

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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EDUCATION SWANAGE LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	V Angel (resigned 1 March 2021) P Angel (resigned 1 March 2021) P Collins A Corke (resigned 1 March 2021) C Drayson (resigned 15 September 2021) T Hamilton-Fletcher (appointed 16 September 2020) W Knight J Lejeune (resigned 1 March 2021) T Marcus V Millman (resigned 1 March 2021) N Newman H O'Connor S Parker (resigned 1 March 2021) E Pearson A Rowley (resigned 15 September 2021) J Starmer A Stephens C Styants H Sumbler J Tatchell (resigned 1 March 2021, appointed 15 September 2021) I Tooley W Trite
Trustees	P Angel (resigned 31 August 2021) P Collins A Duke H Etherington (appointed 2 November 2021) T Hamilton-Fletcher (appointed 16 September 2020) A Hines (appointed 7 December 2020) L King (appointed 30 September 2021) W Knight J Maraspin, Head Teacher T Marcus, Chair of Trustees J Martin (appointed 16 September 2020, resigned 8 February 2021) V Millman H O'Connor (appointed 16 September 2020, resigned 31 August 2021) A Rowley J Starmer C Starmer-Howes (appointed 18 January 2121) A Stephens (resigned 31 March 2021) C Styants (appointed 16 September 2020, resigned 31 August 2021) R Tapping (appointed 25 October 2021) N Taylor (resigned 31 October 2020) I Tooley
Company registered number	07613612

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal and registered office	The Swanage School High Street Swanage Dorset BH19 2PH
Accounting officer	J Maraspin
Senior management team	J Maraspin, Headteacher K Lawton, Deputy Head A Thomas, School Business Manager (appointed 4 January 2021) A Carvisiglia, School Business Manager (resigned 3 January 2021)
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 2021

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 330 in the school census on October 2020.

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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 Articles of Association.

The Swanage School's Governing Body comprises of 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.

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 6 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 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. The Governing Body is responsible for the recruitment of the Senior Leadership Team (Headteacher, Deputy Headteacher and Business Manager) and for the Clerk to Governors.

Under the Scheme of Delegation some activities and functions are delegated to the committees, the Headteacher (who is the accounting officer) and the Senior Leadership Team.

During the academic year 2020-21, as part of a review of effectiveness, the Governing Body altered the number of meetings it holds and made some changes to the committee structure. These changes came into effect for the final term (from April 2021). The changes were to reduce the number of meetings of the Full Board of Governors from half-termly to termly, to merge the Finance & Premises Committee with the Staffing Committee and to establish a separate Audit & Risk Committee.

During the year, the key responsibilities of the committees were:

Audit & Risk Committee (from April 2021); meets at least three times a year. Scopes and has oversight of internal audit, reviews external audit reports and has oversight of the risk register, reviewing risks identified by the other committees and Senior Leadership Team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Community & Engagement Committee; meets at least three times a year. Has oversight of all aspects of publicity and community engagement. From April 2021, it also has oversight of careers provision and will oversee the aim of the school to become an apprenticeship provider.

Finance & Premises Committee (dissolved from April 2021 - replaced with the Staffing, Finance & Premises Committee); met at least six times a year. Made delegated decisions and made recommendations to the Full Governing Body so as to ensure sound management of the school's finances and resources. The committee had delegated powers on financial, building and environmental matters, including health & safety and data protection. Prior to April 2021, it also had responsibility for internal audit - this responsibility moved to the Audit & Risk Committee when it was established.

Staffing Committee (dissolved from April 2021 - replaced with the Staffing, Finance & Premises Committee); met three times a year. Had oversight of all policies and processes used for the recruitment, retention, release and development of the staff of the school. The committee consulted with and supported the Headteacher with strategic aspects of staff restructuring, performance reviews and approving performance management policy annually.

Staffing, Finance & Premises Committee (from April 2021); meets at least six times a year. Makes delegated decision and makes recommendations to the Full Governing Body so as to ensure sound management of the school's finances, physical resources and staffing. It has delegated powers on financial, building, environmental matters and pay for staff including the Senior Leadership Team. The Committee has oversight of policies and processes relating to financial control, health & safety, data protection and for the recruitment, retention, release and development of staff. It consults with and supports the Headteacher with strategic aspects of staff restructuring, performance reviews and approving performance management policy annually.

Student Committee; meets at least six times a year. Has oversight of all aspects of learning and welfare that relates to students, including social, moral, spiritual and cultural and the curriculum. It reviews all policies relating to the curriculum and other student-related matters, except those policies which must remain the responsibility of the Full Governing Body.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 a scale of 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 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

In addition, the Full Governing Body will:

- Review feedback from staff
- Establish staff wellbeing policies and practice, reviewing annually
- Hold leadership to account for staff wellbeing, and support the wellbeing of Senior Leadership Team members

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

The Full Governing Body is responsible for setting the salary ranges and a scale of 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.

