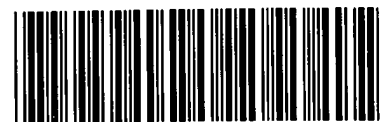


EDUCATION SWANAGE LIMITED
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



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EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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EDUCATION SWANAGE LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Collins (resigned 1 March 2022)
T Hamilton-Fletcher (resigned 12 January 2022)
W Knight
T Marcus
N Newman
H O'Connor
E Pearson
J Starmer (resigned 1 March 2022)
A Stephens (resigned 1 March 2022)
C Styants
H Sumbler
I Tooley (resigned 29 December 2021)
W Trite
J Tatchell (appointed 15 September 2021)
S Starmer (appointed 12 January 2022)

Trustees

P Collins
A Duke
H Etherington (appointed 2 November 2021)
T Hamilton-Fletcher
A Hines
L King (appointed 30 September 2021)
W Knight
J Maraspin, Head Teacher
T Marcus, Chair of Trustees
V Millman (resigned 9 December 2021)
A Rowley (appointed 1 September 2022)
J Starmer
C Starmer-Howes
D Parker (appointed 6 July 2022)
I Tooley
R Tapping (appointed 25 October 2021)

**Company registered
number**

07613612

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 Unit 4 Silverdown Office Park Exeter Airport Buisness Park Exeter EX5 2UX

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 315 in the school census on October 2021.

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. 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 of up to 12 Trustees who are appointed by the members of Education Swanage, the Headteacher, two Parent Trustees, two Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust does not exceed one third of the total number of Trustees). The Articles of Association require there to be a minimum of three Trustees.

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

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

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 Trustees.

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 2021-22, to allow changes made during 2020-21 to settle in.

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

Audit & Risk Committee (from April 2021);

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

Community & Engagement Committee;

Meets at least three time a year. Has oversight of all aspects of publicity and community engagement. From April 2021, it also has oversight of careers provision and will oversee the aim of the school to become an apprenticeships provider.

Staffing, Finance & Premises Committee (from April 2021);

Meets at least six times a year. Makes delegated decision and makes recommendations to the Full Governing Body so as to ensure sound management of the school's finances, physical resources and staffing. It has delegated powers on financial, building, environmental matters and pay for staff 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 restructures, performance review and approves performance management policy annually.

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 and cultural and the curriculum. It reviews all policies relating to the curriculum and other student-related matters, except those policies which must remain the responsibility of the full governing body.

At the end of the 2021-22 year the Governing Body was satisfied that the changes had been effective and would continue for 2022-23.

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

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 are supported in this role by an external consultant who is a senior teaching professional. They also have direct line management responsibility for the Clerk to the Trustees.

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

h. Related parties and other connected charities and organisations

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

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

Objectives and activities

a. Objects and aims

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

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

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.

The Swanage School Way

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

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

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, Strategies and Activities

The school's objectives for 2021-22 were as follows:

Embedding Formative Assessment:

Whole school focus on developing a culture of responsive teaching through effective, consistent use of formative assessment strategies.

Deliver an outstanding KS3 Project-Based Learning Curriculum:

Academic challenge is improved and established throughout the Key Stage 3 Project Based Learning curriculum with a clear focus on:

- Developing critical, analytical and autonomous approach to learning
- Producing exceptionally high quality work consistently
- Establishing a culture of displaying and celebrating exceptionally high quality work with all stakeholders around the school and local community
- Creating projects that are challenging, relevant and impact on the local and wider community
- Activating students as productive learners

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Improving consistency and impact of 'Curriculum Support Activities' (Homework)

Establish and implement a timetable for Curriculum Support activities and explicit monitoring and quality assurance processes focusing on quality, consistency and relevance of Curriculum Support Activities.

Address issues raised in the OFSTED 'review of sexual abuse in schools and colleges' report

Establish a culture of 'Not at The Swanage School' zero tolerance amongst the student body.

Developing Character:

Implementation of 'crew' ideology and programme centred around 4 'pillars'

- Productivity
- Community
- Character
- Ambition

c. Public benefit

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

Strategic report

Achievements and performance

a. Achievements and performance summary

During the first term of the 2021-22 year, the school and students worked hard to settle back into normal routines and set expectations for the year. The link governor for health & safety contributed to the Covid Risk Assessment & Mitigation Strategy, supporting the leadership team to manage the safe return of pupils and staff to school. General health & safety monitoring has given confidence that the school is safe and compliant and that necessary remedial works are scheduled.

