

Company Registration No. 07640769 (England and Wales)

REGISTRAR

**THE EMMANUEL SCHOOL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

THE EMMANUEL SCHOOL TRUST

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THE EMMANUEL SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Rev A Hodgkinson
Mrs T Oluwatudimu
Rev D Williams
Dr A Oluwatudimu
Mr R Irish
Mr B Greaves
E White (Appointed 7 June 2018)

Members

Ms M Forjour
Mrs J Cooper
I Gurman
Rev A Hodgkinson
Mrs Y Onifade
Dr A Oluwatudimu

Senior management team

- Head Teacher & Accounting Officer
- Reception Teacher & Leader of Early
Years Foundation Stage
- Director of Education
- SENCO

Mr P Lewis
Mrs S Grace
Mrs T Oluwatudimu
Dr L Lawson

Company registration number

07640769 (England and Wales)

Principal address

Emmanuel Community School
The Drive
Walthamstow
London
E17 3BN

Registered office

Greenleaf
67 - 69 Greenleaf
Walthamstow
London
E17 6QP

Independent auditor

Caton Fry & Co. Limited
Chartered Accountants and
Statutory Auditor
Essex House
7 The Shrubberies
George Lane
South Woodford
London E18 1BD

THE EMMANUEL SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors	Stone King Solicitors 13 Queen Square Bath BA1 2HJ
Actuary	Mercer Ltd No.4 St Paul's Square Old Hall Street Liverpool L3 9SJ
Bankers	Barclays Bank PLC 99 Hatton Garden London EC1N 8DN

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Principal activities

As a single academy trust, the Trust's principal activity is to establish the Emmanuel Community School (the School) as a first-choice in the area and provide the best possible education to children in the local area.

In addition to the School, the trust has been granted approval to open a second primary academy and is actively collaborating with the Education Skills and Funding Agency (ESFA) and the Department for Education (DfE) in a detailed search for a suitable site on which to develop the new school. The trust is also in the process of reviewing and updating its memorandum and articles in preparation for the necessary change from a single academy trust (SAT) to a multi-academy trust (MAT).

Structure, governance and management

Constitution

The Emmanuel School Trust (the Trust) was incorporated on 19 May 2011 and is a company limited by guarantee and an exempt charity for VAT purposes. The Trust's Memorandum and Articles of Association are the primary governing documents of the Trust.

Parent representatives, who are neither trustees nor directors of the charitable company, may also be appointed to attend Governing Body meetings and are therefore shown in the reference and administrative details to the financial statements. Parent Representatives may not vote at meetings.

The trustees of The Emmanuel School Trust are also the directors of the charitable company for the purposes of company law. 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

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

Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The term of office for trustees is four years. Trustees who are appointed or co-opted onto the School's Governing Body can be re-appointed, if eligible, by the full Governing Body.

The Trust recruits its trustees in a number of ways:

- Approach people already known and who have the time, energy and skills to carry out their responsibilities
- Hold elections - particularly for the appointment of staff and parent governors
- Advertise the posts and then hold interviews

All other appointments of trustees and directors are done in strict compliance with the Memorandum and Articles of Association.

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of trustees

Induction and training of trustees is carried out in line with the Trust's Induction and Continued Professional Development Policy. The training and induction is tailored according to each trustee's experience and needs but includes an invitation to visit the School and meet staff and pupils. All trustees have access to copies of our policies together with minutes, financial accounts, budgets and other relevant documents in order to keep them informed. Inductions are carried out by other trustees as nominated by the Trust and training is either undertaken in-house or via specific courses offered by the local authority, National Governors' Association and other bodies, tailored to the specific needs of the individual.

Organisational structure

The Trust has a Chair and directors who are responsible for the activities of the Trust. The School's Senior Leadership Team reports to the trustees via the head teacher. The Senior Leadership Team is responsible for the day-to-day operation of the School, for the authorisation of spending within agreed budgets and for the appointment of staff following the vetting and safeguarding recruitment process. The head teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration decisions take account of the resources available to the Trust. The Trust exercises its discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in pay decisions. All decisions will be rooted in evidence and objectively justified - for example, they are benchmarked against other schools of a similar size and in the outer London Zone. Adjustments are made to take account of special circumstances e.g. Teaching and Learning responsibilities where an individual leads on a particular subject.

Related parties and other connected charities and organisations

In pursuit of its charitable activities the Trust works closely with the following organisations:

- Emmanuel Community Church International (ECCI), the Trust's link church. Members of ECCI also contribute to the School's operations in staff, governor and volunteer capacities.

Objectives and activities

Objects and aims

The principal object of the Trust is the advancement for the public benefit of education in the United Kingdom by operation of a school offering a broad and balanced curriculum. The Trust currently operates one primary school, known as Emmanuel Community School.

Objectives, strategies and activities

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The governors agreed the following objectives for the School for 2017/18, with details shown of the outcomes in each area:

Priority	Objective
<p>Priority 1 Ethos:</p> <p>Ensure the Christian character and values of the School have a significant impact on the spiritual, moral, social and cultural development of all learners, equipping them to be excellent citizens.</p>	<p>Stakeholders identify how well Christian values have an impact on spiritual, moral, social and cultural development of all pupils.</p> <p>Ofsted said that "provision for pupils' spiritual, moral, social and cultural development is excellent. It is embedded in the subjects taught and in the ethos of the School. The School's distinctive Christian character is clear. The School has built upon this and its values are even more apparent in all areas of the School's work."</p> <p>The school was graded outstanding in all areas of the Section 48 inspection, carried out by the Church of England, Diocese of Chelmsford.</p>
<p>Priority 2 Outcomes for Pupils:</p> <p>Do whatever it takes to ensure that all groups of pupils make substantial and sustained progress, so that attainment is significantly above the national average by the time children leave the School.</p>	<p>Emmanuel Community School has extremely high expectations for its pupils and believes that, regardless of background, children should be given every opportunity to excel. To date, children have entered the School with attainment below that typical of children nationally. It is the School's expectation that its pupils attain in line with the national average by the end of Foundation Key Stage, above the national average by the end of Key Stage 1 and significantly above by the end of Key Stage 2.</p> <p>School Improvement Partner (SIP) said "The Governors and Headteacher are very ambitious for every child at this School and have deeply held beliefs that every child can succeed.</p> <p>Analysis of the 2018 assessments demonstrates that the School is working well towards realising its high aspirations.</p>
<p>Priority 3 Teaching, Learning and Assessment:</p> <p>Ensure that all teaching by all teachers, support staff and volunteers is consistently outstanding so that children's progress and attainment are outstanding.</p>	<p>Ofsted said, "Teaching is good because staff have high expectations".</p> <p>LBWF SIP said "The School leaders triangulate lesson observations, progress data, the quality of children's work, marking and assessment to establish teaching grades".</p> <p>The School continues to use 'Teach Like a Champion' techniques to underpin its work in this area.</p> <p>Analysis of teaching and learning observations, pupils' work and pupils' progress and attainment confirms that teaching over time is good with outstanding features. This will move to outstanding overall by the end of the next academic year.</p>

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

<p>Priority 4 Personal Development, Behaviour and Welfare:</p> <p>Ensure the behaviour of learners is of the highest standard, including in the way this is reflected in pupils' high attendance, and excellent relationships between all members of the School community. Ensure that children have an outstanding understanding of how to keep healthy and safe.</p>	<p>Attendance for the whole School is at least 95.46%.</p> <p>Stakeholders identify how well children behave and how good relationships are throughout the School community. Good behaviour for learning is reflected in the good progress and attainment of all pupils.</p> <p>Feedback from pupils, parents and carers confirms that pupils are clear about how to stay healthy and safe.</p> <p>The School achieved healthy School bronze award and is progressing through silver and gold.</p> <p>Pupils' behaviour is good and this is reinforced through both positive acknowledgement of good behaviour and clear sanctions for inappropriate behaviour. Lessons are rarely interrupted by inappropriate behaviour or poor attitudes.</p> <p>Positive attitudes are taught well, especially through assemblies, where the School's values are sensitively, but uncompromisingly, promoted.</p>
<p>Priority 5 Leadership and Management:</p> <p>Ensure that leaders and governors consistently and confidently articulate, live out and promote a vision for the School to be outstanding in all that it does and use their thorough understanding of the School's performance to set direction and plan next steps.</p>	<p>Ofsted graded this area as outstanding.</p> <p>We continue to develop the Trust and School's outstanding leadership and management. All staff take responsibility for at least one area and can point to the impact of their leadership on students' achievement and progress.</p> <p>There is a clear vision for further improvement and a strong determination to bring this about.</p> <p>Plans for improvement are well thought out and carefully monitored. They are reviewed and adjusted as the School succeeds.</p> <p>According to Ofsted, The head teacher provides clear strategic direction, the senior team work especially well together with skills and expertise which complement each other. This strong partnership has secured significant improvements in a short time.</p> <p>The School is supported very ably by the governing body, which plays a crucial role in leading the strategic overview.</p> <p>We have experienced and knowledgeable Governors who make very good use of their expertise to provide support and challenge for the School. They are involved in monitoring and evaluating the School's work and setting priorities for improvement. Our Governors are instrumental in developing leadership skills in pupils and staff.</p> <p>There is a strong link between the School council and the Governing Body with the Student Voice Governor training and allocating leadership responsibilities to a variety of its pupils.</p>

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

<p>Priority 5 Leadership and Management: (continued)</p> <p>Ensure that leaders and governors consistently and confidently articulate, live out and promote a vision for the School to be outstanding in all that it does and use their thorough understanding of the School's performance to set direction and plan next steps.</p>	<p>Governors have ensured that the skills of teaching assistants have been developed effectively so that they now lead intervention groups more effectively.</p> <p>Governors are well trained and help to ensure that children are kept safe.</p> <p>They hold the School to account for ensuring that additional funding is spent wisely and are rigorous in ensuring that this spending gives good value for money.</p> <p>They are knowledgeable about the School's performance data, the quality of teaching and how teachers' performance is managed and linked to salary rewards.</p>
<p>Priority 6 Early Years Provision:</p> <p>Ensure that the School's provision for its youngest learners is outstanding providing a strong foundation for pupils' future learning.</p>	<p>Excellent leadership, a highly stimulating environment, an exceptional curriculum, high quality teaching and highly successful strategies to involve parents ensure that pupils' attainment moves from below age related expectations upon entry to the School to broadly in line with national age related expectations by the end of Foundation Key Stage.</p>

Public benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

Strategic report

Achievements and performance

Early Years Foundation Stage Headlines 2017 to 2018

The reception class as a whole entered the School at a level below age related expectations. By the end of the academic year, 80% achieved the expected 'good level of development'.

Phonics Screening Check 2017 to 2018

Year 1 pupils: 70% of pupils achieved the threshold mark or higher, with 17% of pupils achieving 100% in the test.

End of Key Stage 1 Assessments 2017 to 2018

Reading: Working At Expected Level or above 73%, Working At Greater Depth or above 21%

Writing: Working At Expected Level or above 76% Working At Greater Depth or above 7%

Maths: Working At Expected Level or above 80%, Working At Greater Depth or above 21%

Results at the higher level in Reading and Maths improved on last year's results. Writing at the higher level remains a priority for development.

Given that the majority of children start the reception class with skills which are below the levels typical for their age, the results above reflect the very good progress that our pupils make.