In setting pay ranges for key personnel, the governing body has regard to school teachers' pay and conditions for maintained school, and to relevant surveys on pay (for example Kreston Reeves' Academies Benchmark reports and/ or the Institute of School Business Leaders workforce survey reports).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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:

Key Aims:

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, the 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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, Strategies and Activities

Our objectives for 2020-2021 were as follows:

Covid catch up and risk management:

- Build and safeguard emotional and mental wellbeing for staff and students.
- Gaps in knowledge and understanding due to lockdown are clearly identified for all students, intervention is carefully targeted and catch-up strategies are effective.
- Tracking, recording and monitoring of intervention strategies demonstrates good progress and high impact.
- All curriculum planning for Year 11 reflects and incorporates changes to 2021 GCSEs.
- Risk mitigation and management.

The quality of education:

- All parents and students have access to curriculum mapping, objectives and comprehensive supporting lesson resources for every subject through the school's website, management information system parent portal, SharePoint site and written communication home.
- Quality of provision and support for all students with special educational needs and disabilities is consistently good. All intervention has evidence of demonstrative impact on the progress of participants.
- Academic challenge is improved and established throughout the KS3 curriculum.
- Clear career pathway established and integrated into Year 7 - Year 11 curriculum.
- The Swanage School is established as an affiliated apprenticeship provider.

Behaviour and attitudes:

- Improve whole school attendance to be above national average.
- 95% reported attitudes to learning are good or better, and where they are not, an individual support plan is in place to help students improve.

Personal development of students:

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

Leadership and management:

- Ensure long term financial sustainability.
- Improve internal monitoring and impact evaluation of all performance management and upper pay scale objectives.
- Communication with parents becomes a strength of the school including written reporting.
- The internal and external continuing professional development programmes provide opportunities for staff to develop new skills.

Wider aims and goal:

- Effective marketing raises the profile of The Swanage School in the community and leads to an increase in the number of students on roll.
- Develop whole school awareness and strategy to reduce the school's impact on the environment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. 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

a. Achievements and performance summary

In March 2018 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 success

Teaching and Learning

Students at The Swanage School typically make good progress, especially in English and Mathematics. 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 2021 the school's progress is thought to be above national average (based on estimates made by the FFT subscription service). However, as a consequence of changes to arrangements resulting from the government response to the Covid-19 pandemic, national data has not been published by the government for 2021 or for 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Behaviour

- Whole school attendance inevitably suffered due to the pandemic as a result of lockdowns and self-isolation during 2020-21. It remains a key focus and, whilst some issues remain as a result of the pandemic directly or indirectly, whole school attendance rates are continuing to improve back up to pre-Covid levels, when the school was on target for exceeding its target of 95%.
- 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 Senior Leadership Team have all been appointed to their current posts since March 2020. This period has been extremely challenging for all schools due to the Covid pandemic and the government policies, which together have created a constantly shifting environment during the period since March 2020. The governors have kept a close and supportive overview of the school during that period and have been extremely pleased with the leadership demonstrated as well as by the attitudes of staff. The school has been quick to move to virtual teaching and learning and has developed and improved over time. Many of the technologies embraced during lockdown have been found to have positive benefits and so will continue to be used as the effects of the pandemic subside. The school has also regularly been checking on the welfare of students and staff and providing appropriate support.
- Due to the pandemic, the objective for The Swanage School to be established as an affiliated apprenticeship provider was put on hold.

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.

c. Key Performance Indicators

The school's key performance indicators are:

Number on roll: 330 (Oct 2020)

Ofsted inspection outcomes: 2018: Good

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial Review

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, making an in-year surplus. 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 £1,264,000 against the local government defined benefit pension scheme, this does not materially affect the financial position of the academy. As at 31 August 2021, The Swanage School had £385,394 (2020: £305,910) of unrestricted reserves, of which £100,000 has been designated to cover the cost of long term absence and maintenance. In addition, the school had £181,736 (2020: £187,984) of General Annual Grant restricted reserves, £Nil (2020: £500) of restricted donations and £8,000 (2020: £Nil) of Covid catch up premium carried forward as at 31 August 2021.

