

REGISTERED COMPANY NUMBER: 07613612 (England and Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2018
for
Education Swanage Limited**

Ward Goodman
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Education Swanage Limited
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for the Year Ended 31 August 2018

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Education Swanage Limited

**Reference and Administrative Details
for the Year Ended 31 August 2018**

TRUSTEES

G J Atkinson (resigned 23.5.2018)
T Hobson
W Knight
J P Lejeune (resigned 14.9.2017)
S Parker (resigned 14.9.2017)
A R Rowley
A Stephens
C Styants
I J Tooley
N Brady
E Wyer (resigned 14.9.2017)
M Hatto
J Peacock (resigned 14.9.2017)
J Daulby (appointed 14.9.2017) (resigned 16.3.2018)
N Taylor
C Starmer-Howes
N Newman
T D Marcus
B Gibbard (appointed 29.3.2018)
A Beal (appointed 31.1.2018)
P Collins (appointed 24.9.18)

REGISTERED OFFICE

The Swanage School
High Street
Swanage
Dorset
BH19 2PH

REGISTERED COMPANY NUMBER

07613612 (England and Wales)

INDEPENDENT AUDITORS

Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

**Report of the Trustees
for the Year Ended 31 August 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

Key Aims

Academic Ambition

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

We will:

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

The Swanage School Way

Our first intake of students worked together to determine The Swanage School Way. At The Swanage School we:

- 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.

Learning and Teaching

Our objectives for 2017-18 were to:

- Ensure students' progress was in line with top 20% of schools nationally, measured by Progress 8.
- Ensure there is effective academic challenge for all students and in particular for:
 - a. More able students
 - b. Boys
 - c. Disadvantaged students
- Develop the quality of teaching and learning with the aim to reduce in-school variation.
- Improve the level of literacy across the curriculum.
- Ensure maths is developed within the curriculum (as per changes to GCSE specifications).
- Project Based Learning - to facilitate effective independent learning with integrated literacy and maths.

Behaviour

Our objectives for 2017-18 were to:

- Improve whole school attendance to 95%.
- Develop students' self-efficacy. Students have a distinctive Swanage School personality: confident, caring, and resilient with high expectation of themselves and others.

**Report of the Trustees
for the Year Ended 31 August 2018**

Leadership

Our objectives for 2017-18 were to:

- Develop the profile of the school locally, regionally and nationally.
- Ensure SEN provision is cost effective and best meets the needs of the children and within budget.
- Ensure student progress data collection has impact on student learning and progress.
- Lobby for change LA's home-school transport policy.
- Enable middle leaders to work through their teams to achieve whole school objectives.

Operational Excellence

- Create a school environment, which is inspiring on entry and all-round the school.
- Access alternative sources of funds to improve school revenue.
- Improve the quality of communication and procedural effectiveness within school.

Principal activities

The trust operates a free school for pupils aged 11 to 16 servicing a catchment of Swanage and the surrounding villages. It has a pupil capacity of 420 and had a roll of 317 in the school census on 4th October 2018.

Public benefit

The Swanage School's principle objective is to provide education to students of all abilities between the ages of 11 and 16.

The academy trustees have complied with their duty to have due regard to the guidance on the public benefit published by the Charity Commission in exercising their powers and duties.

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

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

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

Teaching and Learning

Students at The Swanage School made excellent progress being made in almost all subject areas. 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 2018 the school's Progress of 0.55 put the school well within the top 10% of schools nationally for progress, and the second best school in Dorset Local Authority.

**Report of the Trustees
for the Year Ended 31 August 2018**

Behaviour

- Whole school attendance has improved over the course of the year but has yet to reach the 95% target. This continues to be a focus for the school.
- The school is a vibrant happy place where children, staff and governors enjoy and take pride in the calm focussed atmosphere. Developing the character of students and the school is an ongoing objective.

Leadership and Operational Excellence

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

Provision for SEN students is good - students with special educational need made progress, in line with the overall excellent progress in the school as evidenced by GCSE results 2018.

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

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

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

FINANCIAL REVIEW

Financial position

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 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

Whilst there is a liability of £402k against the local government defined benefit pension scheme this does not materially affect the financial position of the academy. As at 31st August 2018 The Swanage School had £213k of unrestricted reserves, £343k GAG restricted reserves, £6,888k capital restricted reserves and negative £402k LGPS pension reserves. Overall the academy has £7,042,107 in reserves.

The Swanage School prioritised the recruitment of high quality teaching staff in order to achieve excellent GCSE results.

