

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	W Knight T Marcus N Newman H O'Connor E Pearson (resigned 13 January 2023) C Styants (resigned 13 January 2023) H Sumbler W Trite J Tatchell S Starmer (resigned 1 March 2023)
Trustees	P Collins (resigned 31 October 2022) A Duke (resigned 25 March 2023) H Etherington T Hamilton-Fletcher A Hines L King W Knight J Maraspin, Head Teacher T Marcus, Chair of Trustees V Millman (resigned 31 October 2022) A Rowley (appointed 1 September 2022) J Starmer C Starmer-Howes (resigned 1 December 2022) D Parker I Tooley R Tapping P Ashby (appointed 1 September 2023) C Barnes (appointed 1 September 2023) R Patterson (appointed 1 September 2023) S Weld-Davis (appointed 1 September 2023)
Company registered number	07613612

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Principal and registered office	The Swanage School High Street Swanage Dorset BH19 2PH
Accounting officer	J Maraspin
Senior management team	J Maraspin, Headteacher K Lawton, Deputy Head A Thomas, School Business Manager
Independent auditors	Griffin Chartered Accountants Courtenay House Pynes Hill Exeter EX2 5AZ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Academy Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Swanage and the surrounding villages. It has a pupil capacity of 420 and had a roll of 336 in the school census on October 2022.

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

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

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

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

The charitable company is known as Education Swanage Limited.

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

b. Members' liability

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

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

All Trustees receive induction training and are supplied with copies of policies, procedures, minutes, budgets, plans and other documents that they will require to undertake their role as Trustee.

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

f. Organisational structure

The Governing Body meets at least once per term and is responsible for establishing the framework for governance of The Swanage School and for agreeing membership, determining schemes of delegation and establishing terms of reference for sub committees. In conjunction with the Headteacher it sets the aims and objectives for the school, agrees policies and sets targets. It receives reports and recommendations from its committees for ratification and monitors the activities of those committees through the minutes of their meetings. It also monitors the progress of the school towards the achievement of the aims and objectives and in light of that progress reviews the strategic framework. The Governing Body is responsible for the recruitment of the Senior Leadership Team (Headteacher, Deputy Headteacher and Business Manager) and for the Clerk to Governors.

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

No changes were made to the committee structure during 2022-23, to allow for changes made during 2021-22 to settle in.

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

Audit & Risk Committee;

Meets at least three times a year. Scopes and has oversight of internal audit, reviews external audit reports and has oversight of the risk register, reviewing risks identified by the other committees and Senior Leadership Team.

Community & Engagement Committee;

Meets at least three times a year. Has oversight of all aspects of publicity and community engagement. From April 2022, it also has oversight of careers provision.

Staffing, Finance & Premises Committee;

Meets at least six times a year. Makes delegated decision and makes recommendations to the Full Governing Body so as to ensure sound management of the school's finances, physical resources and staffing. It has delegated powers on financial, building, environmental matters and pay for staff other than the Senior Leadership Team. The Committee has oversight of policies and processes relating to financial control, health & safety, data protection and for the recruitment, retention, release and development of staff. It consults with and supports the Headteacher with strategic aspects of staff re-structure, performance review and approves performance management policy annually.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Student Committee;

Meets at least six times a year. Has oversight of all aspects of learning and welfare that relate to students, including social, moral, spiritual, cultural and the curricular elements. It reviews all policies relating to the curriculum and other student-related matters, except those policies which must remain the responsibility of the full governing body.

At the end of the 2022-23 year the Governing Body was satisfied that the changes had been effective and would continue for 2023-24.

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

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

In addition, the Full Governing Body will:

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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

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

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

h. Related parties and other connected charities and organisations

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

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

Objectives and activities

a. Objects and aims

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

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

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

We will:

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

b. Objectives, Strategies and Activities

The school's objectives for 2022-23 were as follows:

Deliver an outstanding PE Curriculum:

- Academic challenge is improved and established throughout the KS3 and KS4 PE curriculum.

Effectively implement the new Creative Media Production KS3 and KS4 curriculum:

- Create and deliver a Creative Media Production curriculum at Key Stage 3 and Key Stage 4

Continued Development of the whole school Pastoral Curriculum:

- Establish a curriculum, schemes of work and culture within each individual 'Phase' that builds on and further embeds value sets in pupils centred around the 4 pillars as well as meeting specific outcomes for each 'Phase'.
- Establish the 'Phase' pastoral curriculum across the school.
 - Foundation Phase (Y7&8)
 - Gateway Phase (Y9)
 - Next Steps Phase (Y10&Y11)

Review and Improve the school reporting system:

- Work with all stakeholders to review and improve the efficiency and quality of school reports and parental access to progress and attainment data.