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

	2018/19	2017/18	2017/18
	Target	Actual	Target
Total staff costs as a % of total outgoing resources	79.0%	74.0%	75.0%
Teaching staff costs as a % of total staff costs	57.0%	40.0%	45.0%
Year-end surplus margin as a % of revenue	5.0%	-10.0%	5.0%
Total spend on learning resources as a % of total outgoing resources	3.0%	2.0%	5.0%

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The Education Skills and Funding Agency (ESFA) is the principal funding source for the charitable company, providing the General Annual Grant to which the Trust is entitled on an ongoing basis. The ESFA continued to provide a Start Up Grant during the year, and in addition provided capital grants towards the acquisition of fixtures, fittings & equipment, IT equipment, and improvements to the school premises during the year ended 31 August 2018. The Trust receives local authority funding which continues to include the Growth Fund.

The use of income from the ESFA is restricted to the particular purposes of the grant. The grants received from the ESFA in the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the financial statements. The above assets acquired and the related depreciation are shown within the restricted fixed asset fund in the financial statements. The funding agreement with the ESFA provides assurance to limit the potential risk of funding difficulties for the charitable company.

The vast majority of the Trust's incoming resources arose in the form of grants received from the ESFA, being £948,082 of the total incoming resources of £1,080,532 (2017: £1,089,233). This included capital grant recognised of £14,573 during the year in accordance with the qualifying expenditure incurred in the period.

Total outgoing resources for the year amounted to £1,201,641 (2017: £1,091,183) which related fully to the charitable activities of the Trust's educational operations. Net expenditure for the year amounted to £121,109 (2017: net expenditure of £1,950.)

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The trustees will keep the level of reserves under review; where possible they seek to maintain approximately the levels as permitted by the ESFA guidelines in order that there is sufficient working capital to cover delays between spending and receipt of grants and deal with unexpected emergencies, such as urgent maintenance.

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The balance sheet shows an analysis by fund of the total net assets of £1,835,463 as at 31 August 2018 (2017: £1,949,358). There is no restriction on the amount of General Annual Grant carried forward.

As at 31 August 2018 the Trust had £148,423 (2017: £103,669) held in 'free' reserves, i.e. Income funds that are unrestricted and available for general purposes at the discretion of the Trust. Restricted reserves are held for General Annual Grant of £64,384, start up grants of £29,156, other government grants of £nil and DfE/ESFA capital grants of £1,612,286. There is a deficit of £11,000 carried forward in relation to the Local Government Pension Scheme.

None of the reserves held by Trust are dependent upon the disposal of tangible fixed assets to be realised. The amount of reserves held by the Trust at 31 August 2018 is deemed to be appropriate and in line with Trust's policy.

The deficit on the restricted pension fund in relation to the London Borough of Waltham Forest Pension Scheme reduced during the year from £19,000 to £11,000. The deficit is funded by a higher level of employer pension contributions into the scheme.

A significant factor in the decrease, according to the actuaries acting for the Trust, Mercer, was the increase in the discount rate net of inflation which led to a lower cost of providing future pension benefits to staff within the scheme arising from their employee services. Also according to the actuaries report there was an improved investment performance with average returns being above the discount rate.

The results are impacted by the 2016 formal triennial valuation of the English & Welsh LGPS Funds and the resulting update of financial and demographic assumptions. According to the actuaries acting for the trust, Mercer, key factors which led to the reduced deficit are the relatively strong performance of investment markets over the period, lower than expected salary growth over the previous inter-valuation period, together with lower than anticipated actual pension increases.

Investment policy

The Trust has no formal investment policy except that no speculative or investment which may put the Trust's funds at risk should be made. Surplus funds are placed on deposit at recognised UK clearing banks approved by the trustees.

Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the Trust is exposed, in particular those related to its operations and finances, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. A risk register has been completed and all issues identified as medium and high risk have been reviewed in detail and, where necessary, appropriate responsibilities, monitoring and procedures have been agreed.

Financial and risk management objectives and policies

The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments is limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trust's system of internal controls ensures risk is minimal in these areas.

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Trust has established a system of internal control, including financial, operational and risk management, which is designed to protect the Trust's assets and reputation.

These include:

- budgeting/monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by the School's Governing Body.
- regular reviews by the School's Finance, Premises and Human Resources Committee (FPH) of procedures and financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes; and
- setting targets to measure financial and other performance

The trustees review the risks to which the Trust is exposed, which for the reporting period included:-

- potentially reduced pupil numbers, due to pupil movement
- financial impact of the Local Government Pension scheme
- condition of the building and repairs needed
- delivering of the universal free school meals

They identify systems and procedures including specific actions to manage and/or mitigate the impact of these risks and the likelihood of them occurring.

Financial and risk management objectives and policies

In relation specifically to 'financial instruments', the Local Government Pension Scheme is a defined benefit pension scheme in relation to which there is currently a deficit as indicated elsewhere in the financial statements. The trust is currently paying an employer pension contribution rate of 28.7%. The deficit is not considered to be material to the financial statements.

Fundraising

In accordance with the Charities (Protection and Social Investment) Act 2016 the school monitors all fundraising undertaken and complies with relevant regulations.

The approach taken by the school is to raise funds through other trading activities. Donations are accepted but the school does not engage with commercial fundraising or seeking funds through members of the public. Monies generated through fundraising for the year amounted to £5,966 (2017: £1,533).

All fundraising carried out on behalf of the school is done so by voluntarily. There are no commercial participators of professional fundraisers involved.

These activities are all monitored internally by the Trustees and comply with the relevant legislation and regulations regarding fundraising by auditable charities.

Proper care is taken to ensure that no one is placed under undue pressure, persistence or intrusion to donate money or property for fundraising purposes in line with appropriate regulation.

There have been no complaints received by the charity with regards to fundraising for the year 2018 or the comparative year 2017.

