

Company Registration Number: 07613612 (England & Wales)

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Angel
V Angel (appointed 5 September 2019)
G Atkinson (resigned 1 March 2020)
N Brady (resigned 1 March 2020)
P Collins
A Corke (appointed 5 September 2019)
C Drayson (appointed 5 September 2019)
T Hamilton-Fletcher (appointed 16 September 2020)
M Hatto (resigned 16 September 2020)
W Knight
J Lejeune
T Marcus (appointed 5 September 2019)
G Marsh, MBE (resigned 1 March 2020)
V Millman (appointed 5 September 2019)
N Newman
H O'Connor
S Parker
E Pearson
A Rowley
J Starmer
S Starmer (resigned 1 March 2020)
C Starmer-Howes (resigned 1 March 2020)
A Stephens
C Styants
H Sumbler
J Tatchell
I Tooley
W Tritte
L Winter (resigned 1 March 2020)

Trustees

P Angel
P Collins
A Duke
T Hamilton-Fletcher (appointed 16 September 2020)
M Hatto (resigned 31 January 2020)
T Hobson, Headteacher (resigned 31 January 2020)
W Knight (appointed 5 September 2019)
J Maraspin (appointed 11 December 2019)
T Marcus, Chair of Trustees (appointed 5 September 2019)
J Martin (appointed 16 September 2020)
V Millman (appointed 5 September 2019)
N Newman (resigned 16 September 2020)
H O'Connor (appointed 16 September 2020)
A Rowley
J Starmer (appointed 5 September 2020)
A Stephens
C Styants (appointed 16 September 2020)
N Taylor (resigned 31 October 2019)
I Tooley

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Company registered number 07613612

Principal and registered office The Swanage School
High Street
Swanage
Dorset
BH19 2PH

Accounting officer T Hobson (resigned 31 January 2020, on leave from 14 October 2019)
J Maraspin (appointed 14 October 2019)

Senior management team T Hobson, Headteacher (resigned 31 January 2020, on leave from 14 October 2019)
J Maraspin, Headteacher (appointed on acting basis 14 October 2019, permanently on 20 March 2020)
K Lawton, Deputy Head
A Carvisiglia, School Business Manager

Independent auditors Griffin
Chartered Accountants
165 High Street
Honiton
EX14 1LQ

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in Swanage and the surrounding villages. It has a pupil capacity of 420 and had a roll of 320 in the school census on October 2019.

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Articles of Association is the primary governing document of the Academy.

The Trustees of Education Swanage Limited are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Education Swanage Limited.

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

b. 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.

c. Trustees' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. Appropriate insurance is in place as specified in Note 12 of the accounts.

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The Swanage School's Governing Body comprises up to 12 Trustees who are appointed by the members of Education Swanage, the Headteacher, two Parent Trustees, two Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust does not exceed one third of the total number of Trustees). The Articles of Association require there to be a minimum of three Trustees.

Parent Trustees are elected by the parents of current pupils of The Swanage School.

Staff Trustees are elected by the staff currently employed by The Swanage School.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

All Trustees receive induction training and are supplied with copies of policies, procedures, minutes, budgets, plans and other documents that they will require to undertake their role as Trustee. During the period, the Trustees held eleven Full Governing Body meetings.

Trustees receive no remuneration or benefits in respect of their duties as Trustees but are reimbursed for expenses incurred in carrying out their duties as Trustees.

f. Organisational structure

The Governing Body meets at least once per half term and is responsible for establishing the framework for Governance of The Swanage School and for agreeing membership, determining schemes of delegation and establishing terms of reference for sub committees. In conjunction with the Headteacher it sets the aims and objectives for the school, agrees policies and sets targets. It receives reports and policy documents from its Committees for ratification and monitors the activities of those Committees through the minutes of their meetings. It also monitors the progress of the school towards the achievement of the aims and objectives and in light of that progress reviews the strategic framework.

Under the Scheme of Delegation some activities and functions are delegated to the committees, the Headteacher and the Senior Leadership Team.

The committees below meet six times per year (unless otherwise stated) and have the following key responsibilities:

Community and Engagement Committee; meets at least three times a year. Has oversight of all aspects of publicity and community engagement.

Finance and Premises Committee: make delegated decisions and make recommendations to the full governing body so as to ensure sound management of the school's finances and resources. The committee has delegated powers on financial, internal audit, building and environmental matters.

Staffing Committee: meets three times a year. Has oversight of all policies and processes used for the recruitment, retention, release and development of the staff of the School. The committee consults with and supports the Headteacher with strategic aspects of staff restructures, establishes performance review and approves performance management policy annually.

Student Committee: has oversight of all aspects of learning and welfare that relate to students, including Social Moral Spiritual Cultural (SMSC) and the curriculum. It reviews all policies relating to curriculum.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The following decisions are among those reserved for the Full Governing Body:

- Appointment/dismissal of Headteacher
- Appointment/dismissal of Business Manager
- Appointment/dismissal of Deputy Headteacher
- Agree limits of delegation
- Agree salary ranges and annual performance related increments for key management personnel
- Appoint Accounting Officer
- Appoint Responsible Officer
- Agree arrangements for the provision of sex education
- Agree arrangements for the prohibition of political indoctrination
- Approve school budget
- Approve annual financial reports, DfE returns and report to parents
- Approve admission arrangements
- Agree policies for SEN. All other policies may be delegated.
- Regulate Governing body procedures
- Agree committee and panel structures
- Delegate powers to committees and panels
- Receive reports from committees and panels
- Appoint/dismiss the clerk to the Trustees
- Co-opt Trustees
- Appoint associates
- Appoint nominated Trustees including: SEN Trustee, Safeguarding Trustee and Health and Safety Trustee
- Receive and consider Ofsted reports
- Receive and consider reports from: Auditors, School Improvement partners