Covid-19 did not have a detrimental fiscal impact during 2020-21, in that the school received additional funding and experienced lower costs during school closure periods. The funding has, and continues to, be used to support pupils catch up with their learning by providing additional intervention support and small group work, investment in technology to support remote teaching and learning and other online resources, diagnostic testing to establish baselines and measure progress, and investment in schemes to support student wellbeing and self-esteem.

a. Reserves policy

The Trustees review the level of reserves at the Staffing, Finance & Premises Committee, formerly Finance & 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 year end (excluding the pension deficit reserve and restricted fixed asset fund) totalled £575,130, which equates to approximately three months of recurring expenditure. Excluding the designated reserves of £100,000, this leaves £475,130, of which £8,000 is restricted to Covid Catch-up Premium. The target as per the Academy's reserve policy for this figure being between 12.75% and 18.75% of annual revenue (between £290,669 and £427,454) based on this year's income.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

(continued)

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 developmental priorities for the future should be read in conjunction with the School Development Plan. These priorities come from reflecting on recent GCSE results, feedback from staff, students, parents and governors, as well as feedback from the Ofsted Inspection in March 2018. The leadership team has refreshed the vision for the school, supported by governors, and the objectives for the coming year reflect this.

The quality of education

- Embedding formative assessment: whole school focus on developing a culture of responsive teaching through effective, consistent use of formative assessment strategies.
- Deliver an outstanding Key Stage 3 project-based learning curriculum: Academic challenge is improved and established throughout the Key Stage 3 project-based learning curriculum.
- Improving consistency and impact of 'curriculum support activities' (homework).

Behaviour and attitudes

- Address issues raised in the OFSTED 'review of sexual abuse in schools and colleges' report. Establish a culture of 'Not at The Swanage School' zero tolerance amongst the student body.

Personal development

- Developing character: implementation of 'crew' ideology and programme centred around four 'pillars': productivity, community, character and ambition.

Leadership and management

- Clearly communicate and engage all staff with vision and aims of the school.

In addition to the core developmental priorities above, key operational priorities remain:

Covid catch-up and support

- Build and safeguard emotional and mental wellbeing for staff and students.
- All curriculum planning for Year 11 reflects and incorporates changes to 2022 GCSEs.

The quality of education

- Quality of provision and support for all students with special educational needs and disabilities is consistently good. All intervention has evidence of demonstrative impact on the progress of participants.

Behaviour and attitudes

- Improve whole school attendance to 95.5%.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods (continued)

Leadership and management

- Ensure long term financial sustainability.
- Communication with parents continues to grow as a strength of the school including written reporting.

Wider aims and goals

- Effective marketing raises the profile of The Swanage School in the community.

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 8 December 2021 and signed on its behalf by:



T Marcus
Chair of Trustees

EDUCATION SWANAGE LIMITED
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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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 full Board of Trustees formally met 6 times during the year 2020/21.

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

Trustee	Meetings attended	Out of a possible
P Angel	4	6
P Collins	5	6
A Duke (Staff Trustee)	6	6
H Etherington	6	6
A Hines	4	4
W Knight	6	6
J Maraspin (Headteacher)	6	6
T Marcus	6	6
J Martin	2	3
V Millman	3	6
H O'Connor	3	5
A Rowley	4	6
J Starmer	6	6
C Starmer-Howes	2	3
A Stephens	1	5
C Styants	1	6
N Taylor (Staff Trustee)	1	2
I Tooley	6	6
I Tooley	0	0

Notes:

- Tanya Hamilton-Fletcher and Joanne Martin were elected by members of the Academy Trust on 16 September 2020
- Helen O'Connor and Carl Styants were co-opted on 16 September 2020 for a period to 31 August 2021. Mr Styants experienced ill-health during the year, hence his low attendance at meetings
- Nicola Taylor's term of office as a Staff Governor ended on 11 April 2020. Due to the school closure (as a result of Covid-19) an election for a replacement was not held and she was co-opted back to the Board of Governors on 6 May 2020 for an interim period to 31 October 2020.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Adam Hines was elected as a Staff Governor on 7 December 2020
- Catherine Starmer-Howes was elected as a Parent Governor on 20 January 2021
- Joanne Martin resigned on 8 February 2021.
- Alison Stephens was granted a 'leave of absence' from meetings for the year, whilst retaining her position as a Governor, due to a clash with work-related external training. She resigned as a Governor effective 31st March 2021.
- Paul Angel resigned on 31 August 2021

Information for meetings is agreed between the chair of each meeting and the relevant member of the Senior Leadership Team. Financial data, including budget monitoring, key performance indicators, cashflow forecast, and student progress data are regularly reviewed, and are presented in a format agreed between Trustees and the Leadership Team. Papers are provided in advance and discussion at meetings is open and honest, enabling the Governing Body to fulfil its obligation to effectively hold the Senior Leadership Team to account, and to support them as appropriate.

Despite the additional pressures on the Senior Leadership Team created by the extraordinary circumstances of the year, as a result of the pandemic, they and the Trustees felt it remained important to maintain the usual schedule of meetings throughout the year to ensure oversight, accountability and support. Meetings of the full Governing Body and of its committees were held via remote access during the whole of the academic year 2020-21. The technology worked well and meetings remained effective.