THE EMMANUEL SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

The Trust's key priorities and objectives for the coming year are set out below:

- Continue to develop the School's Christian ethos so that it permeates every aspect of the School.
- Ensure that pupil progress and attainment are outstanding through high quality assessment, excellent quality first teaching and effective and well targeted interventions.
- Embed the School's teaching and learning policy, provide relevant in service training for staff members, monitor the effectiveness of the policy so that all aspects of teaching and learning at the School are outstanding.
- Develop a 'great attendance' culture where attendance is at least 96.5% through continuing to highlight the strong link between attendance and attainment to all stakeholders
- Embed the School's behaviour policy to ensure a consistent approach across the School so that behaviour continues to move from strength to strength and is outstanding overall.
- Through excellent leadership of early years, and strong collaboration with other settings within our local authority and beyond, ensure that the provision for the youngest pupils is outstanding.
- Continue to develop leaders across the School with a constant focus on raising standards and building character in the School's pupils.

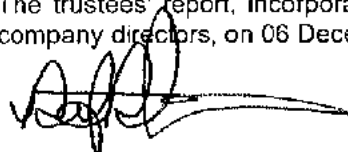
Auditor

In so far as the trustees are aware:

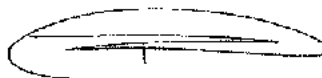
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Caton Fry & Co Ltd be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 06 December 2018 and signed on its behalf by:



Rev A Hodgkinson



Mr R Irish

THE EMMANUEL SCHOOL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Emmanuel School Trust 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 head teacher, 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 Emmanuel School Trust and the Secretary of State for Education. They are 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 has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees

	Meetings Attended	Out of a possible
R Irish	4	5
A Oluwatudimu	5	5
Rev D Williams (Chair)	5	5
T Oluwatudimu	4	5
B Greaves	5	5
A Hodgkinson	4	5
E White	2	2

The board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings Attended	Out of a possible
Rev A. Hodgkinson (Chair)	6	6
B Greaves (Vice-Chair)	6	6
Dr A Oluwatudimu	6	6
P Lewis (Headteacher)	6	6
Rev D Williams	5	6
R Irish	6	6
T Oluwatudimu	6	6
S Wilks (parent representative)	6	6
S Harley (staff governor)	5	6

THE EMMANUEL SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

As a single-Trust academy, the following describes governance at the School:

The finance, premises and human resources committee is a sub-committee of the main board of trustees. Its purpose is to oversee the financial arrangements of the School; the staffing of the School (including the appropriate staffing policies) and service level agreements with outside agencies (e.g. relating to the premises).

This committee takes responsibility for ensuring that the vision and aims of the School are fully enabled by the premises and facilities; overseeing the changes and modifications needed by liaising with the Department for Education and the range of professional advisers and contractors involved.

The committee also:

- Reviews the risks to internal control at the School and agrees the programme of work for internal audit that will address these risks, to inform the governance statement and, so far as possible, provide assurance to the external auditors.
- Receives reports from internal audit and elsewhere about the operation of the School's financial procedures and controls and oversees progress with any action plans that may result from these.
- Recommends the appointment of auditors to the Members of the trust.
- Receives and reviews the draft (pre-external audit) and final (post-external audit) accounts and any reports from the external auditors.

Attendance at meetings in the year was as follows:

	Meetings Attended	Out of a possible
A Oluwatudimu (Chair)	3	3
A Hodgkinson	3	3
P Lewis	3	3
R Irish	3	3
E White	2	3

The Curriculum, Standards & Information and Communications Technology Committee (CSI) takes responsibility for ensuring that the appropriate curriculum is in place, including the required policies and the Information and Communications technology (ICT) equipment to support the School's vision and ethos. The committee also takes responsibility for ensuring that all stakeholders are kept fully informed of developments (e.g. through newsletters, website updates) and that positive messages are received by all concerned.

Attendance at the Curriculum, Standards & Information and Communications Technology Committee (CSI) meetings in the year was as follows:-

	Meetings Attended	Out of a possible
T Oluwatudimu (Chair)	3	3
P Lewis	3	3
B. Greaves	3	3
D Williams	3	3
S Harley	3	3
S Wilks	3	3

Review of value for money

As accounting officer the head teacher has responsibility for ensuring that the 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.

THE EMMANUEL SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The accounting officer 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:

Improving Educational Results

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- Pupils with English as a second language have shown great improvement and levels of proficiency, because funds have been targeted towards small group provision.
- Collaborative work between the School's EYFS leader and those within other settings in its local authority has led to good progress of the children throughout the year.
- Focused interventions by teaching assistants for group work and support has led to specific children, including those falling behind, making good progress as shown on the School's pupil trackers.
- Pupils eligible for pupil premium have shown good attainment through wise allocation of available funds.
- Utilisation of strongly developing links between the School and others within its local authority has helped the School to focus on raising pupil attainment even more effectively.

Financial Performance

- Involvement of community volunteers in various areas of the School, including classroom support, hearing readers and helping with trips has meant that the School has been able to effectively support pupils beyond the use of available funds.
- The School has delivered a good outcome at the end of the academic year for its pupils through careful allocation of available funds. Since the School's staff members and volunteers are very willing to go the extra mile, because of their strong belief in the vision of the School, the School is able to function extremely efficiently.
- Finance governance and oversight is good, with an experienced accountant on the Governing Body and Finance sub-committee. He brings rigour to the School's approach to the management of its finances and ensures that those responsible for the day-to-day management of the budget are held to account.
- Half-termly preparation of budgets and management accounts mean that the School is well aware of how its different budgets are being spent and where any pinch points might be. Regular meetings to assess spend against budgets allows the School to ensure that money is well spent on raising achievement.
- Governance policy is in place for spending with clear guidelines, allowing all stakeholders to be clear regarding their roles and the parameters in which they need to work.
- Negotiated discounts with suppliers and service providers mean that the School gets best value for money when buying in resources and services.
- Annual review of service provider contracts ensures that they are fit for purpose and best value for the School.
- The School ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with projects.