Improve in school management of information systems:

- Review and improve in-school communication.

c. Public benefit

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Achievements and performance summary

Deliver an outstanding PE Curriculum:

- The range of PE activities was extended, and various competitive sports fixtures were arranged during the year.
- The provisional GCSE results showed a substantial improvement in the progress measure between 2022 and 2023.

Effectively implement the new Creative Media Production KS3 and KS4 curriculum:

- Equipment and training was delivered during the year, in accordance with the plans that had been agreed for delivery of the creative media curriculum.
- The curriculum for all year groups included work using the creative digital media suite across different subjects as well as for shows and community events.
- Relevant skills began to be embedded into the KS3 curriculum.
- The assessments for the first year of the two-year qualification at KS4 produced good results,

Continued Development of the whole school Pastoral Curriculum:

- Training and materials were developed for Crew Leaders.
- Good progress was made consistently throughout the year, with meaningful activities delivered under all four pillars for all three phases of students.
- As this objective is intended to be developed and implemented over 2 years, an end of year report assessed the outcomes for students and the areas where the programme could be evolved for next year.

Review and improve the school reporting system:

- School reports and parental access to progress and attainment data was developed over each of the reporting cycles during the year.
- The response from students on involvement in preparation and from parents on the information included in the reports was positive.

Improve in-school management of information systems:

- Systems for storing and communicating information were streamlined during the second half of the year and were well-received. However, changes such as these take a while to become second nature and so reminders of best practice will need to continue into 2023-24.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

c. Key Performance Indicators

The school's key performance indicators are:

Number on roll:

336 (Oct 2022)

Ofsted inspection outcomes:

2018: Good

Financial Review

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

The Swanage School managed its resources enabling its activities to be effectively carried out, however due to reduced pupils, due to a falling demographic. Also rising inflation during the period contributed to rising costs. The school therefore made an in-year deficit. The school still maintains strong capital reserve. The purpose of maintaining free reserves is to mitigate the potential impact of the low student numbers, which can have a significant effect in a small school.

Whilst there is a liability of £241,000 against the local government defined benefit pension scheme, this does not materially affect the financial position of the academy. As at 31 August 2023, The Swanage School had £312,482 (2022: £451,762) of unrestricted reserves, of which £110,000 has been designated to cover the cost of long term absence and maintenance. In addition, the school had £Nil (2022: £131,181) of General Annual Grant restricted reserves and £Nil (2022: £1,000) of restricted donations carried forward as at 31 August 2023.

Covid-19 did not have a detrimental fiscal impact during 2022-23. Funding for the National Tutoring Programme (Covid catch-up) continues to be used to support pupils catch up their learning, by providing additional intervention support and small group work, diagnostic testing to establish baselines and measure progress, and investment in schemes to support student wellbeing and self-esteem.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy

The Trustees review the level of reserves at the Staffing, Finance & Premises Committee, which meets at least six times annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trust aims to carry forward a prudent level of resources from the General Annual Grant to ensure the cash position is preserved, to provide for unforeseen contingencies. The Trustees have designated funds of £110,000 at the year end. This is made up of £60,000 to cover the cost of long term staff absence, and a designated repairs and maintenance fund of £50,000. Total reserves at the year end (excluding the pension deficit reserve and restricted fixed asset fund) totalled £312,482, which equates to approximately one and a half months of recurring expenditure. Excluding the designated reserves of £110,000, this leaves £202,482. The target, as per the Academy's reserve policy for this figure, is being between 12.75% and 18.75% of annual revenue, which is between £326,137 and £479,613 based on this year's income.

b. Investment policy

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

c. Principal risks and uncertainties

Through-out the year, the Trustees review and monitor the risks to which the school is exposed. They also review and monitor the controls and other mitigation plans needed to reduce these risks. The principal type of risks and uncertainties facing the Trust are as follows:

Financial - The school is dependent on government funding and while the Trustees have a reasonable confidence that that the national level of funding is unlikely to be reduced in any significant way, they are mindful that that actual funding of the school is dependent on the number of pupils on roll. Therefore, there are plans in place to maintain the academy as "the school of choice" for parents and students within the local community.

Reputational - The Trustees are aware that that there are both direct reputation risks, which could arise if the school's academic or behavioural achievements were perceived to be poor, and indirect risks which could arise if the school's leadership were perceived to be weak. The senior leadership team and the Trustees closely monitor both curriculum and pastoral planning and delivery on the one hand, and the Trustees ensure that control and oversight of the leadership team is undertaken diligently on the other.

Safeguarding and Child Protection - The senior leadership team and the Trustees continue to ensure that high standards are maintained in the areas of staff recruitment, staff monitoring and compliance with safeguarding and other child protection policies and procedures.

Staffing - In order to ensure that all students can fulfil their potential, the school needs: to recruit quality staff; to provide them with appropriate continuous professional development and to provide them with an environment that ensures a high level of retention. The Trustees continuously monitor procedures and policies together with training and recruitment to ensure that quality staff are recruited, developed, motivated and retained.