A new Business Manager was appointed by the Board in late December 2020, taking up post in January 2021, following the resignation of the previous postholder.

Each committee regularly evaluates its effectiveness and the Board as whole undertook a review of governance during the Autumn Term 2020. As a result of this review the Board made changes to its committee structure and the number of meetings, which came into effect from the Summer Term (from April 2021). The Board also commissioned an external review of governance, conducted by the school's internal auditor during March 2021. This external review looked at all aspects of governance and compliance with the Academies Financial Handbook (now the Academy Trust Handbook), the outcome of which was very positive, and the auditor was also asked by the Board of Trustees to consider the question of whether the Academy Trust Members can effectively hold Trustees to account. As a result of the review, several recommendations arose which were subsequently adopted by both Trustees and Members. These were:

- to invite Trustees who were also members to resign their membership to reduce the overlap
- to move the timing of the Annual General Meeting to better align with the publication of the financial statements and accounts
- to hold an additional General Meeting of Members during the year.

Members also agreed that additional byelaws be created to reflect updates made by the Department for Education to the model Articles of Association for Academies.

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 communications skills such as ability to challenge, working with others, acting with integrity, sound judgement and willing to reflect. Although none of the Trustees has a legal background, the Governing Body has access to legal advice through its membership of the National Governance Association. Additional Trustees are co-opted as needed.

The Board publishes a Governance Impact Statement on the school's website.

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GOVERNANCE STATEMENT (CONTINUED)

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.

Maximising income generation

Lettings: The school closed in March 2020 when the UK went into lockdown. This had a detrimental effect on the forecasted income for lettings for the financial year 2020-21. Prior to lockdown, lettings income was increasing with all week-day evening slots booked for use of the sports hall. The school fully reopened for lettings in July 2021 when Covid restrictions were lifted. Hire of the facilities in the evenings has recovered well to pre-Covid levels, and weekend use is growing.

Grants and funding: Having accessed grants and donations during the first lockdown in the Summer Term 2020 to provide meals to vulnerable members of the community, the school secured additional funding during the lockdown in the Spring Term of 2021 to again offer this service to the community. Meals were delivered by staff and volunteers.

The Business Manager is astute at ensuring the school benefits from funding available to it from government.

Facilities management services: The provision of Facilities Management services to the adjacent primary school continues to provide an income to the school.

Sustaining High Quality Educational Results

Examination results and the progress of pupils remained strong within the context of efficient use of school resources. Systems were purchased and quickly utilized to enable delivery of education in a virtual environment during the national lockdown from March 2020, and adaptation has continued throughout the period of the pandemic. In July 2021, the Governing Body approved the supply of Chromebooks to new intake students to invest in blended learning in the classroom and to ensure all incoming students have access to technology for education. Whilst the introduction is subject to a pilot scheme for students entering in September 2021, the aim is to embed a rolling programme such that all students will have their own device to bring to school.

Financial Governance and Oversight

In addition to the main year-end audit, two internal audits are conducted annually by external firm Albert Goodman. The nature of these is scoped by Trustees in discussion with the Senior Leadership Team, with a focus on any perceived risks.

Members of the Finance and Premises Committee (now the Staffing, Finance & Premises Committee) receive half termly budget monitoring reports, with the Chair of Trustees, Chair of the Committee 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.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

All contracts and service level agreements were reviewed during 2020-21, with alternative contractors being appointed where savings could be made without detrimental impact on the quality of the service provided, and the school reviewed much of its cost base during the year.

Three positive cost savings were:

Sage: Moving to Sage Business Cloud Accounting from Sage 50. This new version accounting software is £58 per month per cheaper. It is cloud based meaning it is much more accessible via the internet and the functionality is far better, with time saving automation of tasks such as paying debtors and creating the 126 VAT return.

Arbor: Arbor is our new management information system (MIS) software. It has a function to text parents for free, and this has created a significant saving of £1000 per year in postage costs.

Community Lettings software: The school wished to improve the efficiency of managing the hire of facilities to external parties. This has been achieved in-house by integrating excel and outlook functions, saving the need to purchase bespoke software which would have cost £50 - £150 per month.

Negative Impact of Covid 19 (value for money)

The pandemic has made it very difficult to obtain three quotations for more specialist purchases when involving skilled tradespeople. A recent example was when emergency lighting required repair, costing £2,106.87. It was simply not possible to obtain three tenders for this crucial work and a local supplier was used.