Future Objectives

We recognise the need to continue developing relationships with other academies and/or local schools, in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skill and expertise.

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 on-going process designed to identify and prioritise the risks to the achievement of trust 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 in The Emmanuel School Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

THE EMMANUEL SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to handle risk

The board of trustees 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 of trustees 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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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 an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, premises and human resources committee of reports which indicate financial performance against the 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 trustees and board of governors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Steve Hibbin of School Finances to perform peer reviews.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. The reviewer reports to the board of governors on the operation of the systems of control and the discharge of the board of governors' financial responsibilities.

The peer reviewer has delivered his schedule of work as planned, and no material control issues were identified as a result of the reviewer's work.

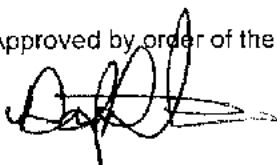
Review of effectiveness

As accounting officer the head teacher 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 peer reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Leadership Team 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 by the finance, premises and human resources committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 06 December 2018 and signed on its behalf by:



Rev A Hodgkinson - Trustee



Mr P Lewis - Accounting Officer

THE EMMANUEL SCHOOL TRUST

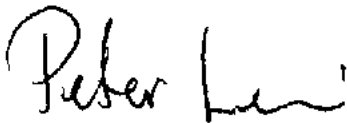
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of The Emmanuel School Trust I have considered my responsibility to notify the trust board of trustees and the Education & 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 agreement in place between the trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the trust's board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2017.

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 board of trustees and ESFA.



Mr P Lewis
Accounting Officer

06 December 2018

THE EMMANUEL SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of The Emmanuel School Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

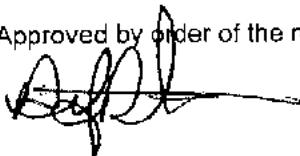
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 06 December 2018 and signed on its behalf by:



Rev A Hodgkinson



Mr R Irish

THE EMMANUEL SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EMMANUEL SCHOOL TRUST

Opinion

We have audited the accounts of The Emmanuel School Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018.

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's responsibilities for the audit of the accounts' section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

THE EMMANUEL SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EMMANUEL SCHOOL TRUST (CONTINUED)

Opinions 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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the trust'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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

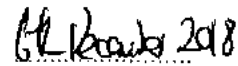
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

THE EMMANUEL SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EMMANUEL SCHOOL TRUST (CONTINUED)

Mr Jonathan Caton (Senior Statutory Auditor)
for and on behalf of Caton Fry & Co Ltd


FCA, FEA



Chartered Accountants
Statutory Auditor

Essex House
7 The Shrubberies
George Lane
South Woodford
London
E18 1BD

THE EMMANUEL SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EMMANUEL SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education Skills and Skills Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Emmanuel School Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Emmanuel School Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Emmanuel School Trust and 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 The Emmanuel School Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Emmanuel School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Emmanuel School Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 period 1 September 2017 to 31 August 2018 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 Academies Accounts Direction 2017 to 2018 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 trust's income and expenditure.

- Assessed the risk of material irregularity and impropriety with the Trust's activities
- Reviewed the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Reviewed Trustee Minutes for declaration of interests
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with
- Detailed testing on a sample basis of income and expenditure for the areas identified as higher risk, including transactions with related parties
- Reviewed that grants have been applied for the purposes intended

THE EMMANUEL SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EMMANUEL SCHOOL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Jonathan Edward Caton FCA FCCA

Reporting Accountant

Caton Fry & Co Ltd
Essex House
8 The Shrubberies
George Lane
South Woodford
London
E18 1BD

Dated: 6th Dec 2018

THE EMMANUEL SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	5,966	-	14,573	20,539	19,546
Charitable activities:						
- Funding for educational operations	4	19,501	1,019,981	-	1,039,482	1,050,236
Other trading activities	5	20,511	-	-	20,511	19,451
Total income and endowments		45,978	1,019,981	14,573	1,080,532	1,089,233
Expenditure on:						
Charitable activities:						
- Educational operations	7	1,255	1,123,529	76,857	1,201,641	1,091,183
Total expenditure	6	1,255	1,123,529	76,857	1,201,641	1,091,183
Net income/(expenditure)		44,723	(103,548)	(62,284)	(121,109)	(1,950)
Transfers between funds		-	(10,594)	10,594	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	15,000	-	15,000	34,000
Net movement in funds		44,723	(99,142)	(51,690)	(106,109)	32,050
Reconciliation of funds						
Total funds brought forward		103,700	181,682	1,663,976	1,949,358	1,917,308
Total funds carried forward		148,423	82,540	1,612,286	1,843,249	1,949,358

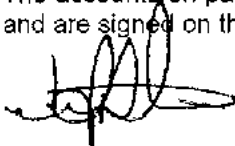
THE EMMANUEL SCHOOL TRUST

BALANCE SHEET

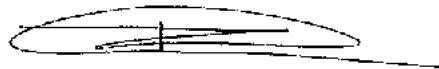
AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,612,286		1,663,977
Current assets					
Stocks	13	2,121		1,014	
Debtors	12	23,134		29,639	
Cash at bank and in hand		282,172		396,561	
			307,427		427,214
Current liabilities					
Creditors: amounts falling due within one year	14	(65,464)		(122,833)	
Net current assets			241,963		304,381
Net assets excluding pension liability			1,854,249		1,968,358
Defined benefit pension scheme liability	17		(11,000)		(19,000)
Net assets			1,843,249		1,949,358
Funds of the trust:					
Restricted funds	16				
- Fixed asset funds			1,612,286		1,663,977
- Restricted income funds			93,540		200,682
- Pension reserve			(11,000)		(19,000)
Total restricted funds			1,694,826		1,845,659
Unrestricted income funds	15		148,423		103,699
Total funds			1,843,249		1,949,358

The accounts on pages 23 to 45 were approved by the trustees and authorised for issue on 06 December 2018 and are signed on their behalf by:



Rev A Hodgkinson



Mr R Irish

Company Number 07640769

THE EMMANUEL SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(103,796)		205,154
Cash flows from investing activities					
Capital grants from DfE Group		14,573		18,013	
Purchase of tangible fixed assets		(25,166)		(66,005)	
Net cash used in investing activities			(10,593)		(47,992)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(114,389)		157,162
Cash and cash equivalents at beginning of the year			396,561		239,399
Cash and cash equivalents at end of the year			282,172		396,561

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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.