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The Headteacher along with the Senior Leadership Team are responsible for the day to day operation of The Swanage School and:

- Ensure the whole Curriculum is delivered in line with the Governing Body's Policy and the ethos of the school is maintained and enhanced
- Manage curriculum and staff on a day-to-day basis
- Ensure that students are assessed in line with school and national policies
- Implement School Development Plan and National Policies (as appropriate)
- Implement policy for pupils with Special Educational Needs and Disabilities
- Provide parents and Governing Body with sufficient information in order to enable them to fulfil their roles in the educational partnership
- Strive to ensure that the learning needs of all pupils of all abilities are met
- Oversee general expenditure during the year and authorise major expenditure in line with delegated financial authority
- Prepare 3 year budget with reference to School Development Plan
- Administer, collate and report financial information
- Prepare accounts and reports on a monthly basis
- Check budget information received from the Education Skills and Funding Agency (ESFA) and initiate queries
- Consider year-end over/under-spend impact on budget planning
- Award contracts for repairs/maintenance in line with delegated financial authority
- Carry out and monitor policy on Health and Safety
- Formulate repair and maintenance budget as a rolling programme
- Prepare monthly budget statement for repair and maintenance
- Propose phased strategy for improvements to general standard of premises
- Planning overall strategy for staff deployment - teaching, non-teaching, full and part-time posts.

g. Arrangements for setting pay and remuneration of key management personnel

The Full Governing Body is responsible for setting the salary ranges and annual performance related increments for key management personnel. They have direct line management responsibility for the Headteacher and are supported in this role by an external consultant who is a senior teaching professional. They also have direct line management responsibility for the Clerk to the Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of The Swanage School. The Swanage School PTFA is a separate legal entity with its own constitution, management and bank account and is in no way answerable to or under the control of Education Swanage Limited.

The related party transactions undertaken during the year is as per note 26.

Objectives and activities

a. Objects and aims

The Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The principal aim of The Swanage School (The Academy) is to create an outstanding school that:

1. Will improve life opportunities for all students.
2. Enable each student to feel affectionate about their school and as an adult to look back fondly on their education.
3. Will allow each student to leave the Swanage School enabled to progress to further and higher education and the career of their choice.

b. Objectives, strategies and activities

Academic Ambition

We promise to help our students achieve the best they can. Our deliberately ambitious target is to be among the top tier of Dorset schools, judged both by the progress they make and the development of their character. We believe it is our duty to ensure that every student who attends The Swanage School achieves the best possible outcome.

We will:

- Ensure every student in our learning community fully realises their potential.
- Engage the town of Swanage as a learning community in raising aspirations and achievement.
- Involve employers, businesses, community and volunteer groups as our partners in education, skills and training.
- Enable the Swanage community to enjoy a wide range of activities in a state-of-the-art environment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

The Swanage School Way

At The Swanage School we all follow the Swanage School Way as follows:

- Respect each other and treat others as we would like to be treated.
- Help members of the wider community.
- Strive for academic excellence.
- Take pride in our appearance.
- Do the best we can.

We try, we fail, we learn, we succeed

Leadership

Our objectives for 2019 - 2020 were to:

1. Research and develop alternative approaches to school management to promote staff wellbeing
2. Develop whole school awareness of and strategy to reduce the school's impact on the environment
3. Ensure future financial stability for the school
4. Ensure school leadership and management remains effective given changes to the structure of SLT.
5. Improve marketing activities to increase the school's profile locally
6. Increase revenue generated for the school
7. Prepare to gain learning provider status for apprenticeships
8. Prepare to provide high quality provision for apprentices locally.

Learning and Teaching

Our objectives for 2019-20 were to:

1. Increase students progress in line with top 20% of schools nationally, measured by Progress 8
2. Improve progress and attainment for disengaged students and disadvantaged students
3. Improve the level of literacy across the curriculum
4. Ensure maths pedagogy is embedded in the whole curriculum
5. Develop awareness of the importance of living a healthy lifestyle and what this means
6. Ensure the curriculum for all subjects is carefully planned over time with purposeful sequencing, embedded recall tasks to ensure assessment informs planning.
7. Embed home learning polices previously developed to further enhance student progress in line with Ofsted framework (summer 2019)
8. Ensure provision for students with SEN is maintained as a result of financial cuts
9. Ensure implementation of new KS4 curriculum (optional French, increased PRE contact, separate sciences and work experience/ASDAN for targeted students) is effective.

Behaviour

Our objectives for 2019-20 were to:

1. Embed and consolidate strategies to monitor and manage student behaviour.
2. Improve whole school attendance to above 95.0%
3. Improve the attitude to learning of disengaged students

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity(PB2)'.

Strategic report

Achievements and performance

The below section summarises the performance of the school during the year.

a. Achievements and performance summary

In March 2019 the school had its second Ofsted inspection - this time a section 8 inspection and the school maintained its grade of "Good". As a 'section 8' inspection, the report comes in the form of a letter to the Headteacher. Key aspects of the report included:

The school has a strong reputation in the local community.