When considering the appropriateness of the going concern concept, the Governing body has considered the cash flow effect of the agreed pension contributions arising under the LGPS (irrespective of the pension deficit disclosed on the balance sheet). The most recent actuarial valuation of the LGPS as at 31 March 2016 proposed contribution rates for the three year period from 1 April 2017 to 31 March 2020 of 18.8% of payroll for eligible employees. This rate is projected, on the assumption used for the 2016 valuation, to cover the cost of new benefits and eliminate the deficit over the next 22 years. Whilst this is an increase from the previous rate of 17.4% of payroll, it has been taken into account for budgeting purposes and is affordable in the context of the planned programme of activities.

**Report of the Trustees
for the Year Ended 31 August 2018**

Investment policy and objectives

The Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risks. Governors 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.

Reserves policy

The Governors review the level of reserves at the Finance and Premises Committee which meets at least six times annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trust aims to carry forward a prudent level of resources from the General Annual Grant to ensure the cash position is preserved, to provide for unforeseen contingencies. The Governors have designated a fund of £50k in lieu of taking out insurance to cover the cost of long term staff absence, they have also designated a maintenance fund with a one off contribution of £50k. The level of free reserves at 31 August 2018 was £213k.

Going concern

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

FUTURE PLANS

The following core priorities should be read in conjunction with the school development plan. These priorities come from reflecting on our recent outstanding GCSE results, feedback from staff, students and governors as well as feedback from the Ofsted Inspection in March 2018.

Teaching and Learning

Students' progress in line with top 20% of schools nationally, measured by Progress 8.

Improve progress and attainment for:

- Disengaged students.
- Disadvantaged students.
- Improve the level of literacy across the curriculum.
- Ensure new staff achieve the school's high standards.
- Research and develop home learning to further enhance student progress.
- Further development of assessment and effective implantation across the school.

Behaviour

- Improve whole school attendance to above 95.0%
- Improve the attitude to learning of disengaged students.
- Develop more efficient strategies to monitor and manage student behaviour.

Leadership

- Research and develop alternative approaches to school management to reduce excessive staff workload
- Implement a more rigorous approach to quality assurance
- Develop procedures for middle leaders to become more fiscally accountable
- Improve marketing activities to increase the school's profile locally
- Increase revenue generated for the school
- Evaluate and improve financial effectiveness of human resource
- Improve efficiency and effectiveness of all back office and finance functions

**Report of the Trustees
for the Year Ended 31 August 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Education Swanage Limited are also the directors of the charitable company for the purposes of company law, and described as governors or trustees within the body of this report and in the day to day operations of the school. The charitable company is known as Education Swanage Limited.

Details of the trustees who served during the year are included in the Governance section.

Members' liability

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

Trustees' Indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. Appropriate insurance is in place as specified in Note 9 of the accounts.

Method of Recruitment and Appointment or Election of Trustees (Governors)

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

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

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

Policies and Procedures Adopted for the Induction and training of Trustees

All Governors 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 Governor. During the period, the Governors held 8 Full Governing Body meetings.

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

**Report of the Trustees
for the Year Ended 31 August 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

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

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

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

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

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

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

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

- Appointment/dismissal of Headteacher
- Appointment/dismissal of Deputy Headteacher
- Agree limits of delegation
- Agree salary ranges and annual performance related increments for key management personnel
- Appoint Accounting Officer
- Appoint Responsible Officer
- Agree arrangements for the provision of sex education
- Agree arrangements for the prohibition of political indoctrination
- Approve school budget
- Approve annual: Financial report, 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 governors
- Co-opt governors
- Appoint associates
- Appoint nominated governors including: SEN governor, Safeguarding governor and Health and Safety governor
- Receive and consider Ofsted reports
- Receive and consider reports from: Auditors, School Improvement partners

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

- Ensure the whole Curriculum is delivered in line with Governing Body's Policy and the ethos of the school is maintained and enhanced
- Manage curriculum and staff on a day-to-day basis
- Ensure that students are assessed in line with school and national policies
- Implement School Development Plan and National Policies (as appropriate)
- Implement policy for pupils with Special Educational Needs and Disabilities
- Provide parents and Governing Body with sufficient information in order to enable them to fulfil their roles in the educational partnership
- Strive to ensure that the learning needs of all pupils of all abilities are met
- Oversee general expenditure during year and authorise major expenditure in line with delegated financial authority
- Prepare 5 year budget with reference to School Development Plan
- Administer, collate and report financial information