Fraud and Mismanagement of funds - Compliance with the School's Financial Controls forms the primary defence against fraud and financial mismanagement. Both the Finance, Staffing and Premises Committee and the Audit and Risk Committee regularly and diligently monitor compliance with these controls. Additionally, the Internal Auditor undertakes two reviews each year, which focus on: compliance with the controls, as well as the relevance and robustness of the Financial Controls themselves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

School Estate - To ensure that the school estate is safe, well maintained and compliant with relevant regulations, the Finance, Staffing and Premises Committee regularly monitors the state and safety of the estate as well as reviewing and approving the ongoing estate maintenance plan. The following projects have been completed during the year:

- 50% of the school's fire extinguishers have been replaced with new extinguishers, with the other 50% being changed in the coming year. This was in line with recommendations from our fire & security contractors, to keep them in full working order.
- The fence which bordered our pond in the school garden has been replaced and now provides much better visibility when students and teachers are in the area.
- All the school's CCTV cameras have been upgraded to HD to provide better picture quality in the event of any incidents occurring. Plus, two additional CCTV cameras have been installed, one in the main school atrium and one in the sports hall, to provide extra coverage in high population areas.
- Approximately 30% of the old-style lighting in the school has been replaced with new LED lighting, this provides significantly improved lighting quality around the school with much better energy efficiency.

d. Fundraising

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

Plans for future periods

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

Step up Teaching and Learning

Establish research based pedagogical practices that embed effective teaching and learning strategies consistently and routinely across the school supported by a strong CPD programme

Targeting Aspirations

Research and then implement the most effective strategic approach to use target setting alongside school and national assessment data, to raise aspirations and attainment across all subjects

Improving Science

Continue to improve GCSE outcomes for Science

Creative Media Production

Continue to effectively implement the new Creative Media Production KS3 and KS4 curriculum and across subjects

D of E

Continued Development of the D of E award in Y9

Careers

Continued Development of the Careers information and guidance programme

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods (continued)

Effective Leadership

Embedding the roles and responsibilities of the DoL and Pastoral Leads - in leading and managing their teams and delivering on the accountabilities for their roles.

Staff Wellbeing'

Build and safeguard emotional and mental wellbeing for staff implementing toolkit in 'Reducing Staff Workload' government publication

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2023 and signed on its behalf by:



T Marcus
Chair of Trustees

EDUCATION SWANAGE LIMITED
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The full Board of Trustees formally met 4 times during the year 2022/23.

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

Trustee	Meetings attended	Out of a possible
A Duke (Staff Trustee)	2	4
H Etherington	3	4
T Hamilton-Fletcher	2	4
A Hines (Staff Trustee)	4	4
L King	0	4
J Maraspin (Headteacher)	4	4
W Knight	2	4
T Marcus, Chair of Trustees	4	4
D Parker	2	4
A Rowley	2	4
J Starmer	4	4
C Starmer-Howes	0	4
R Tapping	0	4
I Tooley	4	4

Notes:

- Phil Ashby was elected Parent Governor on 12 July 2023 with his term commencing on 01 September 2023
- Claire Barnes, Robert Patterson, and Sophie Weld-Davies were elected Education Swanage Governors on 01 September 2023
- Alex Duke's term ended 31 March 2023
- Catherine Starmer-Howes resigned with effect from 01 December 2022

The board receives reports from all committees, including from the Staffing, Finance & Premises Committee which meets six times per year to scrutinise the school's funds. The board also receives a copy of the Business Manager's reports. The Chair of Governors and Chair of the Staffing, Finance & Premises Committee receive monthly financial reports.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The school maintains an up-to-date register of interests for members, trustees, senior staff and budget holders and has appropriate financial procedures in place for the management of any pecuniary conflicts. The trustees scope the twice-yearly internal audits, which have included a review of governance, including the Register of Interests. The Register and any potential conflicts are also reviewed annually during the external audit.

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

Each committee regularly evaluates its effectiveness.

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

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

Conflicts of interest

On appointment, and then annually, each Trustee completes a declaration form to identify any business and pecuniary interests, other governance roles, and any relationships with individual employees/governance roles which could create a conflict of loyalty.

Declaration forms are collated into a Register of Interests which is published on the school website and shared termly with the Trustees and/or when it changes.

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Maximising income generation

Lettings:

The school continues to hire its facilities outside of school hours, with particularly good take-up on term-time evenings. Use of the facilities and income has returned to pre-pandemic levels.

Grants and funding:

The Business Manager is astute at ensuring the school benefits from funding available to it from the government. The school was also successful in bidding for a number of small grants during 2022-23.

Demonstrating Value for Money and Efficient and Effective Use of Resources

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

All contracts and service level agreements were reviewed during 2022-23, with alternative contractors being appointed where saving could be made without detrimental impact on the quality of the service provided, and the school reviewed much of its cost base during the year.