- Pupils and the great majority of parents are very enthusiastic about the quality of education.
- Behaviour is very good.
- Pupils take great pride in their work, including its presentation. They are excellent ambassadors for the school. This is in large part due to the emphasis you place on encouraging pupils to grow as reflective, independent-minded young citizens.
- Pupils thrive on taking on responsibilities as members of the school council, as house captains and in other roles. They enjoy celebrating their successes.
- Staff know pupils well as individuals.
- Your staff respond very well to the needs of vulnerable pupils.
- Staff monitor pupils' well-being very thoroughly, thereby ensuring that the school is a very orderly and welcoming community with safeguarding as an integral part of its culture.
- Pupils' performance in the core subjects of English and Mathematics has always been strong.
- You ensure that the most able pupils make good progress because teachers usually give them tasks which are sufficiently challenging.
- All staff have regular opportunities for professional development, in order to maintain high levels of confidence and skill.
- You have high expectations, as do your staff.
- You give pupils interesting challenges, to which they respond enthusiastically.
- You focus strongly on developing pupils' independent learning skills and their ability to reflect on their learning.
- You encourage pupils to take on responsibilities and to enjoy curriculum enrichment opportunities, which feed in to their academic successes.

Teaching and Learning

Students at The Swanage School typically make very good progress, especially in English. The critical measure for school performance is how well children progress from KS2 (aged 11) to GCSE (aged 16). This is measured using Progress 8. In 2020 the school's Progress of 0.3 is well above national expectations.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Behaviour

- Whole school attendance has improved over the course of the year and was on target for exceeding 95% before lockdown. However, given the current situation this continues to be a focus for the school.
- The school is a vibrant happy place where children, staff and governors enjoy and take pride in the calm focused atmosphere. Developing the character of students and the school is an ongoing objective.

Leadership and Operational Excellence

The profile of the school goes from strength to strength, helped in large part by the excellent GCSE results and the progress children make in the school.

The effectiveness of the middle leaders continue to improve and now middle leaders are very effective at achieving whole school aims.

The environment of the school has and continues to be developed - maintaining the 'new' feel of the school, whilst adding character to the built environment.

The school has developed its procedural effectiveness and communication continues to improve.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial Review

a. Reserves policy

The Trustees review the level of reserves at the Finance and Premises Committee which meets at least six times annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trust aims to carry forward a prudent level of resources from the General Annual Grant to ensure the cash position is preserved, to provide for unforeseen contingencies. The Trustees have designated funds of £100,000 at the year end. This is made up of £50,000 to cover the cost of long term staff absence, as well as a designated repairs and maintenance fund of £50,000. Total reserves at the the year end (excluding the pension deficit reserve and restricted fixed asset fund) totalled £494,394, which equates to approximately three months of recurring expenditure. Excluding the designated reserves of £100,000, this leaves £394,394, with the target as per the Academy's reserve policy for this figure being between 12.75% and 18.75% of annual revenue (between £266,465 and £391,860) based on this years's income.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial Review (continued)

b. Investment policy

The Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risks. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of various funds entrusted to the Governing Body.

c. Principal risks and uncertainties

The Governors are responsible for the management of risks that The Swanage School faces in the short, medium and long term. The principal risks and uncertainties have been identified following the risk management process.

Principal risk and uncertainties are:

- Pupil numbers
- Financial risk
- Failure in Governance and/or Management
- Reputational risk
- Safeguarding and Child Protection risks
- Pandemic (COVID) risks

d. Purpose of the Finance Committee

The purpose of the Finance and Premises Committee is to make delegated decisions and where appropriate to make recommendations to the full governing body so as to ensure sound management of the school's finance and resources. The committee will keep the Full Governing Body informed of decisions made and will make recommendations in a timely manner. The committee has delegated powers on financial, building and environmental matters unless otherwise stated.

e. Financial Review for 2019/20

The Swanage School receives the majority of its income from the Education and Skills Funding Agency in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the period of the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Swanage School managed its resources enabling its activities to be effectively carried out albeit making an in year deficit. The purpose of maintaining free reserves is to mitigate the potential impact of the low student numbers, which can have a significant effect in a small school.

Whilst there is a liability of £1,008,000 against the local government defined benefit pension scheme, this does not materially affect the financial position of the academy. As at 31 August 2020, The Swanage School had £305,910 (2019: £248,589) of unrestricted reserves, £187,984 (2019: £198,959) of GAG restricted reserves, £500 (2019: Nil) of restricted donations, £6,837,331 (2019: £6,918,806) of restricted fixed asset reserves and negative £1,008,000 (2019: £614,000) LGPS pension reserves. Overall the academy has £6,323,752 in reserves (2019: £6,752,354).

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TRUSTEES' REPORT (CONTINUED)
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Fundraising

In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

Plans for future periods

The following core priorities should be read in conjunction with the school development plan. These priorities come from reflecting on our recent GCSE results, feedback from staff, students and governors as well as feedback from the Ofsted Inspection in March 2019.

Teaching and Learning

1. Build and safeguard emotional and mental wellbeing for staff and students
2. Gaps in knowledge and understanding due to lockdown are clearly identified for all students
3. Intervention is carefully targeted. Catch-up strategies are effective
4. Tracking, recording and monitoring of intervention strategies demonstrates good progress and high impact
5. All curriculum planning for Y11 reflects and incorporates changes to 2021 GCSE's
6. Risk mitigation and management

The quality of Education

1. All parents and students have access to curriculum mapping, objectives and comprehensive supporting lesson resources for every subject through the school's website, MIS parent portal, SharePoint site and written communication home.
2. Quality of provision and support for all SEND students is consistently good. All intervention has evidence of demonstrative impact on the progress of participants
3. Academic challenge is improved and established throughout the KS3 curriculum
4. Clear career pathway established and integrated into Y7-Y11 curriculum and TSS established as an affiliated apprenticeship provider

Behaviour and Attitudes

1. Improve whole school attendance to be above national figures
2. 95% Reported attitudes to learning are good or better, where they are not an individual support plan is in place to help students improve