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 2020 to 31 August 2021 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 2020 to 31 August 2021 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:

- Review of full board and finance committee minutes.
- Compliance with the requirements of the Academy Financial Handbook and requirements for display of information on the academy's website, Companies House and Get Information About Schools.
- Management information presented to Trustees, alongside reviewing the underlying monthly reconciliations.
- Records of decisions made and confirmation that required policies are in place.
- Expense claims and purchases made by the Accounting Officer.
- Business interest and any related party transacted.
- Board's review of executive pay.
- Cash collection procedures.
- Role of the members of the Academy Trust and whether they can appropriately hold the Board of Trustees to account.

The Board of Trustees has decided to employ Albert Goodman Chartered Accountants as internal auditor.

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.

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on their behalf by:



T Marcus
Chair of Trustees



J Maraspin
Accounting Officer

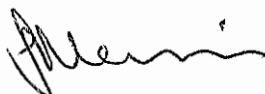
EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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 2020.

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 2020.

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: 8 December 2021

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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 8 December 2021 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 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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

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

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

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

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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Our audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process

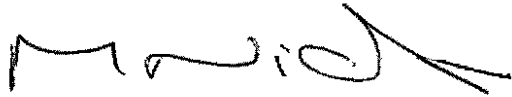
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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



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

Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX
Registered Auditors

8 December 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 2020 to 2021, 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 2020 to 31 August 2021 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 the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Education Swanage Limited and the 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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)**



Misty Nickells FCA (Senior statutory auditor)
Reporting Accountant
Griffin
Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

Date: 8 December 2021

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	15,498	9,192	25,657	50,347	36,425
Charitable activities		65,098	2,182,259	-	2,247,357	2,032,686
Other trading activities		7,653	-	-	7,653	20,148
Investments	6	57	-	-	57	662
Total income		88,306	2,191,451	25,657	2,305,414	2,089,921
Expenditure on:						
Raising funds		-	11,851	-	11,851	7,859
Charitable activities		-	2,323,617	106,903	2,430,520	2,223,691
Total expenditure		-	2,335,468	106,903	2,442,371	2,231,550
Net income/(expenditure)		88,306	(144,017)	(81,246)	(136,957)	(141,629)
Transfers between funds	17	(8,822)	(1,731)	10,553	-	-
Net movement in funds before other recognised gains/(losses)		79,484	(145,748)	(70,693)	(136,957)	(141,629)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(109,000)	-	(109,000)	(287,000)
Net movement in funds		79,484	(254,748)	(70,693)	(245,957)	(428,629)
Reconciliation of funds:						
Total funds brought forward		305,910	(819,516)	6,837,331	6,323,725	6,752,354
Net movement in funds		79,484	(254,748)	(70,693)	(245,957)	(428,629)
Total funds carried forward		385,394	(1,074,264)	6,766,638	6,077,768	6,323,725

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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

The notes on pages 32 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	6,765,138	6,837,331
		<u>6,765,138</u>	<u>6,837,331</u>
Current assets			
Stocks	14	830	751
Debtors	15	102,034	89,455
Cash at bank and in hand		612,671	528,513
		<u>715,535</u>	<u>618,719</u>
Creditors: amounts falling due within one year	16	(138,905)	(124,325)
Net current assets		<u>576,630</u>	<u>494,394</u>
Total assets less current liabilities		<u>7,341,768</u>	<u>7,331,725</u>
Net assets excluding pension liability		<u>7,341,768</u>	<u>7,331,725</u>
Defined benefit pension scheme liability	23	(1,264,000)	(1,008,000)
Total net assets		<u><u>6,077,768</u></u>	<u><u>6,323,725</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	6,766,638	6,837,331
Restricted income funds	17	189,736	188,484
		<u>6,956,374</u>	<u>7,025,815</u>
Restricted funds excluding pension asset	17	6,956,374	7,025,815
Pension reserve	17	(1,264,000)	(1,008,000)
Total restricted funds	17	<u>5,692,374</u>	<u>6,017,815</u>
Unrestricted income funds	17	<u>385,394</u>	<u>305,910</u>
Total funds		<u><u>6,077,768</u></u>	<u><u>6,323,725</u></u>

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The financial statements on pages 27 to 60 were approved by the Trustees, and authorised for issue on 08 December 2021 and are signed on their behalf, by:



T Marcus
Chair of Trustees

The notes on pages 32 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	97,378	76,632
Cash flows from investing activities	20	(13,220)	(5,080)
Change in cash and cash equivalents in the year		84,158	71,552
Cash and cash equivalents at the beginning of the year		528,513	456,961
Cash and cash equivalents at the end of the year	21, 22	<u><u>612,671</u></u>	<u><u>528,513</u></u>

The notes on pages 32 to 60 form part of these financial statements

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Board of Trustees has a reasonable expectation that the trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The academy had a strong revenue reserves position at the 31 August 2021 of £575,130 with £612,671 held of cash at this date. A detailed budget for 2021/22 has been prepared and updated to include the impact of COVID-19, such as additional cleaning costs and a provision for supply if existing staff are unable to cover for colleagues needing to isolate. This budget for 2021/22 is forecasting a small surplus after taking these additional costs into account.