Three positive cost savings in 2022-23 were:

- Used its DFE energy grant to replace its lighting to LED, thus making significant savings to the on-going running costs of the school.
- Working with Digital Garage via the Government approved Crescent framework, the school completed its new Digital Media suite. It has been able to access all manner digital equipment at the very best prices.
- By negotiating with a large range of local and national food suppliers, The school obtained the best possible food prices in a significantly rising market.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Education Swanage Limited for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- Review of full board and finance committee minutes.
- Compliance with the requirements of the Academy Financial Handbook.
- Management information presented to Trustees, alongside reviewing the underlying monthly reconciliations.
- Records of decisions made and confirmation that required policies are in place.
- Board's review of executive pay.
- Review of financial controls including segregation of duties.
- Review of the Risk Register.
- Review of Funding Claims processes.

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

The nature of internal audits is scoped by Trustees in discussion with the Senior Leadership Team, with a focus on any perceived risks.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Recruitment and selection
- Accounts
- Payroll
- Fraud

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

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

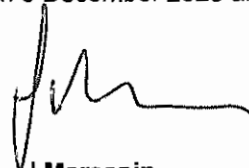
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 6 December 2023 and signed on their behalf by:



T Marcus
Chair of Trustees



J Maraspin
Accounting Officer

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Education Swanage Limited I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Trust Handbook 2022.

The school utilised a third party website (Coach Hire Comparison) to find a coach company (Hire My Coach – Operations) to take pupils to North Wales on a surf trip in July. Unfortunately Hire My Coach – Operations acted in an unprofessional manner taking deposits and not completing the work. On the advice of the third party website the school was advised to cancel the booking and request the deposit back. That refund failed to be provided despite many attempts. The value of the loss to the school was £600.

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



J Maraspin
Accounting Officer
Date: 6 December 2023

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

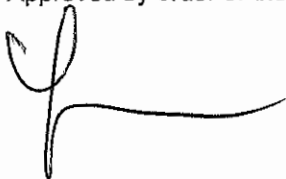
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2023 and signed on its behalf by:



T Marcus
Chair of Trustees

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Education Swanage Limited (the 'Academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

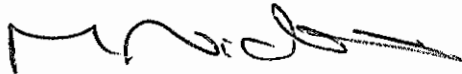
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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



Misty Nickells FCA (Senior statutory auditor)
for and on behalf of
Griffin
Courtenay House
Pynes Hill
Exeter
EX2 5AZ

11 December 2023

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Education Swanage Limited during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Education Swanage Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Education Swanage Limited and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Education Swanage Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Education Swanage Limited's funding agreement with the Secretary of State for Education dated 1 September 2013 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

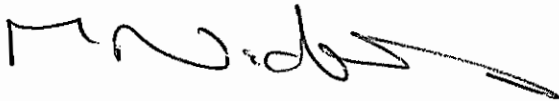
- Review of governance procedures
- Evaluation and testing of the system of internal controls, such as authorisation and value for money procedures
- Substantive testing on relevant transactions

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Misty Nickells FCA (Senior statutory auditor)
Reporting Accountant
Griffin
Courtenay House
Pynes Hill
Exeter
EX2 5AZ

Date: 11 December 2023

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	93,168	6,600	29,039	128,807	82,325
Other trading activities	5	27,364	-	-	27,364	31,498
Investments	6	3,997	-	-	3,997	89
Charitable activities	4	110,235	2,316,574	-	2,426,809	2,318,418
Total income		234,764	2,323,174	29,039	2,586,977	2,432,330
Expenditure on:						
Raising funds		80,567	-	-	80,567	52,573
Charitable activities	8	184,230	2,486,355	139,074	2,809,659	2,615,788
Total expenditure	7	264,797	2,486,355	139,074	2,890,226	2,668,361
Net expenditure		(30,033)	(163,181)	(110,035)	(303,249)	(236,031)
Transfers between funds	17	(109,247)	-	109,247	-	-
Net movement in funds before other recognised gains		(139,280)	(163,181)	(788)	(303,249)	(236,031)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	23	-	71,000	-	71,000	1,169,000
Net movement in funds		(139,280)	(92,181)	(788)	(232,249)	932,969
Reconciliation of funds:						
Total funds brought forward		451,762	(148,819)	6,707,794	7,010,737	6,077,768
Net movement in funds		(139,280)	(92,181)	(788)	(232,249)	932,969
Total funds carried forward		312,482	(241,000)	6,707,006	6,778,488	7,010,737

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

The notes on pages 31 to 59 form part of these financial statements.