Personal Development of Students

1. Personal development programme supports pupils to become more confident, develop character and prepares them for their next steps
2. Improving extra curricula provision, to include local and national competition

Leadership and Management

1. Ensure Long Term Financial Sustainability
2. Improve internal monitoring and impact evaluation of all PM and UPS objectives
3. Communication with parents becomes a strength of the school including written reporting
4. The internal and external CPD programmes provide opportunities for staff to develop new skills.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods (continued)

Wider Aims and Goals

1. Effective marketing raises the profile of TSS in the community and leads to an increase of the number of students on role

Funds held as custodian on behalf of others

The academy trust and its Trustees do not act as the Custodian Trustees of any other Charity.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:



T Marcus
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Education Swanage Limited 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 Headteacher, 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 Education Swanage Limited 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 11 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Angel	9	11
P Collins	8	11
A Duke	8	8
M Hatto	10	11
T Hobson, Headteacher	1	1
W Knight	10	11
J Maraspin, Acting Headteacher / Headteacher	9	9
T Marcus, Chair of Trustees	9	11
V Millman	8	11
N Newman	10	11
H O'Connor	3	10
A Rowley	6	11
J Starmer	9	11
A Stephens	9	11
C Styants	10	11
N Taylor	5	8
I Tooley	9	11

During the academic year 2019-20 the term of office for four Trustees ended. Two of these four were re-appointed by members for a further term, and one (a staff-elected governor whose term ended during the period schools were closed as a result of the Covid-19 pandemic) was co-opted back to the board for an interim period to 31 October 2020 to allow for a staff governor election to be held once schools re-opened. In addition, two new trustees were appointed by members and a further two Trustees were co-opted by the board, including the Acting Headteacher, J. Maraspin, (who was co-opted on 11 December 2019 and who became a Trustee by virtue of her post on appointment as Headteacher on 20 March 2020).

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Full Governing Body met 11 times during the academic year, including 3 extraordinary meetings to discuss matters relating to Headteacher and Deputy Headteacher appointment following Mr Hobson's early retirement. Meetings of the various committees and working parties convened to cover specific topics which this year included reduction of the forecast deficit in the three year budget and management of the absence due to illness and subsequent retirement of the Headteacher. Information for meetings is agreed between the chair of each meetings and the senior leadership team and is usually provided in advance. Discussion at meetings is open and, together with the information provided, this enables the governing body to fulfil its obligation to effectively hold the senior leadership team to account, and to support them as appropriate.

Each Committee evaluated its effectiveness at least once during the year, and minuted any areas where a change in responsibilities or committee organisation was recommended for the following year. As a result of this review, the Full Governing Body will shortly decide whether to continue with the Community and Engagement Committee in its current form, or put in place alternative mechanisms for holding the leadership to account for these areas.

The Full Governing Body conducts a formal skills audit from time to time, and at the last formal review (reported to the board in May 2020) it was noted that there is a wide breadth and depth of experience and skills on the board, with clear strengths in experience of governance, strategic planning, interpretation of information and personal and communication skills such as ability to challenge, working with others, acting with integrity and sound judgement and willingness to reflect. Although none of the Trustees had a legal background the Governing Body had access to legal advice through its membership of the National Governance Association. An informal review is included in the first Full Governing Body meeting of the year, and additional Trustees are co-opted as needed.

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy 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 accounting officer considers how the Academy'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 appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

Maximising income generation

At the beginning of the academic year the lettings functions was taken in house (previously a 3rd party had been responsible for all areas of lettings at the school). This will maximise income in this area.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Sustaining High Quality Educational Results

Examination results and the progress of pupils remained strong with the context of efficient use of school resources. Systems were purchased and quickly utilised to enable delivery of education in a virtual environment during the national lockdown from March 2020.

Financial Governance and Oversight

Whilst the school does not have a Responsible Officer, two internal audits were booked albeit due to lockdown only one was performed by Albert Goodman, focusing on all areas of income.

Members of the Finance and Premises Committee receive half termly budget monitoring reports, with the Chair of Trustees and the Headteacher receiving monthly budget monitoring reports.

Demonstrating Value for Money and Efficient and Effective Use of Resources

The school uses competitive tendering as a process for ensuring value for money. Works, supplies and services with an individual value between £1,000 and £10,000 require 3 written quotations; between £10,000 and £50,000 4 written quotations; between £50,000 and £100,000 4-5 tenders will be required and assessed through a formal tendering process.

All of the Health and Safety service level agreements were reviewed in 2019-20 and new contractors were appointed in areas where savings could be made without any detrimental impact on quality of the service provided.

During the year, a new Management Information System was selected as a better value replacement for the previous system. Implementation work was carried out during the year to enable use of the new system with effect from September 2021.

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 academy 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 Education Swanage Limited for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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 Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Academy'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 and Premises 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Albert Goodman Chartered Accountants to perform a programme of additional checks.

The Academy's internal scrutiny arrangements were not affected by the requirements of the newly revised FRC Ethical Standard for Auditors, effective from 15 March 2020. Albert Goodman were already appointed as internal auditors prior to this.

The reviewers's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included;

- Non-grant income processing
- Bank receipts and bank reconciliation's
- Balance sheet review including deferred income, prepayments and debtors
- Cash collection procedures
- Control of debtors
- ESFA remittance processing

On a semi-annual basis, Albert Goodman Chartered Accountants report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The reviewers delivered their schedule of work as planned, provided details of any material control issues and the necessary remedial action has been taken.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)


Review of effectiveness

As accounting officer, the Headteacher 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on their behalf by:



T Marcus
Chair of Trustees



J Maraspin
Accounting Officer

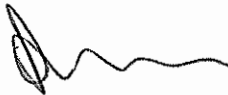
EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Education Swanage Limited I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy 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 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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.