**Report of the Trustees
for the Year Ended 31 August 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

- Prepare accounts and reports on a monthly basis
- Check budget information received from the Education Skills and Funding Agency (ESFA) and initiate queries
- Consider year-end over/under-spend impact on budget planning
- Award contracts for repairs/maintenance in line with delegated financial authority
- Carry out and monitor policy on Health and Safety
- Formulate repair and maintenance budget as a rolling programme
- Prepare monthly budget statement for repair and maintenance
- Propose phased strategy for improvements to general standard of premises
- Planning overall strategy for staff deployment - teaching, non-teaching, full and part-time posts

Arrangements for setting pay and remuneration of key management personnel

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

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Swanage School has a Risk Register and management process. The principal financial risk for The Swanage School relate to the capacity of the school to continue to attract sufficient students. As a relatively small school the economies of scale are significantly more challenging so ensuring that the PAN is achieved each year is critical.

PRINCIPAL RISKS AND UNCERTAINTIES

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

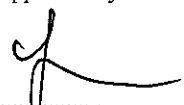
Principal risk and uncertainties are:

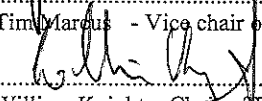
- Pupil numbers
- Financial risk
- Failure in Governance and/or Management
- Reputational risk
- Safeguarding and Child Protection risks

AUDITORS

The Auditors, Griffin Chartered Accountants were appointed the last AGM as auditors for the financial year 2018-2019

Approved by order of the board of trustees on 11/12/18 and signed on its behalf by:


.....
Tim Marcus - Vice chair of Trustees


.....
William Knight - Chair of Finance & Premises Committee

Education Swanage Limited
Governance Statement
for the Year Ended 31 August 2018

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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Principal, 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.

As trustees we acknowledge we have overall responsible for ensuring that Education Swanage Limited has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to managed rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Education Swanage Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Geoff Atkinson	4	5
Angela Beal	5	5
Nicholas Brady	2	8
Jules Daubly	2	5
Ben Gibbard	2	2
Mark Hatto	6	8
Tristram Hobson	8	8
William Knight	6	8
Tim Marcus	6	8
Nicola Newman	4	8
Amanda Rowley	8	8
Catherine Starmer-Howes	7	8
Alison Stephens	6	8
Carl Stryants	8	8
Nicola Taylor	6	8
Isobel Tooley	8	8

Review of Value for Money

As accounting officer the Head teacher has responsibility for ensuring that The Swanage School 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

The 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 charitable company 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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Education Swanage Limited
Governance Statement
for the Year Ended 31 August 2018

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company 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 on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have decided to appoint a suitably qualified Trustee, Nicola Newman [to Sep 2018], to the role of Responsible Officer carry out a programme of internal checks.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

The Responsible Officer reports to the board of trustees, through the finance and premises committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

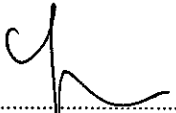
Review of Effectiveness

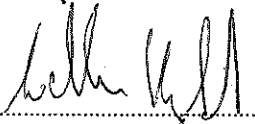
As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the business manager within the academy trust who has the responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 11/12/18 and signed on its behalf by:


.....
T Marcus - Trustee


.....
W Knight - Trustee

Education Swanage Limited

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2018**

As accounting officer of Education Swanage Limited I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mr T Hobson - Accounting Officer

Date: 11/12/18

Education Swanage Limited

**Statement of Trustees Responsibilities
for the Year Ended 31 August 2018**

The trustees (who act as governors of Education Swanage Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

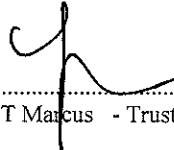
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

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

Approved by order of the members of the board of trustees on11/12/18..... and signed on its behalf by:


.....
T Marcus - Trustee

Report of the Independent Auditors to the Members of Education Swanage Limited

Opinion

We have audited the financial statements of Education Swanage Limited (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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.

Report of the Independent Auditors to the Members of Education Swanage Limited

Responsibilities of trustees

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

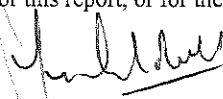
Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr I M Rodd BSc FCA FCCA (Senior Statutory Auditor)
for and on behalf of Ward Goodman Audit Services Limited
Statutory Auditor
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 11 December 2018

**Independent Reporting Accountant's Assurance Report on Regularity to
Education Swanage Limited and the Education and Skills Funding Agency**

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

This report is made solely to 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 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

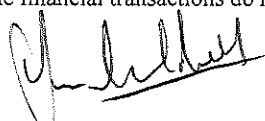
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr I M Rodd BSc FCA FCCA (Senior Statutory Auditor)
for and on behalf of Ward Goodman Audit Services Limited
4 Cedar Park
Cobham Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 11 December 2018