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

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	6,700,635	6,707,794
		<u>6,700,635</u>	<u>6,707,794</u>
Current assets			
Stocks	14	-	1,347
Debtors	15	78,465	74,656
Cash at bank and in hand		367,027	659,438
		<u>445,492</u>	<u>735,441</u>
Creditors: amounts falling due within one year	16	(126,639)	(151,498)
Net current assets		<u>318,853</u>	<u>583,943</u>
Total assets less current liabilities		<u>7,019,488</u>	<u>7,291,737</u>
Net assets excluding pension liability		<u>7,019,488</u>	<u>7,291,737</u>
Defined benefit pension scheme liability	23	(241,000)	(281,000)
Total net assets		<u><u>6,778,488</u></u>	<u><u>7,010,737</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	6,707,006	6,707,794
Restricted income funds	17	-	132,181
Restricted funds excluding pension asset	17	6,707,006	6,839,975
Pension reserve	17	(241,000)	(281,000)
Total restricted funds	17	<u>6,466,006</u>	<u>6,558,975</u>
Unrestricted income funds	17	<u>312,482</u>	<u>451,762</u>
Total funds		<u><u>6,778,488</u></u>	<u><u>7,010,737</u></u>

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The financial statements on pages 26 to 59 were approved by the Trustees, and authorised for issue on 06 December 2023 and are signed on their behalf, by:



T Marcus
Chair of Trustees

The notes on pages 31 to 59 form part of these financial statements.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(222,718)	116,307
Cash flows from investing activities	20	(69,693)	(69,540)
Change in cash and cash equivalents in the year		(292,411)	46,767
Cash and cash equivalents at the beginning of the year		659,438	612,671
Cash and cash equivalents at the end of the year	21, 22	<u>367,027</u>	<u>659,438</u>

The notes on pages 31 to 59 form part of these financial statements

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Board of Trustees has a reasonable expectation that the trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The academy had a strong reserves position at the 31 August 2023 of £312,482, with £367,069 held of cash at this date. A detailed budget for 2023/24 has been prepared and updated to include the impact of increased fuel costs and salaries to reflect cost of living increase.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

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

1.7 Stocks

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Pensions

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

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

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

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

EDUCATION SWANAGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 Fund accounting

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

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

Depreciation is estimated over the useful economic life of an asset in order to write off the value of this asset in line with life.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	93,168	6,600	-	99,768
Capital Grants	-	-	29,039	29,039
	<u>93,168</u>	<u>6,600</u>	<u>29,039</u>	<u>128,807</u>
	<u><u>93,168</u></u>	<u><u>6,600</u></u>	<u><u>29,039</u></u>	<u><u>128,807</u></u>
			<i>Restricted</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>	<i>2022</i>
	£	£	£	£
Donations	65,007	1,350	6,500	72,857
Capital Grants	-	-	9,468	9,468
	<u>65,007</u>	<u>1,350</u>	<u>15,968</u>	<u>82,325</u>
	<u><u>65,007</u></u>	<u><u>1,350</u></u>	<u><u>15,968</u></u>	<u><u>82,325</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Education			
DfE/ESFA grants			
General Annual Grant	-	1,987,943	1,987,943
Other DfE/ESFA grants			
Pupil Premium	-	107,921	107,921
Supplementary grants	-	60,736	60,736
Others	-	83,165	83,165
	-	2,239,765	2,239,765
Other Government grants			
Special Educational Needs	-	59,203	59,203
Other LA grants	-	17,606	17,606
	-	76,809	76,809
Other income from the Academy's education	110,235	-	110,235
	110,235	2,316,574	2,426,809
	110,235	2,316,574	2,426,809

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy's charitable activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Education			
DfE/ESFA grants			
General Annual Grant	-	1,990,832	1,990,832
Other DfE/ESFA grants			
Pupil Premium	-	93,285	93,285
Others	-	93,761	93,761
	<hr/>	<hr/>	<hr/>
	-	2,177,878	2,177,878
Other Government grants			
Special Educational Needs	-	49,709	49,709
	<hr/>	<hr/>	<hr/>
	-	49,709	49,709
Other income from the Academy's education	90,831	-	90,831
	<hr/>	<hr/>	<hr/>
	90,831	2,227,587	2,318,418
	<hr/>	<hr/>	<hr/>
	90,831	2,227,587	2,318,418
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

EDUCATION SWANAGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Hire of facilities	26,493	26,493
Other	871	871
	<u>27,364</u>	<u>27,364</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Hire of facilities	30,453	30,453
Other	1,045	1,045
	<u>31,498</u>	<u>31,498</u>

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	3,997	3,997
	<u>3,997</u>	<u>3,997</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest	89	89
	<u>89</u>	<u>89</u>

EDUCATION SWANAGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Expenditure on raising voluntary income:				
Direct costs	-	-	80,567	80,567
Expenditure on fundraising trading activities:				
Direct costs	-	-	-	-
Education:				
Direct costs	1,604,885	44,320	226,872	1,876,077
Allocated support costs	471,425	173,799	288,358	933,582
	<u>2,076,310</u>	<u>218,119</u>	<u>595,797</u>	<u>2,890,226</u>