J Maraspin
Accounting Officer
Date: 9 December 2020

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

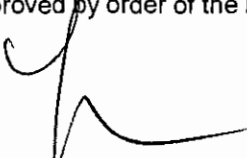
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on its behalf by:



T Marcus
Chair of Trustees

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EDUCATION SWANAGE LIMITED**

Opinion

We have audited the financial statements of Education Swanage Limited (the 'Academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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 financial statements are authorised for issue.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EDUCATION SWANAGE LIMITED (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EDUCATION SWANAGE LIMITED (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

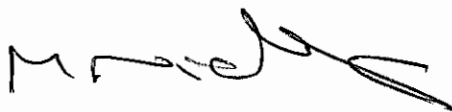
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Misty Nickells FCA (Senior statutory auditor)
for and on behalf of
Griffin
Statutory Auditors

165 High Street
Honiton
EX14 1LQ

Date: 04/01/2021

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDUCATION SWANAGE LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Education Swanage Limited during the year 1 September 2019 to 31 August 2020 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 Education Swanage Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Education Swanage Limited 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 Education Swanage Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Education Swanage Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Education Swanage Limited's funding agreement with the Secretary of State for Education dated 1 September 2013 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDUCATION
SWANAGE LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Misty Nickells FCA (Senior statutory auditor)
Reporting Accountants

165 High Street
Honiton
Devon

Date: 04/04/2021

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	17,172	8,100	11,153	36,425	215,839
Charitable activities		63,100	1,969,586	-	2,032,686	1,877,766
Other trading activities		20,148	-	-	20,148	31,900
Investments	6	662	-	-	662	533
Total income		101,082	1,977,686	11,153	2,089,921	2,126,038
Expenditure on:						
Raising funds		7,859	-	-	7,859	105,156
Charitable activities		35,902	2,086,694	101,095	2,223,691	2,204,635
Total expenditure		43,761	2,086,694	101,095	2,231,550	2,309,791
Net income/(expenditure)		57,321	(109,008)	(89,942)	(141,629)	(183,753)
Transfers between funds	17	-	(8,467)	8,467	-	-
Net movement in funds before other recognised gains/(losses)		57,321	(117,475)	(81,475)	(141,629)	(183,753)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(287,000)	-	(287,000)	(106,000)
Net movement in funds		57,321	(404,475)	(81,475)	(428,629)	(289,753)
Reconciliation of funds:						
Total funds brought forward		248,589	(415,041)	6,918,806	6,752,354	7,042,107
Net movement in funds		57,321	(404,475)	(81,475)	(428,629)	(289,753)
Total funds carried forward		305,910	(819,516)	6,837,331	6,323,725	6,752,354

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 60 form part of these financial statements.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07613612

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	6,837,331	6,918,806
		<u>6,837,331</u>	<u>6,918,806</u>
Current assets			
Stocks	14	751	1,239
Debtors	15	89,455	101,719
Cash at bank and in hand		528,513	456,961
		<u>618,719</u>	<u>559,919</u>
Creditors: amounts falling due within one year	16	(124,325)	(112,371)
Net current assets		<u>494,394</u>	<u>447,548</u>
Total assets less current liabilities		<u>7,331,725</u>	<u>7,366,354</u>
Net assets excluding pension liability		<u>7,331,725</u>	<u>7,366,354</u>
Defined benefit pension scheme liability	23	(1,008,000)	(614,000)
Total net assets		<u><u>6,323,725</u></u>	<u><u>6,752,354</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	6,837,331	6,918,806
Restricted income funds	17	188,484	198,959
		<u>7,025,815</u>	<u>7,117,765</u>
Restricted funds excluding pension asset	17	7,025,815	7,117,765
Pension reserve	17	(1,008,000)	(614,000)
		<u>6,017,815</u>	<u>6,503,765</u>
Total restricted funds	17	6,017,815	6,503,765
Unrestricted income funds	17	305,910	248,589
		<u>6,323,725</u>	<u>6,752,354</u>
Total funds		<u><u>6,323,725</u></u>	<u><u>6,752,354</u></u>

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The financial statements on pages 26 to 60 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:



T Marcus
Chair of Trustees

The notes on pages 31 to 60 form part of these financial statements.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	76,632	<i>(121,703)</i>
Cash flows from investing activities	20	(5,080)	<i>1,086</i>
Change in cash and cash equivalents in the year		71,552	<i>(120,617)</i>
Cash and cash equivalents at the beginning of the year		456,961	<i>577,578</i>
Cash and cash equivalents at the end of the year	21, 22	<u>528,513</u>	<u><i>456,961</i></u>

The notes on pages 31 to 60 from part of these financial statements

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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 year it is receivable and to the extent the Academy has provided the goods or services.