Education Swanage Limited

**Statement of Financial Activities
for the Year Ended 31 August 2018**

		Unrestricted fund £	Restricted funds £	Restricted capital £	2018 Total funds £	2017 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	-	40,782	8,978	49,760	22,061
Charitable activities						
Funding for the academy's educational operations	4	47,082	1,670,684	-	1,717,766	2,087,186
Other trading activities	5	8,865	-	-	8,865	5,956
Investment income	6	<u>73</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>126</u>
Total		56,020	1,711,466	8,978	1,776,464	2,115,329
EXPENDITURE ON						
Raising funds	8	-	-	-	-	100
Charitable activities						
Academy's educational operations		<u>4,430</u>	<u>1,957,212</u>	<u>148,811</u>	<u>2,110,453</u>	<u>2,071,585</u>
Total	7	<u>4,430</u>	<u>1,957,212</u>	<u>148,811</u>	<u>2,110,453</u>	<u>2,071,685</u>
NET INCOME/(EXPENDITURE)		51,590	(245,746)	(139,833)	(333,989)	43,644
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>122,000</u>	<u>-</u>	<u>122,000</u>	<u>(179,000)</u>
Net movement in funds		51,590	(123,746)	(139,833)	(211,989)	(135,356)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>161,281</u>	<u>64,642</u>	<u>7,028,173</u>	<u>7,254,096</u>	<u>7,389,452</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>212,871</u></u>	<u><u>(59,104)</u></u>	<u><u>6,888,340</u></u>	<u><u>7,042,107</u></u>	<u><u>7,254,096</u></u>

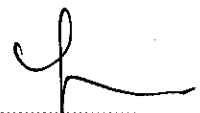
The notes form part of these financial statements

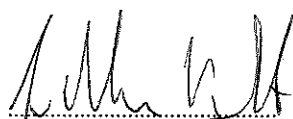
Balance Sheet
At 31 August 2018

		Unrestricted fund	Restricted funds	Restricted capital	2018 Total funds	2017 Total funds
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	14	-	-	6,886,167	6,886,167	7,028,173
CURRENT ASSETS						
Debtors	15	-	80,452	-	80,452	51,988
Cash at bank and in hand		<u>212,871</u>	<u>362,534</u>	<u>2,173</u>	<u>577,578</u>	<u>695,789</u>
		212,871	442,986	2,173	658,030	747,777
CREDITORS						
Amounts falling due within one year	16	-	(100,090)	-	(100,090)	(97,854)
NET CURRENT ASSETS		<u>212,871</u>	<u>342,896</u>	<u>2,173</u>	<u>557,940</u>	<u>649,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		212,871	342,896	6,888,340	7,444,107	7,678,096
PENSION LIABILITY	19	-	(402,000)	-	(402,000)	(424,000)
NET ASSETS		<u>212,871</u>	<u>(59,104)</u>	<u>6,888,340</u>	<u>7,042,107</u>	<u>7,254,096</u>
FUNDS	18					
Unrestricted funds:						
General fund					212,871	161,281
Restricted funds:						
Restricted income fund					342,896	488,641
Restricted capital					6,888,340	7,028,174
Pension Fund					<u>(402,000)</u>	<u>(424,000)</u>
					<u>6,829,236</u>	<u>7,092,815</u>
TOTAL FUNDS					<u>7,042,107</u>	<u>7,254,096</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 11/12/18 and were signed on its behalf by:


.....
T D Marcus -Trustee


.....
W A Knight -Trustee

Education Swanage Limited
Cash Flow Statement
for the Year Ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	I	<u>(120,458)</u>	<u>137,838</u>
Net cash provided by (used in) operating activities		<u>(120,458)</u>	<u>137,838</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(6,805)	(23,201)
Capital grants from DfE/ESFA		8,978	23,201
Interest received		<u>74</u>	<u>126</u>
Net cash provided by (used in) investing activities		<u>2,247</u>	<u>126</u>
 Change in cash and cash equivalents in the reporting period		<u>(118,211)</u>	<u>137,964</u>
Cash and cash equivalents at the beginning of the reporting period		<u>695,789</u>	<u>557,825</u>
Cash and cash equivalents at the end of the reporting period		<u><u>577,578</u></u>	<u><u>695,789</u></u>

The notes form part of these financial statements

Education Swanage Limited

Notes to the Cash Flow Statement
for the Year Ended 31 August 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(333,989)	43,644
Adjustments for:		
Depreciation	148,811	147,636
Capital grants from DfE/ESFA	(8,978)	(23,202)
Interest receivable	(74)	(126)
FRS102 pension cost	161,000	141,000
(Increase)/decrease in debtors	(28,464)	35,455
Increase/(decrease) in creditors	2,236	(143,569)
Difference between pension charge and cash contributions	<u>(61,000)</u>	<u>(63,000)</u>
Net cash provided by (used in) operating activities	<u>(120,458)</u>	<u>137,838</u>

Education Swanage Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

1. LEGAL FORM

Education Swanage Limited is a company limited by guarantee, registered in England and Wales number 07613612. The registered office is disclosed within the report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Education Swanage Limited meets the definition of a public benefit entity under FRS 102.

