400,701</u>	<u>-</u>
	<u>12,021,106</u>	<u>20,863,785</u>

All of the above income is restricted. Feasibility and capital grants are included within the restricted fixed asset funds of the charity. All other grants are included within restricted income funds.

<b>4 Non-public sector funding</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Funding for Trinity Academy	899,669	-
Funding for The King's Academy	<u>-</u>	<u>2,000,000</u>
	<u>899,669</u>	<u>2,000,000</u>

The funding for Trinity Academy was provided by The Emmanuel Schools Foundation using funds donated by The Vardy Foundation for that purpose.

All of the non-public sector funding for The King's Academy in the previous year was from The Vardy Foundation, the personal charitable foundation of trustee Sir Peter Vardy and his family.

<b>5 Trading income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Building, construction and project management	5,113,429	-
Facilities hire and other income (restricted)	<u>20,935</u>	<u>-</u>
	<u>5,134,364</u>	<u>-</u>

Building and construction income represents the charges made by EC Educational Services Limited (ECES) to Trinity Academy (TA) for the ongoing construction of the school building and project management, and is unrestricted.

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

<b>6 Other income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Meal income	177,425	-
Other income	1,953	-
	<u>179,378</u>	<u>-</u>

<b>7 Support costs</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Support staff	725,539	18,493
Pupil recruitment	3,025	9,322
Maintenance of premises and equipment	2,619	13,190
Cleaning	7,976	180
Rent and rates	10,228	17,888
Heat and light	12,339	722
Insurance	15,133	-
Catering	88,944	3,093
Software and IT	59,556	62,417
Depreciation	172,392	-
	<u>1,097,751</u>	<u>125,305</u>

**8 Charitable donations**

Donations receivable from The Vardy Foundation in the year, £899,669, were passed on in full to Trinity Academy.

<b>9 Management and administration</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Staff costs	495,792	22,101
Office costs	209,393	133,567
Legal and professional fees	152,133	197,228
Other costs	172,731	28
	<u>1,030,049</u>	<u>352,924</u>

<b>10 Net incoming resources for the year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Directors' remuneration (for EC Educational Services Limited)		
- Salaries/fees	39,008	-
- Pensions	2,567	-
Auditors' remuneration		
- Audit fees	13,000	4,000
- Other fees	5,153	200
	<u>58,728</u>	<u>4,200</u>

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

<b>11 Staff costs</b>	<b>2004 £</b>	<b>2003 £</b>
Wages and salaries	4,451,445	332,172
Social security costs	310,721	15,765
Other pension costs	459,919	16,111
	<u>5,222,085</u>	<u>364,048</u>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Teaching	91	4
Administration	93	2
	<u>184</u>	<u>6</u>
<b>Number of staff who have earned:</b>	<b>Number</b>	<b>Number</b>
£50,000 to £60,000	4	-
£120,000 to £130,000	<u>1</u>	<u>-</u>

**12 Tangible fixed assets**

	<b>Leasehold land and buildings £</b>	<b>Plant and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2003	18,455,999	2,353,327	20,809,326
Additions	5,024,620	62,803	5,087,423
At 31 August 2004	<u>23,480,619</u>	<u>2,416,130</u>	<u>25,896,749</u>
<b>Depreciation</b>			
At 1 September 2003	-	-	-
Charge for the year	371,257	481,361	852,618
At 31 August 2004	<u>371,257</u>	<u>481,361</u>	<u>852,618</u>
<b>Net book value</b>			
At 31 August 2004	<u>23,109,362</u>	<u>1,934,769</u>	<u>25,044,131</u>
At 31 August 2003	<u>18,455,999</u>	<u>2,353,327</u>	<u>20,809,326</u>

Leasehold land and buildings includes payments on account of £4,917,774 in respect of Trinity Academy's long-leasehold school building which is in the course of construction. No depreciation has been charged on this amount. The main charity holds no tangible fixed assets.

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

**13 Investments**

Investments in  
 subsidiary  
 undertakings  
 £

**Cost**

At 1 September 2003

1

At 31 August 2004

1

The Foundation holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
EC Educational Services Limited	England and Wales	Ordinary	100

**14 Debtors**

	Group 2004 £	Group 2003 £	Charity 2004 £	Charity 2003 £
Trade debtors	1,075	-	-	-
Prepayments	76,686	18,819	-	-
Accrued income	1,306,342	-	99,669	-
Other debtors	240,606	673,929	-	-
	<u>1,624,709</u>	<u>692,748</u>	<u>99,669</u>	<u>-</u>

**15 Creditors: amounts falling due within one year**

	Group 2004 £	Group 2003 £	Charity 2004 £	Charity 2003 £
Trade creditors	1,380,454	634,250	-	-
Amounts owed to subsidiaries	-	-	99,669	-
Taxes and social security costs	108,854	5,947	-	-
Pension contributions payable	78,757	-	-	-
Accruals	35,725	97,958	3,000	-
Deferred income	738,358	-	-	-
Other creditors	271	-	-	-
	<u>2,342,419</u>	<u>738,155</u>	<u>102,669</u>	<u>-</u>