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- Straight line over the duration of the lease (125 years)
Furniture and equipment	- 10 years straight line
Plant and machinery	- 10 years straight line
Computer equipment	- 5 years straight line

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 school land is under a 125 year lease expiring on 4th December 2138 with the Dorset County Council. Land and buildings are capitalised and valued at cost. Land is not depreciated. Buildings are depreciated over 125 years to match the term of the lease.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 as detailed in note 16. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

1.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	17,172	8,100	1,922	27,194
Capital Grants	-	-	9,231	9,231
	<u>17,172</u>	<u>8,100</u>	<u>11,153</u>	<u>36,425</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	80,428	-	80,428
Capital Grants	-	135,411	135,411
	<u>80,428</u>	<u>135,411</u>	<u>215,839</u>

4. Funding for the Academy's education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant	-	1,672,913	1,672,913
Other DfE/ESFA Grants	-	173,808	173,808
Pupil Premium	-	85,253	85,253
	<u>-</u>	<u>1,931,974</u>	<u>1,931,974</u>
Other Government grants			
Higher Needs	-	36,979	36,979
	<u>-</u>	<u>36,979</u>	<u>36,979</u>
Other funding			
Other income from the academy trust's educational operations	63,100	-	63,100
	<u>63,100</u>	<u>-</u>	<u>63,100</u>
Exceptional government funding			
Coronavirus Job Retention Scheme grant	-	633	633
	<u>63,100</u>	<u>1,969,586</u>	<u>2,032,686</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy's education (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £633 of job retention scheme claims for furloughed staff. These costs are included in note 8 as appropriate.

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant	-	1,650,584	1,650,584
Other DfE/ESFA Grants	-	42,956	42,956
Pupil Premium	-	86,345	86,345
	-	<u>1,779,885</u>	<u>1,779,885</u>
Other Government grants			
Higher Needs	-	20,959	20,959
Other government grants non capital	-	9,087	9,087
	-	<u>30,046</u>	<u>30,046</u>
Other funding			
Other income from the academy trust's educational operations	67,835	-	67,835
	<u>67,835</u>	<u>1,809,931</u>	<u>1,877,766</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	18,235	18,235
Other	1,913	1,913
	<u>20,148</u>	<u>20,148</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	30,290	30,290
Other	1,610	1,610
	<u>31,900</u>	<u>31,900</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	662	662
	<u>662</u>	<u>662</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	533	533
	<u>533</u>	<u>533</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on raising voluntary income:				
Direct costs	-	-	7,285	7,285
Expenditure on fundraising trading activities:				
Direct costs	-	-	574	574
Education:				
Direct costs	1,258,158	45,582	146,050	1,449,790
Allocated support costs	447,233	138,973	187,695	773,901
	<u>1,705,391</u>	<u>184,555</u>	<u>341,604</u>	<u>2,231,550</u>
	<u>1,705,391</u>	<u>184,555</u>	<u>341,604</u>	<u>2,231,550</u>
	<i>Staff Costs</i> 2019 £	<i>Premises</i> 2019 £	<i>Other</i> 2019 £	<i>Total</i> 2019 £
Expenditure on raising voluntary income:				
Direct costs	-	-	85,219	85,219
Expenditure on fundraising trading activities:				
Direct costs	-	-	19,937	19,937
Education:				
Direct costs	1,267,541	44,713	134,476	1,446,730
Allocated support costs	436,477	144,630	176,798	757,905
	<u>1,704,018</u>	<u>189,343</u>	<u>416,430</u>	<u>2,309,791</u>
	<u>1,704,018</u>	<u>189,343</u>	<u>416,430</u>	<u>2,309,791</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	1,449,790	773,901	2,223,691

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Education	1,446,730	757,905	2,204,635

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2020 £	Total funds 2020 £
Staff costs	1,244,852	1,244,852
Depreciation	81,188	81,188
Educational supplies	36,174	36,174
Examination fees	25,229	25,229
Staff development	6,313	6,313
Other costs	6,513	6,513
Supply teachers	13,306	13,306
Cleaning	7,600	7,600
Security and transport	20,150	20,150
Technology costs	8,465	8,465
	<u>1,449,790</u>	<u>1,449,790</u>
	<i>Education 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	1,255,003	1,255,003
Depreciation	80,575	80,575
Educational supplies	39,213	39,213
Examination fees	20,746	20,746
Staff development	4,837	4,837
Other costs	11,256	11,256
Supply teachers	12,538	12,538
Security and transport	21,490	21,490
Technology costs	1,072	1,072
	<u>1,446,730</u>	<u>1,446,730</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £	Total funds 2020 £
Pension income	11,000	11,000
Staff costs	447,233	447,233
Depreciation	19,907	19,907
Other costs	15,929	15,929
Recruitment and other staff costs	12,605	12,605
Maintenance of premises and equipment	36,478	36,478
Cleaning	11,985	11,985
Rent and rates	23,406	23,406
Heat and light	26,743	26,743
Insurance	7,166	7,166
Catering	54,302	54,302
Technology costs	28,210	28,210
Office overheads	43,947	43,947
Legal and professional	20,060	20,060
Bank interest and charges	1,046	1,046
Governance costs	13,884	13,884
	<u>773,901</u>	<u>773,901</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Education</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Pension income	10,000	10,000
Staff costs	436,477	436,477
Depreciation	21,644	21,644
Other costs	7,761	7,761
Recruitment and other staff costs	8,811	8,811
Maintenance of premises and equipment	69,012	69,012
Cleaning	11,559	11,559
Rent and rates	19,915	19,915
Heat and light	32,126	32,126
Insurance	7,652	7,652
Security and transport	14	14
Catering	43,644	43,644
Technology costs	21,920	21,920
Office overheads	29,928	29,928
Legal and professional	23,650	23,650
Bank interest and charges	1,320	1,320
Governance costs	12,472	12,472
	757,905	757,905

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	101,094	101,506
Fees paid to auditors for:		
Auditors' remuneration - audit	7,850	7,850
- other services	2,100	2,200
	111,044	113,756

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	1,242,295	1,288,964
Social security costs	113,744	119,019
Pension costs	336,046	283,497
	<u>1,692,085</u>	<u>1,691,480</u>
Agency staff costs	13,306	12,538
	<u><u>1,705,391</u></u>	<u><u>1,704,018</u></u>

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	21	20
Administration and support	29	28
Management	3	3
	<u>53</u>	<u>51</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £272,463 (2019 - £322,527).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
T Hobson, Headteacher (resigned 31 January 2020)	Remuneration	20,000 - 25,000	75,000 - 80,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000
N Taylor	Remuneration	15,000 - 20,000	15,000 - 20,000
	Pension contributions paid	0 - 5,000	0 - 5,000
A Duke	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
J Maraspin (appointed 11 December 2019)	Remuneration	40,000 - 45,000	
	Pension contributions paid	5,000 - 10,000	

During the year ended 31 August 2020, expenses totalling £534 were reimbursed or paid directly to 1 Trustee (2019 - £1,221 to 1 Trustee).