Governors continued to request presentations and ask questions about delivery of teaching, addressing attainment and progress gaps, and how the impact of strategies would be measured and reviewed, including in relation to pupils with special educational needs. Governors bore in mind the local and national contextual issues when reviewing progress data, and continued to hold the leadership team to account in delivering a consistently good standard of academic education and pastoral support.

An assessment of data for pupil premium students and students with SEND showed that the overlap between these groups was smaller than expected. This has influenced the approach to identifying pupil premium students who need support that is not SEND support.

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

The link governor for SEND regularly met (virtually and in person) with the school's Special Educational Needs Co-Ordinator to better understand the demands on the SEND department and to hold them to account for effective support of students with SEND. The new SENDCo has reviewed the way that the department supports students, and some new tools have been purchased to enable the department to support more students. Literacy was identified as a significant concern following two years of education that has been substantially affected by the pandemic, and the SEND department has been monitoring progress of students receiving targeted intervention in this area.

Embedding Formative Assessment:

- The Governing Body reviewed the impact of the additional staff INSET days relating to improving the impact of assessment and students' learning. These had been successful in embedding a cycle of purposeful assessment with feedback to students and addressing gaps in understanding.

Deliver an outstanding KS3 Project-Based Learning Curriculum:

- Governors challenged the leadership team to provide evidence of the effectiveness of the refreshed approach to project-based learning in KS3. The evidence provided showed that the students had made enormous progress in both the quality of their work and their curiosity and attitude to independent learning.
- After discussion with the Headteacher well-evidenced, solid and robust proposals were put forward for innovative changes to the curriculum. These included adding a creative digital media qualification at Key Stage 4 and embedding the relevant skills into the Key Stage 3 curriculum. Governors approved the change to the curriculum and the staffing and technology required to support this effectively.

Improving consistency and impact of 'Curriculum Support Activities' (Homework):

- Governors on the Student Committee saw that the planning and delivery of Curriculum Support Activities improved over the course of 2021-22, and that expectations for staff and students were made clearer.

Developing Character:

- Progress was made in understanding how the school can encourage better attitudes to learning by developing four pillars of character which are intended to set the students up for success in their lives beyond The Swanage School.
- The school's wider leadership team have visited other schools and have researched different approaches in order to develop and test ideas over the course of the year.
- The governors were pleased to see this and are excited by the framework that is being discussed by the school's wider leadership team for the coming years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Address issues raised in the OFSTED 'review of sexual abuse in schools and colleges' report:

- The lead governor for safeguarding meets termly with the safeguarding lead and worked with the safeguarding lead to develop an appropriate policy and ensure that plans for rolling out that policy were implemented.
- The safeguarding governor is also now the lead governor for attendance, ensuring joined up governor oversight of these, often related, areas.
- Governors kept an eye on the support for more vulnerable students and cared about the well-being of staff, ensuring that appropriate support was in place. The link governor for mental health has helped to ensure that this remains a consideration in strategic planning and allocation of resources at a time when there are many competing calls.

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:

315 (Oct 2021)

Ofsted inspection outcomes:

2018: Good

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Financial Review

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

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

Whilst there is a liability of £281,000 against the local government defined benefit pension scheme, this does not materially affect the financial position of the academy. As at 31 August 2022, The Swanage School had £451,762 (2021: £385,394) of unrestricted reserves, of which £74,000 has been designated to cover the cost of long term absence and maintenance. In addition, the school had £131,181 (2021: £181,736) of General Annual Grant restricted reserves, £1,000 (2021: £Nil) of restricted donations and £Nil (2021: £8,000) of Covid catch up premium carried forward as at 31 August 2022.

Covid-19 did not have a detrimental fiscal impact during 2021-22. 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.

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 £197,000 at the year end. This is made up of £50,000 to cover the cost of long term staff absence, a designated repairs and maintenance fund of £50,000 and funds designated for a Digital Media Suite Project of £97,000. Total reserves at the year end (excluding the pension deficit reserve and restricted fixed asset fund) totalled £583,943, which equates to approximately three months of recurring expenditure. Excluding the designated reserves of £197,000, this leaves £386,943. During 2021/22, the Governors approved spending of up to £110,000 from the reserves on equipment to implement the creative media curriculum, which will be purchased in 2022/23. The target as per the Academy's reserve policy for this figure being between 12.75% and 18.75% of annual revenue (between £308,086 and £453,068) 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.