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.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

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.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 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.

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 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 2021. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	15,498	9,192	16,063	40,753
Capital Grants	-	-	9,594	9,594
	<u>15,498</u>	<u>9,192</u>	<u>25,657</u>	<u>50,347</u>
	<u><u>15,498</u></u>	<u><u>9,192</u></u>	<u><u>25,657</u></u>	<u><u>50,347</u></u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
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>
	<u><u>17,172</u></u>	<u><u>8,100</u></u>	<u><u>11,153</u></u>	<u><u>36,425</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant	-	1,814,701	1,814,701
Other DfE/ESFA Grants	-	42,124	42,124
Pupil Premium	-	90,046	90,046
Teachers pay and pension grant	-	85,833	85,833
	-	-	2,032,704
Other Government grants			
Special Educational Needs	-	50,070	50,070
Other government grants	-	33,542	33,542
	-	83,612	83,612
Other income from the Academy's education	65,098	-	65,098
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	26,400	26,400
Mass Testing	-	28,980	28,980
Other DfE/ESFA COVID-19 funding	-	6,178	6,178
	-	61,558	61,558
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	4,385	4,385
	-	4,385	4,385
	65,098	2,182,259	2,247,357

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 'COVID-19 additional funding (DfE/ESFA)'.

The Academy received £26,400 of funding for catch-up premium and costs incurred in respect of this funding totalled £18,400, with the remaining £8,000 to be spent in 2021/22.

The academy furloughed its staff under the government's CJRS. The funding received of £4,385 relates to staff costs in respect of two staff members which are included within note 11 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant	-	1,672,913	1,672,913
Other DfE/ESFA Grants	-	89,850	89,850
Pupil Premium	-	85,253	85,253
Teachers pay and pension grant	-	83,958	83,958
	-	-	1,931,974
Other Government grants			
Special Educational Needs	-	36,979	36,979
	-	36,979	36,979
Other income from the Academy's education	63,100	-	63,100
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	633	633
	-	633	633
	<u>63,100</u>	<u>1,969,586</u>	<u>2,032,686</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	4,194	4,194
Other	3,459	3,459
	7,653	7,653
	7,653	7,653

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Hire of facilities	18,235	18,235
Other	1,913	1,913
	20,148	20,148
	20,148	20,148

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	57	57
	57	57
	57	57

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising voluntary income:				
Direct costs	-	-	11,851	11,851
Expenditure on fundraising trading activities:				
Direct costs	-	-	-	-
Education:				
Direct costs	1,371,586	43,885	147,123	1,562,594
Allocated support costs	525,367	158,399	184,160	867,926
	<u>1,896,953</u>	<u>202,284</u>	<u>343,134</u>	<u>2,442,371</u>
	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	1,258,160	45,582	146,048	1,449,790
Allocated support costs	447,233	138,973	186,695	772,901
	<u>1,705,393</u>	<u>184,555</u>	<u>340,602</u>	<u>2,230,550</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Education	1,562,594	867,926	2,430,520

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	1,449,790	772,901	2,222,691

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	1,348,196	1,244,852
Depreciation	82,449	81,188
Educational supplies	42,961	36,174
Examination fees	17,062	25,229
Staff development	16,538	6,313
Other costs	8,885	6,513
Supply teachers	23,390	13,306
Cleaning	-	7,600
Security and transport	20,448	20,150
Technology costs	2,665	8,465
	<u>1,562,594</u>	<u>1,449,790</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Pension income	15,000	10,000
Staff costs	525,367	447,233
Depreciation	24,454	19,907
Other costs	15,928	15,929
Recruitment and other staff costs	7,405	12,605
Maintenance of premises and equipment	53,983	36,478
Cleaning	13,653	11,985
Rent and rates	26,363	23,406
Heat and light	51,563	26,743
Insurance	6,030	7,166
Catering	50,410	54,302
Technology costs	17,425	28,210
Office overheads	32,519	43,947
Legal and professional	13,233	20,060
Bank interest and charges	1,230	1,046
Governance costs	13,363	13,884
	<u>867,926</u>	<u>772,901</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	106,903	101,094
Fees paid to auditors for:		
Auditors' remuneration - audit	7,850	7,850
- other services	1,500	2,100
	<u>106,253</u>	<u>111,044</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,340,044	1,242,295
Social security costs	123,663	113,744
Pension costs	409,856	336,046
	<u>1,873,563</u>	<u>1,692,085</u>
Agency staff costs	23,390	13,937
	<u>1,896,953</u>	<u>1,706,022</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	21	20
Administration and support	29	28
Management	3	3
	<u>53</u>	<u>51</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	20	20
Administration and support	18	14
Management	4	3
	<u>42</u>	<u>37</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Higher paid staff

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

	2021	2020
	No.	No.
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 £324,329 (2020 - £272,463).