1.1 Basis of preparation

The accounts of the 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 (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Emmanuel School Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the 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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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 trust has provided the goods or services.

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

1.4 Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs 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 any irrecoverable VAT.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the 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 trust's educational operations, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

Assets costing £500 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the trust's depreciation policy. 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, as follows:

Land and buildings	2% on cost
Improvements to property	10% on cost
Computer equipment	25% on cost
Fixtures, fittings & equipment	15% on cost

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.

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 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 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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. Prepayments are not financial instruments.

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. 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

1.10 Taxation

The 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 projected unit method. The 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 are recognised in the period to which they relate..

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

Accounting 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 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.

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgement

The Trustees consider that critical judgement is required regarding the position on the Local Government Pension Scheme. Asset valuations completed by actuaries have in real terms shown significant real terms decline mainly as a result of the yields on gilts hitting record lows. It is anticipated that the fall in market valuations is a temporary situation and that in the future asset valuations will recover and the net liability will fall back to previous levels

Establishing the Trust's accounting policies is a critical area of judgement which impacts on the recognition of amounts within the financial statements. The accounting policies are applied consistently and are reviewed annually to ensure they are appropriate.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	14,573	14,573	18,013
Other donations	5,966	-	5,966	1,533
	<u>5,966</u>	<u>14,573</u>	<u>20,539</u>	<u>19,546</u>

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	775,128	775,128	730,945
Start up grants	-	78,064	78,064	129,977
Other DfE group grants	-	94,890	94,890	80,070
	-	948,082	948,082	940,992
Other government grants				
Local authority grants	-	71,899	71,899	102,894
Other funding				
Other incoming resources	19,501	-	19,501	6,350
Total funding	19,501	1,019,981	1,039,482	1,050,236

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	5,102	-	5,102	4,165
Catering income	14,325	-	14,325	9,426
AGF separate disclosure	-	-	-	5,318
Other income	1,084	-	1,084	542
	20,511	-	20,511	19,451

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2018 £	Total 2017 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	666,014	-	42,450	708,464	603,633
- Allocated support costs	222,228	125,657	145,292	493,177	487,550
	888,242	125,657	187,742	1,201,641	1,091,183

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

6	Expenditure	(Continued)	
	Net income/(expenditure) for the year includes:	2018	2017
		£	£
	Fees payable to auditor for:		
	- Audit	5,965	5,790
	- Other services	5,985	9,020
	Operating lease rentals	4,090	3,784
	Depreciation of tangible fixed assets	76,857	76,630
	Net interest on defined benefit pension liability	1,000	2,000
		<u> </u>	<u> </u>
7	Charitable activities		
		Unrestricted	Restricted
		funds	funds
		£	£
	Direct costs		
	Educational operations	-	708,464
	Support costs		
	Educational operations	1,255	491,922
		<u> </u>	<u> </u>
		1,255	1,200,386
		<u> </u>	<u> </u>
		1,201,641	1,091,183
		<u> </u>	<u> </u>
		2018	2017
		£	£
	Analysis of support costs		
	Support staff costs	222,228	166,497
	Depreciation	76,857	76,630
	Technology costs	21,246	24,052
	Premises costs	48,800	87,320
	Other support costs	102,057	110,881
	Governance costs	21,989	22,170
		<u> </u>	<u> </u>
		493,177	487,550
		<u> </u>	<u> </u>

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Related Party Transactions - Trustees' remuneration and expenses

None of the trustees has been paid remuneration or has received other benefits from an employment with the trust. The head teacher and other staff trustee only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mr P Lewis (principal): £75,000 - £80,000 (2017: £60,000 - £70,000)
Employer's pension contributions: £10,000 - £15,000 (2017: £10,000 - £15,000)

Mrs T Oluwatudimu (trustee and director of education): £45,000 - £50,000 (2017: £15,000 - £20,000)
Employer's pension contributions: £5,000 - £10,000 (2017: £0 - £5,000)

During the year trustees' expenses totalling £Nil (2017: £226) there were no reimbursed trustees (2017: three trustees) No areas of expense have trustees expenses. (2017: breakfast club supplies of £115, refreshments of £35, administrative supplies of £12 and equipment/materials of £64)

Other related party transactions involving trustees are set out in note 21 to the financial statements.

9 Staff

Staff costs

Staff costs during the year were:

	2018	2017
	£	£
Wages and salaries	690,901	601,485
Social security costs	58,662	42,555
Pension costs	98,466	60,595
Staff costs	848,029	704,635
Agency staff costs	10,447	9,842
Staff development and other staff costs	29,766	21,652
Total staff expenditure	888,242	736,129

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	9	7
Administration and support	2	2
Management	1	1
Educational support	9	9
Premises & cleaning	4	4
Midday supervision	5	4
	<u>30</u>	<u>27</u>

Higher paid staff

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

	2018 Number	2017 Number
£75,000 - £80,000	1	1

Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £162,094.11 (2017: £162,375). This included amounts paid to J'Harts Print & Design as detailed in note 21 to the financial statements.

10 Trustees and officers insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £132 (2017: £688) including insurance premium tax.