12. Trustees' and Officers' insurance

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	7,089,549	317,498	1,863	330,384	7,739,294
Additions	-	2,250	-	17,369	19,619
At 31 August 2020	<u>7,089,549</u>	<u>319,748</u>	<u>1,863</u>	<u>347,753</u>	<u>7,758,913</u>
Depreciation					
At 1 September 2019	335,211	182,467	372	302,438	820,488
Charge for the year	56,758	31,974	187	12,175	101,094
At 31 August 2020	<u>391,969</u>	<u>214,441</u>	<u>559</u>	<u>314,613</u>	<u>921,582</u>
Net book value					
At 31 August 2020	<u>6,697,580</u>	<u>105,307</u>	<u>1,304</u>	<u>33,140</u>	<u>6,837,331</u>
At 31 August 2019	<u>6,754,338</u>	<u>135,031</u>	<u>1,491</u>	<u>27,946</u>	<u>6,918,806</u>

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>751</u>	<u>1,239</u>

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15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	5,194	3,134
Other debtors	-	3,598
Prepayments and accrued income	48,759	47,715
Tax recoverable	35,502	47,272
	89,455	101,719
	89,455	101,719

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	32,038	39,292
Other taxation and social security	27,106	29,866
Other creditors	27,662	24,201
Accruals and deferred income	37,519	19,012
	124,325	112,371
	124,325	112,371
	2020	2019
	£	£
Deferred income at 1 September 2019	3,981	7,940
Resources deferred during the year	20,544	3,981
Amounts released from previous periods	(3,981)	(7,940)
	20,544	3,981
	20,544	3,981

Deferred income represents income received in advance for rates relief, trips, events and catering for the 2020/21 academic year.

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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Designated funds	100,000	-	-	-	-	100,000
General funds						
General funds	148,589	101,082	(43,761)	-	-	205,910
Total Unrestricted funds	248,589	101,082	(43,761)	-	-	305,910
Restricted general funds						
General Annual Grant (GAG)	198,959	1,838,125	(1,840,633)	(8,467)	-	187,984
Pupil Premium	-	85,253	(85,253)	-	-	-
High Needs	-	36,979	(36,979)	-	-	-
Other Government Grants	-	9,229	(9,229)	-	-	-
Donations	-	8,100	(7,600)	-	-	500
Pension reserve	(614,000)	-	(107,000)	-	(287,000)	(1,008,000)
	(415,041)	1,977,686	(2,086,694)	(8,467)	(287,000)	(819,516)
Restricted fixed asset funds						
Capital grants from ESFA/DfE	6,918,806	9,231	(99,243)	-	-	6,828,794
Capital expenditure from PTA donations	-	1,922	(384)	-	-	1,538
Funded from GAG	-	-	(1,468)	8,467	-	6,999

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17. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
	<u>6,918,806</u>	<u>11,153</u>	<u>(101,095)</u>	<u>8,467</u>	<u>-</u>	<u>6,837,331</u>
Total Restricted funds	<u>6,503,765</u>	<u>1,988,839</u>	<u>(2,187,789)</u>	<u>-</u>	<u>(287,000)</u>	<u>6,017,815</u>
Total funds	<u><u>6,752,354</u></u>	<u><u>2,089,921</u></u>	<u><u>(2,231,550)</u></u>	<u><u>-</u></u>	<u><u>(287,000)</u></u>	<u><u>6,323,725</u></u>

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17. Statement of funds (continued)

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

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

High Needs funding

Income received from the Local Authority to fund further support for pupils with additional needs.

Other Government Grants

Income received from the ESFA to fund teachers pay increases and rates relief. This also contains income from the Local Authority for year 7 catch up funding.

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which are inherited each time a new member of staff is recruited, who has previously worked for an employer that subscribes to the Dorset Local Government Pension Scheme.

DfE/ESFA capital grants

Devolved Formula Capital funding from the ESFA to cover the maintenance and purchase of the academy's assets.

Designated Funds

The Trustees have designated a fund of £50,000 to cover the cost of long term staff absence as well also allocating a designated maintenance fund of £50,000.