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:

		2021	2020
		£	£
J Maraspin	Remuneration	75,000 - 80,000	<i>40,000 - 45,000</i>
	Pension contributions paid	5,000 - 10,000	<i>5,000 - 10,000</i>
N Taylor (resigned 31 October 2020)	Remuneration	0 - 5,000	<i>15,000 - 20,000</i>
	Pension contributions paid	0 - 5,000	<i>0 - 5,000</i>
A Duke	Remuneration	45,000 - 50,000	<i>40,000 - 45,000</i>
	Pension contributions paid	5,000 - 10,000	<i>10,000 - 15,000</i>
A Hines (appointed 7 December 2020)	Remuneration	20,000 - 25,000	
	Pension contributions paid	5,000 - 10,000	

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £534 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	7,089,549	319,748	1,863	347,753	7,758,913
Additions	-	7,738	-	26,972	34,710
At 31 August 2021	<u>7,089,549</u>	<u>327,486</u>	<u>1,863</u>	<u>374,725</u>	<u>7,793,623</u>
Depreciation					
At 1 September 2020	391,969	214,441	559	314,613	921,582
Charge for the year	56,722	32,749	186	17,246	106,903
At 31 August 2021	<u>448,691</u>	<u>247,190</u>	<u>745</u>	<u>331,859</u>	<u>1,028,485</u>
Net book value					
At 31 August 2021	<u>6,640,858</u>	<u>80,296</u>	<u>1,118</u>	<u>42,866</u>	<u>6,765,138</u>
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>

14. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>830</u>	<u>751</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	11,898	5,194
Prepayments and accrued income	63,274	48,759
Tax recoverable	26,862	35,502
	102,034	89,455
	102,034	89,455

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	32,245	32,038
Other taxation and social security	31,620	27,106
Other creditors	31,993	27,662
Accruals and deferred income	43,047	37,519
	138,905	124,325
	138,905	124,325

	2021 £	2020 £
Deferred income at 1 September 2020	20,544	3,981
Resources deferred during the year	22,919	20,544
Amounts released from previous periods	(2,375)	(3,981)
	41,088	20,544
	41,088	20,544

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
Designated funds	100,000	-	-	-	-	100,000
General funds						
General funds	205,910	88,306	-	(8,822)	-	285,394
Total Unrestricted funds	305,910	88,306	-	(8,822)	-	385,394
Restricted general funds						
General Annual Grant	187,984	1,814,702	(1,819,219)	(1,731)	-	181,736
Pupil Premium	-	90,046	(90,046)	-	-	-
Special Educational Needs	-	50,070	(50,070)	-	-	-
Other government grants	-	33,542	(33,542)	-	-	-
Donations	500	9,192	(9,692)	-	-	-
Covid catch up premium	-	26,400	(18,400)	-	-	8,000
Covid mass testing	-	28,980	(28,980)	-	-	-
Other DfE/ESFA COVID-19 funding	-	6,178	(6,178)	-	-	-
Covid funding (Furlough)	-	4,385	(4,385)	-	-	-
Teachers pay and pension grant	-	85,833	(85,833)	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Other DfE/ESFA grants	-	42,123	(42,123)	-	-	-
Pension reserve	(1,008,000)	-	(147,000)	-	(109,000)	(1,264,000)
	<u>(819,516)</u>	<u>2,191,451</u>	<u>(2,335,468)</u>	<u>(1,731)</u>	<u>(109,000)</u>	<u>(1,074,264)</u>
Restricted fixed asset funds						
Capital grants from ESFA/DfE	6,828,794	9,594	(101,123)	8,822	-	6,746,087
Capital expenditure from PTA donations	1,538	-	-	-	-	1,538
Funded from GAG	6,999	-	(2,485)	1,731	-	6,245
Donations	-	16,063	(3,295)	-	-	12,768
	<u>6,837,331</u>	<u>25,657</u>	<u>(106,903)</u>	<u>10,553</u>	<u>-</u>	<u>6,766,638</u>
Total Restricted funds	<u>6,017,815</u>	<u>2,217,108</u>	<u>(2,442,371)</u>	<u>8,822</u>	<u>(109,000)</u>	<u>5,692,374</u>
Total funds	<u><u>6,323,725</u></u>	<u><u>2,305,414</u></u>	<u><u>(2,442,371)</u></u>	<u><u>-</u></u>	<u><u>(109,000)</u></u>	<u><u>6,077,768</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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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.