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Tangible fixed assets

	Land and buildings	Improvements to property	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2017	1,596,239	47,231	91,372	175,071	1,909,913
Additions	-	13,075	-	12,091	25,166
At 31 August 2018	1,596,239	60,306	91,372	187,162	1,935,079
Depreciation					
At 1 September 2017	91,220	4,723	71,425	78,568	245,936
Charge for the year	22,805	6,031	19,947	28,074	76,857
At 31 August 2018	114,025	10,754	91,372	106,642	322,793
Net book value					
At 31 August 2018	1,482,214	49,552	-	80,520	1,612,286
At 31 August 2017	1,505,019	42,508	19,947	96,503	1,663,977

Included in cost or valuation of land and buildings is freehold land of £456,000 (2017 - £456,000). The ESFA retain a legal charge over the freehold property, which is the school premises.

12 Debtors	2018	2017
	£	£
Trade debtors	-	2,088
VAT recoverable	14,532	13,652
Prepayments and accrued income	8,602	13,899
	23,134	29,639

13 Stocks	2018	2017
	£	£
School uniform	2,121	1,014

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	17,582	56,510
Accruals and deferred income	47,882	66,323
	<u>65,464</u>	<u>122,833</u>

Deferred income represents advance funding for Universal Infant Free School Meals and Pupil Premium

15 Deferred income	2018 £	2017 £
Deferred income is included within:		
Creditors due within one year	35,932	32,828
	<u>35,932</u>	<u>32,828</u>
Deferred income at 1 September 2017	32,828	(27,182)
Released from previous years	(32,828)	27,182
Amounts deferred in the year	35,932	32,828
	<u>35,932</u>	<u>32,828</u>
Deferred income at 31 August 2018	35,932	32,828

16 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	165,083	775,128	(865,233)	(10,594)	64,384
Start up grants	30,000	78,064	(78,908)	-	29,156
Other DfE / ESFA grants	-	94,890	(94,890)	-	-
Other government grants	5,599	71,899	(77,498)	-	-
Pension reserve	(19,000)	-	(7,000)	15,000	(11,000)
	<u>181,682</u>	<u>1,019,981</u>	<u>(1,123,529)</u>	<u>4,406</u>	<u>82,540</u>
Restricted fixed asset funds					
DfE group capital grants	1,663,976	14,573	(76,857)	10,594	1,612,286
	<u>1,663,976</u>	<u>14,573</u>	<u>(76,857)</u>	<u>10,594</u>	<u>1,612,286</u>
Total restricted funds	1,845,658	1,034,554	(1,200,386)	15,000	1,694,826
Unrestricted funds					
General funds	103,700	45,978	(1,255)	-	148,423
	<u>103,700</u>	<u>45,978</u>	<u>(1,255)</u>	<u>-</u>	<u>148,423</u>
Total funds	1,949,358	1,080,532	(1,201,641)	15,000	1,843,249

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

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

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

The General Annual Grant (GAG) represents funds received from the DfE/ESFA specifically to be used for educational purposes in line with the trust's objects and its funding agreement with the ESFA.

The Start-up Grant represents additional funds received from the DfE/ESFA in the early years of the establishment of a school to be used for educational purposes.

Other DfE/ESFA grants represents grants provided for specific purposes, namely Pupil Premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers, and for universal infant free school meals.

Other government grants represent funds received from local government for specific purposes, such as special educational needs, holiday or breakfast clubs.

The restricted fixed asset fund represents the leasehold land and buildings which were donated to the trust less accumulated depreciation to the balance sheet date, together with the cost less accumulated depreciation of other fixed assets acquired from DfE/ESFA capital grants used by the Trust.

The pension reserve represents the net liability arising in respect of the Local Government Pension Scheme

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	141,789	730,945	(659,659)	(47,992)	165,083
Start up grants	-	129,977	(99,977)	-	30,000
Other DfE / ESFA grants	-	80,070	(80,070)	-	-
Other government grants	72,580	102,894	(169,875)	-	5,599
Pension reserve	(49,000)	-	(4,000)	34,000	(19,000)
	<u>165,369</u>	<u>1,043,886</u>	<u>(1,013,581)</u>	<u>(13,992)</u>	<u>181,682</u>
Restricted fixed asset funds					
DfE group capital grants	1,674,602	18,013	(76,630)	47,992	1,663,977
	<u>1,674,602</u>	<u>18,013</u>	<u>(76,630)</u>	<u>47,992</u>	<u>1,663,977</u>
Total restricted funds	<u>1,839,971</u>	<u>1,061,899</u>	<u>(1,090,211)</u>	<u>34,000</u>	<u>1,845,659</u>
Unrestricted funds					
General funds	77,337	27,334	(972)	-	103,699
	<u>77,337</u>	<u>27,334</u>	<u>(972)</u>	<u>-</u>	<u>103,699</u>
Total funds	<u>1,917,308</u>	<u>1,089,233</u>	<u>(1,091,183)</u>	<u>34,000</u>	<u>1,949,358</u>

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	141,789	1,506,073	(1,524,892)	(58,586)	64,384
Start up grants	-	208,041	(178,885)	-	29,156
Other DfE / ESFA grants	-	174,960	(174,960)	-	-
Other government grants	72,580	174,793	(247,373)	-	-
Pension reserve	(49,000)	-	(11,000)	49,000	(11,000)
	<u>165,369</u>	<u>2,063,867</u>	<u>(2,137,110)</u>	<u>(9,586)</u>	<u>82,540</u>
Restricted fixed asset funds					
DfE group capital grants	1,674,602	32,586	(153,487)	58,586	1,612,287
	<u>1,674,602</u>	<u>32,586</u>	<u>(153,487)</u>	<u>58,586</u>	<u>1,612,287</u>
Total restricted funds	<u>1,839,971</u>	<u>2,096,453</u>	<u>(2,290,597)</u>	<u>49,000</u>	<u>1,694,827</u>
Unrestricted funds					
General funds	77,337	73,312	(2,227)	-	148,422
	<u>77,337</u>	<u>73,312</u>	<u>(2,227)</u>	<u>-</u>	<u>148,422</u>
Total funds	<u>1,917,308</u>	<u>2,169,765</u>	<u>(2,292,824)</u>	<u>49,000</u>	<u>1,843,249</u>

17 Pensions and similar obligations

The 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 London Borough of Waltham Forest Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2016. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pensions and similar obligations

(Continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

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 April 2019.