	<i>Staff Costs</i> <i>2022</i> £	<i>Premises</i> <i>2022</i> £	<i>Other</i> <i>2022</i> £	<i>Total</i> <i>2022</i> £
Expenditure on raising voluntary income:				
Direct costs	-	-	52,538	52,538
Expenditure on fundraising trading activities:				
Direct costs	-	-	35	35
Education:				
Direct costs	1,434,868	44,103	205,808	1,684,779
Allocated support costs	572,306	123,113	235,590	931,009
	<u>2,007,174</u>	<u>167,216</u>	<u>493,971</u>	<u>2,668,361</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Education	1,876,077	933,582	2,809,659

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Education	1,684,779	931,009	2,615,788

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	1,590,648	1,415,871
Depreciation	108,596	89,822
Educational supplies	75,923	58,073
Examination fees	31,811	23,598
Staff development	8,663	14,728
Other costs	13,584	35,563
Supply teachers	14,237	18,997
Security and transport	29,748	25,513
Technology costs	2,867	2,614
	<u>1,876,077</u>	<u>1,684,779</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
LGPS pension net interest cost	10,000	20,000
Staff costs	471,425	572,306
Depreciation	30,478	25,776
Other costs	29,410	23,312
Recruitment and other staff costs	7,643	7,317
Maintenance of premises and equipment	59,114	54,925
Cleaning	12,968	15,040
Rent and rates	7,588	5,783
Heat and light	81,690	38,053
Insurance	7,068	9,937
Catering	89,166	61,212
Technology costs	41,449	30,613
Office overheads	50,038	39,637
Legal and professional	20,186	12,922
Bank interest and charges	2,026	1,772
Governance costs	13,333	12,404
	<u>933,582</u>	<u>931,009</u>

9. Net expenditure

Net expenditure for the year includes:

	2023 £	<i>2022 £</i>
Operating lease rentals	18,373	22,330
Depreciation of tangible fixed assets	139,074	115,598
Fees paid to auditors for:		
Auditors' remuneration - audit	8,800	8,478
- other services	1,515	1,620
	<u>167,762</u>	<u>148,026</u>

EDUCATION SWANAGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	1,537,953	1,393,058
Social security costs	148,326	125,323
Pension costs	375,794	469,796
	<u>2,062,073</u>	<u>1,988,177</u>
Agency staff costs	14,237	18,997
	<u>2,076,310</u>	<u>2,007,174</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	23	23
Administration and support	28	25
Management	3	3
	<u>54</u>	<u>51</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	24	22
Administration and support	17	18
Management	3	3
	<u>44</u>	<u>43</u>

EDUCATION SWANAGE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £270,288 (2022 - £254,213).

11. Trustees' remuneration and expenses

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

		2023	2022
		£	£
J Maraspin	Remuneration	80,000 - 85,000	75,000 - 80,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
A Duke (resigned 25 March 2023)	Remuneration	25,000 - 30,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
A Hines	Remuneration	40,000 - 45,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000

During the year ended 31 August 2023, expenses totalling £NIL were reimbursed or paid directly to no Trustee (2022 - £NIL to no Trustees).

12. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	7,089,549	328,820	6,011	427,497	7,851,877
Additions	-	16,934	-	114,981	131,915
At 31 August 2023	<u>7,089,549</u>	<u>345,754</u>	<u>6,011</u>	<u>542,478</u>	<u>7,983,792</u>
Depreciation					
At 1 September 2022	505,450	280,072	1,346	357,215	1,144,083
Charge for the year	56,759	34,575	377	47,363	139,074
At 31 August 2023	<u>562,209</u>	<u>314,647</u>	<u>1,723</u>	<u>404,578</u>	<u>1,283,157</u>
Net book value					
At 31 August 2023	<u><u>6,527,340</u></u>	<u><u>31,107</u></u>	<u><u>4,288</u></u>	<u><u>137,900</u></u>	<u><u>6,700,635</u></u>
At 31 August 2022	<u><u>6,584,099</u></u>	<u><u>48,748</u></u>	<u><u>4,665</u></u>	<u><u>70,282</u></u>	<u><u>6,707,794</u></u>

14. Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u><u>-</u></u>	<u><u>1,347</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	8,369	5,379
Prepayments and accrued income	33,962	35,785
Tax recoverable	36,134	33,492
	78,465	74,656

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	35,724	57,299
Other taxation and social security	34,059	30,360
Other creditors	40,179	35,171
Accruals and deferred income	16,677	28,668
	126,639	151,498

	2023 £	2022 £
Deferred income at 1 September 2022	14,169	22,919
Resources deferred during the year	-	14,169
Amounts released from previous periods	(14,169)	(22,919)
	-	14,169