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

The present value of the Local Government Pension Scheme defined liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The carrying balance for this year end is £402,000.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the charity which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

2. ACCOUNTING POLICIES - continued

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

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

Charitable activities

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

Liabilities

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

Education Swanage Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £1000 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 and requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Leasehold buildings [duration of lease]
- Plant & Machinery [10 years]
- Fixtures, fittings and equipment [10 years]
- ICT equipment [5 years]

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.

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

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

Taxation

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

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

2. ACCOUNTING POLICIES - continued

Provisions

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

Provisions are measure 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.

Leased assets

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

3. DONATIONS AND CAPITAL GRANTS

	2018	2017
	£	£
Donations	40,782	13,657
Grants	<u>8,978</u>	<u>8,404</u>
	<u>49,760</u>	<u>22,061</u>

Grants received, included in the above, are as follows:

	2018	2017
	£	£
ESFA – Devolved Capital Grant	<u>8,978</u>	<u>8,404</u>

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Other income from the academy trusts	47,082	12,979	60,061	115,415
educational operations	-	<u>1,657,705</u>	<u>1,657,705</u>	<u>1,971,771</u>
Grants	<u>47,082</u>	<u>1,670,684</u>	<u>1,717,766</u>	<u>2,087,186</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	1,592,114	1,592,114	1,896,744
Other DfE / EFA Grants	<u>-</u>	<u>76,240</u>	<u>76,240</u>	<u>75,027</u>
	<u>-</u>	<u>1,668,354</u>	<u>1,668,354</u>	<u>1,971,771</u>

5. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Hire of facilities	<u>8,865</u>	<u>5,956</u>

6. INVESTMENT INCOME

	2018	2017
	£	£
Bank interest	<u>73</u>	<u>126</u>

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

7. EXPENDITURE

				2018	2017
	Staff costs	Non-pay expenditure Premises	Other costs	Total	Total
	£	£	£	£	£
Raising funds					
Costs of fundraising					
Direct costs	-	-	-	-	100
Charitable activities					
Academies educational operations					
Direct costs	1,185,758	-	146,625	1,332,383	1,365,135
Allocated support costs	<u>341,837</u>	<u>128,212</u>	<u>308,021</u>	<u>778,070</u>	<u>706,450</u>
	<u>1,527,595</u>	<u>128,212</u>	<u>454,646</u>	<u>2,110,453</u>	<u>2,071,685</u>

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors remuneration	8,785	6,532
Depreciation - owned assets	<u>148,811</u>	<u>147,636</u>

8. RAISING FUNDS

Costs of fundraising

	2018	2017
	£	£
Fundraising costs	<u>-</u>	<u>100</u>

9. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Direct costs	4,408	1,327,975	1,332,383	1,365,135
Support costs	<u>22</u>	<u>778,048</u>	<u>778,070</u>	<u>706,450</u>
	<u>4,430</u>	<u>2,106,023</u>	<u>2,110,453</u>	<u>2,071,585</u>

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

9. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	2018 Total £	2017 Total £
Analysis of support costs		
Support staff costs	340,747	327,283
Depreciation	148,811	147,636
Technology costs	29,318	15,655
Premises costs	128,212	148,434
Other support costs	120,207	59,821
Governance costs	<u>10,775</u>	<u>7,621</u>
Total support costs	<u><u>778,070</u></u>	<u><u>706,450</u></u>

10. SUPPORT COSTS

	Management £	Information technology £	Other £	Governance costs £	Totals £
Academy's educational operations	<u><u>617,770</u></u>	<u><u>29,318</u></u>	<u><u>120,207</u></u>	<u><u>10,775</u></u>	<u><u>778,070</u></u>

Education Swanage Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2018 nor for the year ended 31 August 2017.

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contract of employment.