The pension costs paid to the TPS in the period amounted to £58,752 (2017: £47,591).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.8% for employers and 9.8% for employees. The estimated value of employer contributions for the forthcoming year is £34,000.

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.

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pensions and similar obligations (Continued)

Total contributions made	2018 £	2017 £
Employer's contributions	34,000	11,000
Employees' contributions	7,000	2,000
Total contributions	<u>41,000</u>	<u>13,000</u>

Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	3.7	3.7
Rate of increase for pensions in payment	2.3	2.2
Discount rate	2.9	2.5
Inflation assumption (CPI)	<u>2.2</u>	<u>2.2</u>

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

	2018 Years	2017 Years
Retiring today		
- Males	22.5	22.4
- Females	25.5	25.4
Retiring in 20 years		
- Males	24.7	24.6
- Females	<u>27.9</u>	<u>27.7</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £'000	2017 £'000
Discount rate + 0.1%	7	46
Mortality assumption + 1 year	13	51
CPI rate + 0.1%	<u>14</u>	<u>52</u>

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pensions and similar obligations

(Continued)

The trust's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	76,000	45,000
Bonds	12,000	8,000
Cash/liquidity	4,000	4,000
Other	14,000	7,000
Property	11,000	6,000
	<u>117,000</u>	<u>70,000</u>

Actual return on scheme assets - gain/(loss)

6,000	-
<u>6,000</u>	<u>-</u>

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	40,000	13,000
Interest income	(2,000)	(1,000)
Interest cost	3,000	3,000
	<u>41,000</u>	<u>15,000</u>

Changes in the present value of defined benefit obligations

	2018 £	2017 £
Obligations at 1 September 2017	89,000	106,000
Current service cost	40,000	13,000
Interest cost	3,000	3,000
Employee contributions	7,000	2,000
Actuarial gain	(11,000)	(35,000)
	<u>128,000</u>	<u>89,000</u>

At 31 August 2018

128,000	89,000
<u>128,000</u>	<u>89,000</u>

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pensions and similar obligations		(Continued)		
Changes in the fair value of the trust's share of scheme assets				
		2018	2017	
		£	£	
Assets at 1 September 2017		70,000	57,000	
Interest income		2,000	1,000	
Actuarial (gain)/loss		4,000	(1,000)	
Employer contributions		34,000	11,000	
Employee contributions		7,000	2,000	
		<u>117,000</u>	<u>70,000</u>	
At 31 August 2018		<u>117,000</u>	<u>70,000</u>	
18 Analysis of net assets between funds				
	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	1,612,286	1,612,286
Current assets	213,887	93,540	-	307,427
Creditors falling due within one year	(65,464)	-	-	(65,464)
Defined benefit pension liability	-	(11,000)	-	(11,000)
	<u>148,423</u>	<u>82,540</u>	<u>1,612,286</u>	<u>1,843,249</u>
Total net assets				
	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	1,663,977	1,663,977
Current assets	226,532	200,682	-	427,214
Creditors falling due within one year	(122,833)	-	-	(122,833)
Defined benefit pension liability	-	(19,000)	-	(19,000)
	<u>103,699</u>	<u>181,682</u>	<u>1,663,977</u>	<u>1,949,358</u>
Total net assets				

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Reconciliation of net expenditure to net cash flow from operating activities	2018	2017
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(121,109)	(1,950)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(14,573)	(18,013)
Defined benefit pension costs less contributions payable	6,000	2,000
Defined benefit pension net finance cost	1,000	2,000
Depreciation of tangible fixed assets	76,857	76,630
(Increase)/decrease in stocks	(1,107)	64
Decrease in debtors	6,505	69,986
(Decrease)/increase in creditors	(57,369)	74,437
Net cash (used in)/provided by operating activities	(103,796)	205,154

20 Commitments under operating leases

At 31 August 2018 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	6,997	6,051
Amounts due in two and five years	3,894	8,051
	<u>10,891</u>	<u>14,102</u>

THE EMMANUEL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Related party transactions

Owing to the nature of the trust's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the period the Trust was charged consultancy fees of £0 (2017: £16,800) by Aktimon Limited until 31 March 2018 in respect of services provided by trustee Mrs T M Oluwatudimu in her role as Director of Education of The Emmanuel School Trust. Aktimon Ltd is a company in which trustees Dr A Oluwatudimu and Mrs T M Oluwatudimu are directors and each hold a 50% interest. An amount of £nil (2017: £nil) was outstanding at 31 August 2018.

Mrs T M Oluwatudimu was employed by the Trust as Director of Education on a one-year contract for 3 days per week from 1 April 2017 at an annual salary in the £45,000 to £50,000 threshold.

During the previous year the Trust was charged fees relating to marketing, advertising and the provision of staff support services of £17,740 by J'Harts Design & Print, a business in which Mrs L Colthart (who was a trustee until 10 February) is a partner. The amounts charged in the comparative year whilst Mrs L Colthart was a trustee amounted to £7,310. An amount of £nil was outstanding at 31 August 2018 and 2017. J'Harts Design and Print is no longer a related party since Mrs L Colthart ceased to be a Trustee.

The trust undertook the above transactions at arms' length in accordance with its financial regulations, which Mrs T M Oluwatudimu and Mrs L Colthart neither participated in, nor influenced.

In entering into these transactions, the trust has complied with the requirements of the Academies Financial Handbook 2018.

22 Members' 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