Deferred income at 31 August 2023 was £NIL.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Staff Absence Fund	50,000	-	(2,220)	12,220	-	60,000
Repairs and Maintenance Fund	50,000	-	-	-	-	50,000
Digital Media Suite Project	97,000	-	-	(97,000)	-	-
	<u>197,000</u>	<u>-</u>	<u>(2,220)</u>	<u>(84,780)</u>	<u>-</u>	<u>110,000</u>
General funds						
General funds	254,762	234,764	(262,577)	(24,467)	-	202,482
Total Unrestricted funds	<u>451,762</u>	<u>234,764</u>	<u>(264,797)</u>	<u>(109,247)</u>	<u>-</u>	<u>312,482</u>
Restricted general funds						
General Annual Grant	131,181	1,987,943	(2,119,124)	-	-	-
Pupil Premium	-	107,921	(107,921)	-	-	-
Special Educational Needs	-	59,203	(59,203)	-	-	-
Supplementary grants	-	60,736	(60,736)	-	-	-
Other DfE/ESFA grants	-	83,165	(83,165)	-	-	-
Other government grants	-	17,606	(17,606)	-	-	-
Donations	1,000	6,600	(7,600)	-	-	-
Pension reserve	(281,000)	-	(31,000)	-	71,000	(241,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
	(148,819)	2,323,174	(2,486,355)	-	71,000	(241,000)
Restricted fixed asset funds						
Capital grants from ESFA/DfE	6,654,951	29,039	(104,038)	-	-	6,579,952
Capital expenditure from PTA donations	1,540	-	-	-	-	1,540
Funded from GAG	27,614	-	(10,462)	-	-	17,152
Donations	14,519	-	(4,820)	-	-	9,699
Funded from unrestricted funds	9,170	-	(19,754)	109,247	-	98,663
	<u>6,707,794</u>	<u>29,039</u>	<u>(139,074)</u>	<u>109,247</u>	<u>-</u>	<u>6,707,006</u>
Total Restricted funds	<u>6,558,975</u>	<u>2,352,213</u>	<u>(2,625,429)</u>	<u>109,247</u>	<u>71,000</u>	<u>6,466,006</u>
Total funds	<u><u>7,010,737</u></u>	<u><u>2,586,977</u></u>	<u><u>(2,890,226)</u></u>	<u><u>-</u></u>	<u><u>71,000</u></u>	<u><u>6,778,488</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Statement of funds (continued)

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

General Annual Grant (GAG)

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

Pupil Premium

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

Special Educational Needs

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

Other DfE/ESFA Grants

Immaterial grants received from the ESFA. This includes income such as Recovery Premium and the National Tutoring Programme.

Other Government Grants

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

Supplementary Grants

Income received from the ESFA to provide support for the costs of the Health and Social Care Levy and wider costs.

Pension Reserve

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

DfE/ESFA capital grants

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

Designated Funds

The Trustees have designated a fund of £60,000 to cover the cost of long term staff absence and a designated repairs and maintenance fund of £50,000.

Donations

Income received from external sources for restricted purposes.

Catch-up Premium

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2022</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Staff Absence Fund	50,000	-	-	-	-	50,000
Repairs and Maintenance Fund	50,000	-	-	-	-	50,000
Digital Media Suite Project	-	-	(26,000)	123,000	-	97,000
	<u>100,000</u>	<u>-</u>	<u>(26,000)</u>	<u>123,000</u>	<u>-</u>	<u>197,000</u>
General funds						
General funds	285,394	187,425	(83,040)	(135,017)	-	254,762
Total Unrestricted funds	<u>385,394</u>	<u>187,425</u>	<u>(109,040)</u>	<u>(12,017)</u>	<u>-</u>	<u>451,762</u>
Restricted general funds						
General Annual Grant	181,736	1,990,832	(2,012,618)	(28,769)	-	131,181
Pupil Premium	-	93,285	(93,285)	-	-	-
Special Educational Needs	-	49,709	(49,709)	-	-	-
Supplementary grants	-	93,761	(93,761)	-	-	-
Other DfE/ESFA grants	-	1,350	(350)	-	-	1,000
Other government grants	8,000	-	(8,000)	-	-	-
Pension reserve	(1,264,000)	-	(186,000)	-	1,169,000	(281,000)
	<u>(1,074,264)</u>	<u>2,228,937</u>	<u>(2,443,723)</u>	<u>(28,769)</u>	<u>1,169,000</u>	<u>(148,819)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Statement of funds (continued)