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

T Hobson [Headteacher and Trustee]

Remuneration £85,000 - £90,000 [2017: £75,000 - £80,000]

Employer's pension contributions £10,000 - £15,000 [2017: £10,000 - 15,000]

J Peacock [staff trustee] [Resigned September 2017]

Remuneration £25,000 - £30,000 [2017: £25,000 - £30,000]

B Gibbard [staff trustee] [Appointed March 2018]

Remuneration £15,000 - £20,000

N Taylor [staff trustee]

Remuneration £10,000 - £15,000 [2017: £5,000 - £10,000]

Employers's pension contributions £0 - £5,000 (2017: £nil)

During the period ended 31 August 2018, travel and subsistence expenses totalling £nil [2017 £nil] were reimbursed or paid directly to trustees. £185 of expenditure in the period relates to trustee training seminars.

Trustees' and officer's insurance

In accordance with normal commercial practice Education Swanage Limited has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Education Swanage Limited business. The insurance provides cover up to £10,000,000 on any one claim. The cost for this insurance is included in the total insurance cost.

Trustees' expenses

	2018	2017
	£	£
Trustees' expenses	<u>1,090</u>	<u>1,089</u>

Education Swanage Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

12. STAFF COSTS

	2018 £	2017 £
Wages and salaries	1,153,107	1,117,443
Social security costs	96,067	99,859
Operating costs of defined benefit pension schemes	<u>277,331</u>	<u>258,382</u>
	<u>1,526,505</u>	<u>1,475,684</u>

Included in the above costs are severances payments of £21,485.52 (2017 - £nil) this was made in one solitary payment.

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2018	2017
Teachers	24	20
Teaching & Learning Support	13	14
Administration & Support	11	13
Management	<u>2</u>	<u>3</u>
	<u>50</u>	<u>50</u>

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

	2018	2017
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
	<u>2</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the academy trust was £206,294 (2017: £233,101).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted capital £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	775	(1,915)	23,201	22,061
Charitable activities				
Funding for the academy's educational operations	54,526	2,032,660	-	2,087,186
Other trading activities	5,956	-	-	5,956
Investment income	<u>126</u>	<u>(1)</u>	<u>1</u>	<u>126</u>
Total	61,383	2,030,744	23,202	2,115,329
EXPENDITURE ON				
Raising funds	-	100	-	100
Charitable activities				
Academy's educational operations	<u>22,120</u>	<u>1,901,829</u>	<u>147,636</u>	<u>2,071,585</u>
Total	22,120	1,901,929	147,636	2,071,685

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Restricted capital £	Total funds £
NET INCOME/(EXPENDITURE)	39,263	128,815	(124,434)	43,644
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(179,000)	-	(179,000)
Net movement in funds	39,263	(50,185)	(124,434)	(135,356)
RECONCILIATION OF FUNDS				
Total funds brought forward	122,019	114,825	7,152,608	7,389,452
TOTAL FUNDS CARRIED FORWARD	<u>161,282</u>	<u>64,640</u>	<u>7,028,174</u>	<u>7,254,096</u>

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2017	6,980,523	-	316,361	300,747	7,597,631
Additions	-	1,863	-	4,942	6,805
At 31 August 2018	<u>6,980,523</u>	<u>1,863</u>	<u>316,361</u>	<u>305,689</u>	<u>7,604,436</u>
DEPRECIATION					
At 1 September 2017	222,600	-	119,081	227,777	569,458
Charge for year	<u>55,851</u>	<u>186</u>	<u>31,636</u>	<u>61,138</u>	<u>148,811</u>
At 31 August 2018	<u>278,451</u>	<u>186</u>	<u>150,717</u>	<u>288,915</u>	<u>718,269</u>
NET BOOK VALUE					
At 31 August 2018	<u>6,702,072</u>	<u>1,677</u>	<u>165,644</u>	<u>16,774</u>	<u>6,886,167</u>
At 31 August 2017	<u>6,757,923</u>	<u>-</u>	<u>197,280</u>	<u>72,970</u>	<u>7,028,173</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other debtors	8,141	8,237
VAT	47,453	20,155
Prepayments	<u>24,858</u>	<u>23,596</u>
	<u>80,452</u>	<u>51,988</u>

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	34,286	39,120
Social security and other taxes	41,371	48,960
Other creditors	-	101
Accruals and deferred income	<u>24,433</u>	<u>9,673</u>
	<u>100,090</u>	<u>97,854</u>

17. 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 exceed £10 for debts liabilities contracted before he/she ceases to be a member.

Guarantees, letters of comfort and indemnities

In accordance with normal commercial practice Education Swanage Limited has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Education Swanage Limited business. The insurance provides cover up to £10,000,000 on any one claim and in aggregate for the period of insurance. The cost is included in the total insurance cost.