Donations

Income received from external sources for restricted purposes.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Designated funds	-	-	(12,000)	112,000	-	100,000
General funds						
General funds	212,871	180,696	(132,978)	(112,000)	-	148,589
Total Unrestricted funds	212,871	180,696	(144,978)	-	-	248,589
Restricted general funds						
General Annual Grant (GAG)	342,896	1,650,584	(1,797,247)	2,726	-	198,959
Pupil Premium	-	86,345	(86,345)	-	-	-
High Needs	-	20,959	(20,959)	-	-	-
Other Government Grants	-	52,043	(52,043)	-	-	-
Pension reserve	(402,000)	-	(106,000)	-	(106,000)	(614,000)
	(59,104)	1,809,931	(2,062,594)	2,726	(106,000)	(415,041)
Restricted fixed asset funds						
Capital grants from ESFA/DfE	6,888,340	135,411	(102,219)	(2,726)	-	6,918,806
Total Restricted funds	6,829,236	1,945,342	(2,164,813)	-	(106,000)	6,503,765

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17. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Total funds	<u>7,042,107</u>	<u>2,126,038</u>	<u>(2,309,791)</u>	<u>-</u>	<u>(106,000)</u>	<u>6,752,354</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£	£
Tangible fixed assets	-	-	6,837,331	6,837,331
Current assets	430,235	188,484	-	618,719
Creditors due within one year	(124,325)	-	-	(124,325)
Provisions for liabilities and charges	-	(1,008,000)	-	(1,008,000)
Total	<u>305,910</u>	<u>(819,516)</u>	<u>6,837,331</u>	<u>6,323,725</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Restricted fixed asset funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Tangible fixed assets	-	-	6,918,806	6,918,806
Current assets	360,960	198,959	-	559,919
Creditors due within one year	(112,371)	-	-	(112,371)
Provisions for liabilities and charges	-	(614,000)	-	(614,000)
Total	<u>248,589</u>	<u>(415,041)</u>	<u>6,918,806</u>	<u>6,752,354</u>

EDUCATION SWANAGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	<u>(141,629)</u>	<u>(183,753)</u>
Adjustments for:		
Depreciation	101,094	102,219
Capital grants from DfE and other capital income	(11,153)	(135,411)
Interest receivable	(662)	(533)
Defined benefit pension scheme cost less contributions payable	96,000	96,000
Defined benefit pension scheme finance cost	11,000	10,000
Decrease/(increase) in stocks	488	(1,239)
Decrease/(increase) in debtors	12,264	(21,267)
Increase in creditors	9,230	12,281
Net cash provided by/(used in) operating activities	<u><u>76,632</u></u>	<u><u>(121,703)</u></u>

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20. Cash flows from investing activities

	2020	2019
	£	£
Interest receivable	662	533
Purchase of tangible fixed assets	(16,895)	(134,858)
Capital grants from DfE Group	9,231	135,411
Capital funding received from sponsors and others	1,922	-
Net cash (used in)/provided by investing activities	(5,080)	1,086

21. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	528,513	456,961
Total cash and cash equivalents	528,513	456,961

22. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	456,961	71,552	528,513
	456,961	71,552	528,513

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23. Pension commitments

The Academy'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 Dorset County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £27,143 were payable to the schemes at 31 August 2020 (2019 - £23,653) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

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23. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £172,400 (2019 - £115,096).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £89,000 (2019 - £95,000), of which employer's contributions totalled £67,000 (2019 - £72,000) and employees' contributions totalled £ 22,000 (2019 - £23,000). The agreed contribution rates for future years are 20 per cent for employers and 5.5 - 6.8 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Academy, who were the employees when the Academy opened and new employees who were eligible to, and did, join the Scheme subsequently. The obligation represents their cumulative service at the Academy at the balance sheet date.

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.

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.25	3.65
Rate of increase for pensions in payment/inflation	2.25	2.15
Discount rate for scheme liabilities	1.60	1.90
Inflation assumption (CPI)	2.25	2.15

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	23.3	22.9
Females	24.8	24.8
<i>Retiring in 20 years</i>		
Males	24.7	24.6
Females	26.2	26.6

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23. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(42)	(33)
Discount rate -0.1%	44	34
Mortality assumption - 1 year increase	58	37
Mortality assumption - 1 year decrease	(56)	(36)
CPI rate +0.1%	40	32
CPI rate -0.1%	(39)	(31)

The Academy's share of the assets in the scheme was:

	2020 £	2019 £
Equities	309,000	251,000
Liability Driven Investment	72,000	65,000
Property	59,000	52,000
Cash and other liquid assets	6,000	13,000
Other Bonds	47,000	35,000
Secured Income Funds	3,000	-
Diversified Growth Fund	34,000	29,000
Infrastructure	41,000	26,000
Multi Asset Credit	27,000	23,000
Total market value of assets	598,000	494,000

The actual return on scheme assets was a deficit of £23,000 compared to a surplus of £36,000 in 2019.

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(163,000)	(150,000)
Past service cost	-	(18,000)
Interest income	10,000	11,000
Interest cost	(21,000)	(21,000)
Total amount recognised in the Statement of financial activities	(174,000)	(178,000)

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23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	1,108,000	767,000
Interest cost	21,000	21,000
Employee contributions	22,000	23,000
Actuarial losses	286,000	131,000
Benefits paid	6,000	(2,000)
Past service costs	-	18,000
Current service cost	163,000	150,000
At 31 August	1,606,000	1,108,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	494,000	365,000
Interest income	10,000	11,000
Actuarial (losses)/gains	(1,000)	25,000
Employer contributions	67,000	72,000
Employee contributions	22,000	23,000
Benefits paid	6,000	(2,000)
At 31 August	598,000	494,000

24. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	12,533	-
Later than 1 year and not later than 5 years	9,974	-
	22,507	-

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NOTES TO THE FINANCIAL STATEMENTS
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25. 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of the account.

PJM Advertising Ltd in which A Rowley (Trustee) has a controlling interest:

Purchased advertising/marketing services at cost totalling £513 (2019: £250) of which £Nil (2019: £Nil) was outstanding at the year end.

MRM Products Limited in which A Rowley (Trustee) has a controlling interest:

Purchased advertising/marketing services at cost totalling £504 (2019: £Nil) of which £Nil (2019: £Nil) was outstanding at the year end.