**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

**16 Statement of funds**

	Balance at 1 Sep-03 £	Incoming resources £	Outgoing resources £	Balance at 31 Aug-04 £
Unrestricted funds	779	5,171,193	(5,111,427)	60,545
Restricted income funds:				
- The Kings Academy income fund	(93,817)	8,335,502	(7,698,536)	543,149
- Trinity Academy project fund	-	195,655	(197,655)	(2,000)
	<u>(93,817)</u>	<u>8,531,157</u>	<u>(7,896,191)</u>	<u>541,149</u>
Restricted fixed asset funds:				
- The Kings Academy building fund	21,765,266	84,864	(852,618)	20,997,512
- Trinity Academy building fund	-	5,383,801	-	5,383,801
	<u>21,765,266</u>	<u>5,468,665</u>	<u>(852,618)</u>	<u>26,381,313</u>
Total funds	<u>21,672,228</u>	<u>19,171,015</u>	<u>(13,860,236)</u>	<u>26,983,007</u>

The King's Academy income fund represents DfES and LEA funding including an annual per capita grant (APG) which must be used for the normal running costs of The King's Academy including salaries and related costs, overheads, repairs and maintenance and insurance. The Academy is allowed to carry forward up to 12% of the current APG. Of the carried forward amount 2% of the APG can be used for a general purpose at the discretion of the Academy, but any balance above this must be for capital purchases

The Trinity Academy project fund deals with restricted incoming and outgoing resources during the development and implementation stages of Trinity Academy. The deficit in this fund arises from the accrual of audit fees.

The two building funds represent public and private sector income received to finance the capital cost of buildings, plant and equipment.

**17 Analysis of net assets between funds**

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds	-	60,545	60,545
Restricted income funds	-	541,149	541,149
Restricted fixed asset funds	25,044,131	1,337,182	26,381,313
	<u>25,044,131</u>	<u>1,938,876</u>	<u>26,983,007</u>

**THE EMMANUEL SCHOOLS FOUNDATION**  
**Notes to the Accounts**  
**for the year ended 31 August 2004**

**18 Reconciliation of operating surplus to net cash inflow from operating activities**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Net incoming resources for the year	5,310,779	21,671,226
Less: Interest receivable	(36,829)	(3,516)
Operating surplus	<u>5,273,950</u>	<u>21,667,710</u>
Depreciation charges	852,618	-
Increase in debtors	(931,961)	(692,726)
Increase in creditors	1,604,264	737,884
<b>Net cash inflow from operating activities</b>	<u><b>6,798,871</b></u>	<u><b>21,712,868</b></u>

**19 Reconciliation of net cash flow to movement in net funds**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Increase in cash in the period	1,748,277	907,081
Change in net debt	<u>1,748,277</u>	<u>907,081</u>
Net funds at 1 September 2003	908,309	1,228
<b>Net funds at 31 August 2004</b>	<u><b>2,656,586</b></u>	<u><b>908,309</b></u>

**20 Analysis of changes in net debt**

	<b>At 1 Sep 2003</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 31 Aug 2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	908,309	1,748,277	-	2,656,586
<b>Total</b>	<u><b>908,309</b></u>	<u><b>1,748,277</b></u>	<u><b>-</b></u>	<u><b>2,656,586</b></u>

**21 Capital commitments**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Amounts contracted for but not provided in the accounts	<u>20,953,381</u>	<u>955,940</u>

## THE EMMANUEL SCHOOLS FOUNDATION

### Notes to the Accounts

for the year ended 31 August 2004

#### 22 Contingent liabilities

In the event, during the period of the funding agreement with the DfES, of the sale or disposal by other means, of any asset for which a capital grant was received, the receiving charity shall, if it does not re-invest the proceeds, repay to the DfES the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost that was met by the DfES.

Upon termination of the funding agreement, whether as a result of the Secretary of State for the DfES or the charity serving notice, the charity shall repay sums determined by reference to the value at the time of the Academy's site and premises and other assets held for the purpose of the Company, and the extent to which expenditure in providing those assets was met by the DfES.

#### 23 Related parties

The charity had the following transactions and balances with subsidiary charity, Trinity Academy:

Transaction / balance:	£
Donations payable	899,669
Amount owed to the subsidiary	<u>99,669</u>

The charity had the following transactions and with related party, The Vardy Foundation:

Transaction / balance:	£
Donations receivable	899,669
Amount owed by the related party	<u>99,669</u>

The Vardy Foundation is the personal charitable foundation of trustee Sir Peter Vardy and his family. Over the period of development, a total of £2 million will be donated by the Vardy Foundation to The Emmanuel Schools Foundation for the construction of Trinity Academy. £2 million was also given to The King's Academy during its development.