18. MOVEMENT IN FUNDS

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	161,281	51,590	212,871
Restricted funds			
Restricted income fund	488,642	(145,746)	342,896
Restricted capital	7,028,173	(139,833)	6,888,340
Pension Fund	<u>(424,000)</u>	<u>22,000</u>	<u>(402,000)</u>
	7,092,815	(263,579)	6,829,236
TOTAL FUNDS	<u>7,254,096</u>	<u>(211,989)</u>	<u>7,042,107</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	56,020	(4,430)	-	51,590
Restricted funds				
Restricted income fund	1,711,466	(1,857,212)	-	(145,746)
Restricted capital	8,978	(148,811)	-	(139,833)
Pension Fund	<u>-</u>	<u>(100,000)</u>	<u>122,000</u>	<u>22,000</u>
	1,720,444	(2,106,023)	122,000	(263,579)
TOTAL FUNDS	<u>1,776,464</u>	<u>(2,110,453)</u>	<u>122,000</u>	<u>(211,989)</u>

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
Unrestricted Funds			
General fund	122,019	39,262	161,281
Restricted Funds			
Restricted income fund	281,825	206,816	488,641
Restricted capital	7,152,608	(124,434)	7,028,174
Pension Fund	<u>(167,000)</u>	<u>(257,000)</u>	<u>(424,000)</u>
	<u>7,267,433</u>	<u>(174,618)</u>	<u>7,092,815</u>
TOTAL FUNDS	<u><u>7,389,452</u></u>	<u><u>(135,356)</u></u>	<u><u>7,254,096</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	61,383	(22,121)	-	39,262
Restricted funds				
Restricted income fund	2,030,744	(1,823,928)	-	206,816
Restricted capital	23,202	(147,636)	-	(124,434)
Pension Fund	<u>-</u>	<u>(78,000)</u>	<u>(179,000)</u>	<u>(257,000)</u>
	<u>2,053,946</u>	<u>(2,049,564)</u>	<u>(179,000)</u>	<u>(174,618)</u>
TOTAL FUNDS	<u><u>2,115,329</u></u>	<u><u>(2,071,685)</u></u>	<u><u>(179,000)</u></u>	<u><u>(135,356)</u></u>

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

	At 1.9.16 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	122,019	90,852	212,871
Restricted funds			
Restricted income fund	281,825	61,070	342,895
Restricted capital	7,152,608	(264,267)	6,888,341
Pension Fund	<u>(167,000)</u>	<u>(235,000)</u>	<u>(402,000)</u>
	<u>7,267,433</u>	<u>(438,197)</u>	<u>6,829,236</u>
TOTAL FUNDS	<u><u>7,389,452</u></u>	<u><u>(347,345)</u></u>	<u><u>7,042,107</u></u>

Education Swanage Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	117,403	(26,551)	-	90,852
Restricted funds				
Restricted income fund	3,742,210	(3,681,140)	-	61,070
Restricted capital	32,180	(296,447)	-	(264,267)
Pension Fund	-	(178,000)	(57,000)	(235,000)
	<u>3,774,390</u>	<u>(4,155,587)</u>	<u>(57,000)</u>	<u>(438,197)</u>
TOTAL FUNDS	<u>3,891,793</u>	<u>(4,182,138)</u>	<u>(57,000)</u>	<u>(347,345)</u>

19. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was from September 2015. The next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £149,193 (2017: £119,941).

A copy of the valuation report and supporting documentation is on the Teachers Pension Website.

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

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

**19. PENSION AND SIMILAR OBLIGATIONS
- continued**

Local government pension scheme

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(767,000)	(703,000)
Fair value of plan assets	<u>365,000</u>	<u>279,000</u>
	<u>(402,000)</u>	<u>(424,000)</u>
Deficit	<u>(402,000)</u>	<u>(424,000)</u>
Liability	<u>(402,000)</u>	<u>(424,000)</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	150,000	138,000
Net interest from net defined benefit asset/liability	<u>11,000</u>	<u>3,000</u>
	<u>161,000</u>	<u>141,000</u>
Actual return on plan assets	<u>-</u>	<u>(61,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	703,000	388,000
Current service cost	150,000	138,000
Contributions by scheme participants	19,000	21,000
Interest cost	19,000	9,000
Actuarial losses/(gains)	<u>(124,000)</u>	<u>147,000</u>
	<u>767,000</u>	<u>703,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	279,000	221,000
Contributions by employer	61,000	63,000
Contributions by scheme participants	19,000	21,000
Actuarial gains/(losses)	-	(61,000)
Benefits paid	-	(2,000)
Return on plan assets (excluding interest income)	<u>6,000</u>	<u>37,000</u>
	<u>365,000</u>	<u>279,000</u>