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

c.Fundraising

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

Plans for future periods

The following core developmental priorities for the future should be read in conjunction with the School Development Plan. These priorities come from reflecting on recent GCSE results, 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.

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.

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.

EDUCATION SWANAGE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 7 December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'T Marcus', with a long horizontal stroke extending to the right.

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 5 times during the year 2021/22.

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

Trustee	Meetings attended	Out of a possible
P Collins	3	5
A Duke (Staff Trustee)	4	5
H Etherington	3	5
T Hamilton-Fletcher	4	5
A Hines (Staff Trustee)	5	5
L King	2	5
J Maraspin (Headteacher)	5	5
W Knight	5	5
T Marcus, Chair of Trustees	5	5
V Millman	0	2
D Parker	1	1
A Rowley	2	5
J Starmer	1	5
C Starmer-Howes	5	5
R Tapping	3	5
I Tooley	4	5

Notes:

- Daniel Parker was elected Parent Governor on 06 July 2022
- Vanessa Millman resigned with effect from 08 December 2021

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.

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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 willing to reflect. Although none of the Trustees has a legal background, the Governing Body has access to legal advice through its membership of the National Governance Association. Additional Trustees are co-opted as needed.

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

Review of value for money

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

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

Maximising income generation

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 government and the school was also successful in bidding for a number of small grants during 2021-22.

Facilities management services:

The provision of Facilities Management services to the adjacent primary school continued to provide an income to the school during 2021-22.

EDUCATION SWANAGE LIMITED
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Sustaining High Quality Educational Results

Examination results and the progress of pupils remained strong within the context of efficient use of school resources. GCSEs returned to being externally marked and moderated in 2021-22 and the majority of students attended their full set of Key Stage 4 qualification examinations.

The headteacher's review of the initial results in August showed that good progress had been made by students in most subjects. Governors were pleased to see improvements in some subjects which had been the focus of changes to teaching and/ or curriculum. The headteacher noted areas where continued or new focus would be needed during 2022-23.

In July 2021, the Governing Body approved the supply of Chromebooks to new intake students to invest in blended learning in the classroom and to ensure all incoming students have access to technology for education. A pilot scheme was run for students entering in September 2021. This was considered a success and so the school is embedding a rolling programme such that all students will have their own device to bring to school. Whilst there is a financial outlay to the scheme, over time the lessening need to maintain and buy computers for the school will bring significant savings.

After discussion with the Headteacher well-evidenced, solid and robust proposals were put forward for innovative changes to the curriculum for 2022-23. These included adding a creative digital media qualification at Key Stage 4 and embedding the relevant skills into the Key Stage 3 curriculum. Governors approved the change to the curriculum and the staffing and technology required to support this effectively.

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 2021-22, 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 2021-22 were:

- The school re-negotiated its fuel contracts to ensure the best possible market prices for gas and electric. Though significantly more than earlier years they are the best prices available in a vast market place.
- Bournemouth University gifted the school photography equipment and provided free technical support in the planning of the new digital media suite
- Working with Digital Garage via the Government approved Crescent framework, the school has been able to access all manner digital equipment at the very best prices.

EDUCATION SWANAGE LIMITED
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GOVERNANCE STATEMENT (CONTINUED)

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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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.

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.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

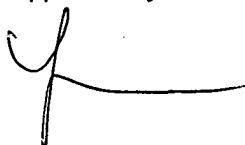
Review of effectiveness

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

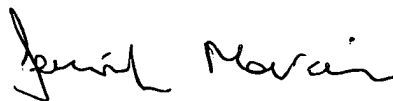
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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 7 December 2022 and signed on their behalf by:



T Marcus
Chair of Trustees



J Maraspin
Accounting Officer

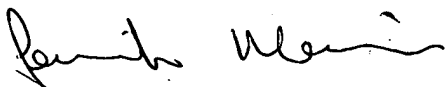
EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Education Swanage Limited I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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: 7 December 2022

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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:

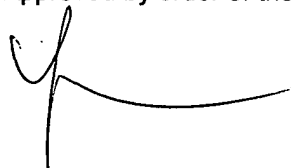
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 7 December 2022 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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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:

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

Use of our report

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

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



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

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

9 December 2022

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 2021 to 2022, 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 2021 to 31 August 2022 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 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 2021 to 31 August 2022 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
Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

Exeter Airport Buisness Park

Date: 9 December 2022

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	65,007	1,350	15,968	82,325	50,347
Other trading activities		31,498	-	-	31,498	7,653
Investments	6	89	-	-	89	57
Charitable activities		90,831	2,227,587	-	2,318,418	2,247,357
Total income		187,425	2,228,937	15,968	2,432,330	2,305,414
Expenditure on:						
Raising funds		52,573	-	-	52,573	11,851
Charitable activities		56,467	2,443,723	115,598	2,615,788	2,430,520
Total expenditure		109,040	2,443,723	115,598	2,668,361	2,442,371
Net income/(expenditure)		78,385	(214,786)	(99,630)	(236,031)	(136,957)
Transfers between funds	17	(12,017)	(28,769)	40,786	-	-
Net movement in funds before other recognised gains/(losses)		66,368	(243,555)	(58,844)	(236,031)	(136,957)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,169,000	-	1,169,000	(109,000)
Net movement in funds		66,368	925,445	(58,844)	932,969	(245,957)
Reconciliation of funds:						
Total funds brought forward		385,394	(1,074,264)	6,766,638	6,077,768	6,323,725
Net movement in funds		66,368	925,445	(58,844)	932,969	(245,957)
Total funds carried forward		451,762	(148,819)	6,707,794	7,010,737	6,077,768

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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

The notes on pages 32 to 61 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 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	6,707,794	6,765,138
		<u>6,707,794</u>	<u>6,765,138</u>
Current assets			
Stocks	14	1,347	830
Debtors	15	74,656	102,034
Cash at bank and in hand		659,438	612,671
		<u>735,441</u>	<u>715,535</u>
Creditors: amounts falling due within one year	16	(151,498)	(138,905)
Net current assets		<u>583,943</u>	<u>576,630</u>
Total assets less current liabilities		<u>7,291,737</u>	<u>7,341,768</u>
Net assets excluding pension liability		<u>7,291,737</u>	<u>7,341,768</u>
Defined benefit pension scheme liability	23	(281,000)	(1,264,000)
Total net assets		<u><u>7,010,737</u></u>	<u><u>6,077,768</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	6,707,794	6,766,638
Restricted income funds	17	132,181	189,736
		<u>6,839,975</u>	<u>6,956,374</u>
Restricted funds excluding pension asset	17	6,839,975	6,956,374
Pension reserve	17	(281,000)	(1,264,000)
Total restricted funds	17	<u>6,558,975</u>	<u>5,692,374</u>
Unrestricted income funds	17	451,762	385,394
Total funds		<u><u>7,010,737</u></u>	<u><u>6,077,768</u></u>

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The financial statements on pages 27 to 61 were approved by the Trustees, and authorised for issue on 07 December 2022 and are signed on their behalf, by:



T Marcus
Chair of Trustees

The notes on pages 32 to 61 form part of these financial statements.

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	116,307	97,378
Cash flows from investing activities	20	(69,540)	(13,220)
Change in cash and cash equivalents in the year		46,767	84,158
Cash and cash equivalents at the beginning of the year		612,671	528,513
Cash and cash equivalents at the end of the year	21, 22	<u>659,438</u>	<u>612,671</u>

The notes on pages 32 to 61 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 2022

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 2021 to 2022 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 2022 of £583,943, with £659,438 held of cash at this date. A detailed budget for 2022/23 has been prepared and updated to include the impact of increased fuel costs and salaries to reflect cost of living increase. This budget for 2022/23 is forecasting a £73,513 deficit position after taking these additional costs into account.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

EDUCATION SWANAGE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2022

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 2022

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Pensions

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Fund accounting

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

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
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>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	15,498	9,192	16,063	40,753
Capital Grants	-	-	9,594	9,594
	<u>15,498</u>	<u>9,192</u>	<u>25,657</u>	<u>50,347</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
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
	-	2,177,878	2,177,878
Other Government grants			
Special Educational Needs	-	49,709	49,709
	-	49,709	49,709
Other income from the Academy's education	90,831	-	90,831
	90,831	2,227,587	2,318,418
	90,831	2,227,587	2,318,418

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'COVID-19 additional funding (DfE/ESFA).'