Special Educational Needs

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

Teachers Pay and Pension Grants

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

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.

Catch-up Premium

Catch-up premium received from the ESFA in response to the COVID-19 pandemic.

Other COVID-19 funding

Free schools meal cost funding received in response to the COVID-19 pandemic.

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 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
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	198,959	1,838,125	(1,840,633)	(8,467)	-	187,984
Pupil Premium	-	85,253	(85,253)	-	-	-
Special Educational 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

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17. Statement of funds (continued)

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Capital expenditure from PTA donations	-	1,922	(384)	-	-	1,538
Funded from GAG	-	-	(1,468)	8,467	-	6,999
	<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>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021	Restricted funds 2021	Restricted fixed asset funds 2021	Total funds 2021
	£	£	£	£
Tangible fixed assets	-	-	6,765,138	6,765,138
Current assets	524,299	189,736	1,500	715,535
Creditors due within one year	(138,905)	-	-	(138,905)
Provisions for liabilities and charges	-	(1,264,000)	-	(1,264,000)
Total	<u><u>385,394</u></u>	<u><u>(1,074,264)</u></u>	<u><u>6,766,638</u></u>	<u><u>6,077,768</u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
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>

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	<u>(136,957)</u>	<u>(141,629)</u>
Adjustments for:		
Depreciation	106,903	101,094
Capital grants from DfE and other capital income	(24,157)	(11,153)
Interest receivable	(57)	(662)
Defined benefit pension scheme cost less contributions payable	131,000	96,000
Defined benefit pension scheme finance cost	16,000	11,000
(Increase)/decrease in stocks	(79)	488
(Increase)/decrease in debtors	(12,579)	12,264
Increase in creditors	17,304	9,230
Net cash provided by operating activities	<u>97,378</u>	<u>76,632</u>

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20. Cash flows from investing activities

	2021	2020
	£	£
Interest receivable	57	662
Purchase of tangible fixed assets	(22,871)	(16,895)
Capital grants from DfE Group	9,594	9,231
Capital funding received from sponsors and others	-	1,922
Net cash used in investing activities	(13,220)	(5,080)

21. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	612,671	528,513
Total cash and cash equivalents	612,671	528,513

22. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	528,513	84,158	612,671
	528,513	84,158	612,671

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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 £31,620 were payable to the schemes at 31 August 2021 (2020 - £27,143) 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 £191,000 (2020 - £172,400).

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 2021 was £131,000 (2020 - £89,000), of which employer's contributions totalled £87,000 (2020 - £67,000) and employees' contributions totalled £ 26,000 (2020 - £22,000). 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 1.11 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

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25

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23. Pension commitments (continued)

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	23.1	23.3
Females	24.6	24.8
<i>Retiring in 20 years</i>		
Males	24.4	24.7
Females	26.1	26.2

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(57)	(42)
Discount rate -0.1%	58	44
Mortality assumption - 1 year increase	86	58
Mortality assumption - 1 year decrease	(82)	(56)
CPI rate +0.1%	54	40
CPI rate -0.1%	(52)	(39)

Share of scheme assets

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

	2021 £	2020 £
Equities	482,000	309,000
Liability Driven Investment	104,000	72,000
Property	77,000	59,000
Cash and other liquid assets	14,000	6,000
Other Bonds	49,000	47,000
Secured Income Funds	-	3,000
Diversified Growth Fund	58,000	34,000
Infrastructure	54,000	41,000
Multi Asset Credit	41,000	27,000
Total market value of assets	879,000	598,000

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23. Pension commitments (continued)

The actual return on scheme assets was £141,000 (2020 - £23,000).

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

	2021 £	2020 £
Current service cost	(218,000)	(163,000)
Interest income	11,000	10,000
Interest cost	(26,000)	(21,000)
Administrative expenses	(1,000)	-
Total amount recognised in the Statement of financial activities	(234,000)	(174,000)

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

	2021 £	2020 £
At 1 September	1,606,000	1,108,000
Interest cost	26,000	21,000
Employee contributions	26,000	22,000
Actuarial losses	239,000	286,000
Benefits paid	28,000	6,000
Current service cost	218,000	163,000
At 31 August	2,143,000	1,606,000

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

	2021 £	2020 £
At 1 September	598,000	494,000
Interest income	11,000	10,000
Actuarial gains/(losses)	130,000	(1,000)
Employer contributions	87,000	67,000
Employee contributions	26,000	22,000
Benefits paid	28,000	6,000
Administrative expenses	(1,000)	-
At 31 August	879,000	598,000

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24. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	22,330	12,533
Later than 1 year and not later than 5 years	21,094	9,974
Later than 5 years	29,493	-
	<u>72,917</u>	<u>22,507</u>

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.