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

**19. PENSION AND SIMILAR OBLIGATIONS
- continued**

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Return on plan assets (excluding interest income)	6,000	37,000
	<u>6,000</u>	<u>37,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	199,000	154,000
Liability Driven Investment	46,000	37,000
Cash	3,000	7,000
Other Bonds	25,000	32,000
Diversified Growth Fund	22,000	12,000
Property	37,000	25,000
Infrastructure	16,000	12,000
Multi Asset Credit	17,000	-
	<u>365,000</u>	<u>279,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
Discount rate	2.7%	2.6%
Future salary increases	3.8%	4.2%
Future pension increases	2.3%	2.7%

The assumed life expectations from age 65 are:

	2018	2017
Life expectancy from age 65 (years)		
Retiring today - Males	24.0	23.9
Retiring today - Females	26.1	26.0
Retiring in 20 years - Males	26.3	26.2
Retiring in 20 years - Females	28.5	28.3

Assumptions have also been made that:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Sensitivity analysis	2018	2017
	£'000s	£'000s
Adjustment to discount rate:		
Present value of total obligation +0.1%	744	682
Present value of total obligation -0.1%	790	725
Projected service costs +0.1%	122	157
Projected service costs -0.1%	130	167
Adjustment to long term salary increase :		
Present value of total obligation +0.1%	769	705
Present value of total obligation -0.1%	765	701
Projected service costs +0.1%	126	162
Projected service costs -0.1%	126	162

Adjustment to pension increases and deferred revaluation:

Education Swanage Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

**19. PENSION AND SIMILAR OBLIGATIONS
- continued**

Present value of total obligation +0.1%	789	722
Present value of total obligation -0.1%	746	684
Projected service costs +0.1%	130	167
Projected service costs -0.1%	122	157
Adjustment to life expectancy assumptions:		
Present value of total obligation + 1 year	791	725
Present value of total obligation - 1 year	743	681
Projected service costs + 1 year	130	167
Projected service costs - 1 year	122	157

20. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of the account.

PJM Advertising Ltd in which Amanda Rowley (Governor) has a controlling interest:

Purchased advertising/marketing services at cost totalling £1,063 (2017: £1,929) of this £74 (2017: £nil) was outstanding at the year end.

Statements of assurance were sought and received in relation to the purchase of goods.

Education Swanage Limited
Detailed Statement of Financial Activities
for the Year Ended 31 August 2018

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Donations	40,782	13,657
Grants	<u>8,978</u>	<u>8,404</u>
	49,760	22,061
Other trading activities		
Hire of facilities	8,865	5,956
Investment income		
Bank interest	73	126
Charitable activities		
Other income from the academy trusts educational operations	60,061	115,415
Grants	<u>1,657,705</u>	<u>1,971,771</u>
	<u>1,717,766</u>	<u>2,087,186</u>
Total incoming resources	1,776,464	2,115,329
EXPENDITURE		
Costs of fundraising		
Fundraising costs	-	100
Charitable activities		
Wages	953,673	917,267
Social security	82,892	83,634
Pensions	149,193	147,500
Educational supplies	85,376	118,259
Examination fees	15,871	16,858
Staff development	4,431	5,350
Goods and services	39,053	72,256
Events expenditure	1,894	1,590
Establishment costs	<u>-</u>	<u>2,421</u>
	1,332,383	1,365,135
Support costs		
Management		
Wages	199,434	200,176
Social security	13,175	16,225
Pensions	128,138	110,882
Maintenance of premises and equipment	128,212	148,434
Plant and machinery	<u>148,811</u>	<u>147,636</u>
	617,770	623,353
Information technology		
Technology costs	29,318	15,655
Other		
Other support costs	120,207	59,821
Governance costs		
Trustees' expenses	1,090	1,089
Other costs	900	-
Carried forward	1,990	1,089

This page does not form part of the statutory financial statements

Education Swanage Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 August 2018**

	2018 £	2017 £
Governance costs		
Brought forward	1,990	1,089
Auditors' remuneration	<u>8,785</u>	<u>6,532</u>
	<u>10,775</u>	<u>7,621</u>
Total resources expended	2,110,453	2,071,685
	<u> </u>	<u> </u>
Net (expenditure)/income	<u><u>(333,989)</u></u>	<u><u>43,644</u></u>

This page does not form part of the statutory financial statements