Restricted fixed asset funds

Capital grants from ESFA/DfE	6,746,087	9,468	(100,604)	-	-	6,654,951
Capital expenditure from PTA donations	1,540	-	-	-	-	1,540
Funded from GAG	6,245	-	(7,400)	28,769	-	27,614
Donations	12,766	6,500	(4,747)	-	-	14,519
Funded from unrestricted funds	-	-	(2,847)	12,017	-	9,170
	<u>6,766,638</u>	<u>15,968</u>	<u>(115,598)</u>	<u>40,786</u>	<u>-</u>	<u>6,707,794</u>
Total Restricted funds	<u>5,692,374</u>	<u>2,244,905</u>	<u>(2,559,321)</u>	<u>12,017</u>	<u>1,169,000</u>	<u>6,558,975</u>
Total funds	<u><u>6,077,768</u></u>	<u><u>2,432,330</u></u>	<u><u>(2,668,361)</u></u>	<u><u>-</u></u>	<u><u>1,169,000</u></u>	<u><u>7,010,737</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	6,700,635	6,700,635
Current assets	439,121	-	6,371	445,492
Creditors due within one year	(126,639)	-	-	(126,639)
Provisions for liabilities and charges	-	(241,000)	-	(241,000)
Total	<u><u>312,482</u></u>	<u><u>(241,000)</u></u>	<u><u>6,707,006</u></u>	<u><u>6,778,488</u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	6,707,794	6,707,794
Current assets	603,260	132,181	-	735,441
Creditors due within one year	(151,498)	-	-	(151,498)
Provisions for liabilities and charges	-	(281,000)	-	(281,000)
Total	<u>451,762</u>	<u>(148,819)</u>	<u>6,707,794</u>	<u>7,010,737</u>

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	<u>(303,249)</u>	<u>(236,031)</u>
Adjustments for:		
Depreciation	139,074	115,598
Capital grants from DfE and other capital income	(29,039)	(15,968)
Interest receivable	(3,116)	(89)
Defined benefit pension scheme cost less contributions payable	21,000	165,000
Defined benefit pension scheme finance cost	10,000	21,000
Decrease/(increase) in stocks	1,347	(517)
(Increase)/decrease in debtors	(3,809)	27,378
(Decrease)/increase in creditors	(54,926)	39,936
Net cash (used in)/provided by operating activities	<u>(222,718)</u>	<u>116,307</u>

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20. Cash flows from investing activities

	2023	2022
	£	£
Interest receivable	3,116	89
Purchase of tangible fixed assets	(101,848)	(79,097)
Capital grants from DfE Group	29,039	9,468
Net cash used in investing activities	(69,693)	(69,540)

21. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	367,027	659,438
Total cash and cash equivalents	367,027	659,438

22. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	659,438	(292,411)	367,027
	659,438	(292,411)	367,027

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23. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Dorset County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £38,901 were payable to the schemes at 31 August 2023 (2022 - £34,467) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy).
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- The SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £240,526 (2022 - £211,588).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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

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23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £142,000 (2022 - £122,000), of which employer's contributions totalled £112,000 (2022 - £92,000) and employees' contributions totalled £30,000 (2022 - £26,000). The agreed contribution rates for future years are 23.6 per cent for employers and 5.5 - 6.8 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.90

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.8	22.1
Females	23.9	24.2
<i>Retiring in 20 years</i>		
Males	23.1	23.4
Females	25.3	25.6

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23. Pension commitments (continued)

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(29)	(103)
Discount rate -0.1%	29	110
Mortality assumption - 1 year increase	32	110
Mortality assumption - 1 year decrease	(32)	(102)
CPI rate +0.1%	30	110
CPI rate -0.1%	(29)	(102)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	689,000	552,000
Liability Driven Investment	-	112,000
Property	98,000	106,000
Cash and other liquid assets	17,000	16,000
Other Bonds	73,000	47,000
Diversified Growth Fund	76,000	68,000
Infrastructure	85,000	76,000
Multi Asset Credit	78,000	46,000
Total market value of assets	1,116,000	1,023,000

The actual return on scheme assets was £18,000 (2022 - £40,000).

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

	2023 £	2022 £
Current service cost	(132,000)	(257,000)
Interest income	46,000	16,000
Interest cost	(56,000)	(36,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(143,000)	(278,000)

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23. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	1,304,000	2,143,000
Interest cost	56,000	36,000
Employee contributions	30,000	26,000
Actuarial gains	(163,000)	(1,225,000)
Benefits paid	(2,000)	67,000
Current service cost	132,000	257,000
At 31 August	1,357,000	1,304,000

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

	2023 £	2022 £
At 1 September	1,023,000	879,000
Interest income	46,000	16,000
Actuarial losses	(92,000)	(56,000)
Employer contributions	112,000	92,000
Employee contributions	30,000	26,000
Benefits paid	(2,000)	67,000
Administrative expenses	(1,000)	(1,000)
At 31 August	1,116,000	1,023,000

24. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	17,467	18,373
Later than 1 year and not later than 5 years	14,747	32,213
	32,214	50,586

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25. Members' liability

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

26. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.