In 2021/21, the Academy received £26,400 of funding for catch-up premium and costs incurred in respect of this funding totalled £18,400, with the remaining £8,000 to be spent in 2021/22.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	30,453	30,453
Other	1,045	1,045
	<u>31,498</u>	<u>31,498</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Hire of facilities	4,194	4,194
Other	3,459	3,459
	<u>7,653</u>	<u>7,653</u>

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	89	89
	<u>89</u>	<u>89</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest	57	57
	<u>57</u>	<u>57</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
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>
	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising voluntary income:				
Direct costs	-	-	11,851	11,851
Education:				
Direct costs	1,371,586	43,885	147,123	1,562,594
Allocated support costs	525,367	158,399	184,160	867,926
	<u>1,896,953</u>	<u>202,284</u>	<u>343,134</u>	<u>2,442,371</u>

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

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

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

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

Analysis of direct costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	1,415,871	1,348,196
Depreciation	89,822	82,449
Educational supplies	58,073	42,961
Examination fees	23,598	17,062
Staff development	14,728	16,538
Other costs	35,563	8,885
Supply teachers	18,997	23,390
Security and transport	25,513	20,448
Technology costs	2,614	2,665
	<u>1,684,779</u>	<u>1,562,594</u>

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

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
LGPS pension net interest cost	20,000	15,000
Staff costs	572,306	525,367
Depreciation	25,776	24,454
Other costs	23,312	15,928
Recruitment and other staff costs	7,317	7,405
Maintenance of premises and equipment	54,925	53,983
Cleaning	15,040	13,653
Rent and rates	5,783	26,363
Heat and light	38,053	51,563
Insurance	9,937	6,030
Catering	61,212	50,410
Technology costs	30,613	17,425
Office overheads	39,637	32,519
Legal and professional	12,922	13,233
Bank interest and charges	1,772	1,230
Governance costs	12,404	13,363
	931,009	867,926

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	115,598	106,903
Fees paid to auditors for:		
Auditors' remuneration - audit	8,478	7,850
- other services	1,620	1,500

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,393,058	1,340,044
Social security costs	125,323	123,663
Pension costs	469,796	409,856
	<u>1,988,177</u>	<u>1,873,563</u>
Agency staff costs	18,997	23,390
	<u><u>2,007,174</u></u>	<u><u>1,896,953</u></u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	23	21
Administration and support	25	29
Management	3	3
	<u>51</u>	<u>53</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	22	20
Administration and support	18	18
Management	3	4
	<u>43</u>	<u>42</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £254,213 (2021 - £324,329).

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:

		2022 £	2021 £
J Maraspin	Remuneration	75,000 - 80,000	<i>75,000 - 80,000</i>
	Pension contributions paid	15,000 - 20,000	<i>15,000 - 20,000</i>
N Taylor (resigned 31 October 2020)	Remuneration		<i>0 - 5,000</i>
	Pension contributions paid		<i>0 - 5,000</i>
A Duke	Remuneration	45,000 - 50,000	<i>45,000 - 50,000</i>
	Pension contributions paid	5,000 - 10,000	<i>5,000 - 10,000</i>
A Hines	Remuneration	35,000 - 40,000	<i>20,000 - 25,000</i>
	Pension contributions paid	0 - 5,000	<i>5,000 - 10,000</i>

During the year ended 31 August 2022, expenses totalling £NIL were reimbursed or paid directly to Trustee (2021 - £NIL to Trustee).

12. Trustees' and Officers' insurance

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

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	7,089,549	327,486	1,863	374,725	7,793,623
Additions	-	1,334	4,148	52,772	58,254
At 31 August 2022	7,089,549	328,820	6,011	427,497	7,851,877
Depreciation					
At 1 September 2021	448,691	247,190	745	331,859	1,028,485
Charge for the year	56,759	32,882	601	25,356	115,598
At 31 August 2022	505,450	280,072	1,346	357,215	1,144,083
Net book value					
At 31 August 2022	6,584,099	48,748	4,665	70,282	6,707,794
At 31 August 2021	6,640,858	80,296	1,118	42,866	6,765,138

14. Stocks

	2022 £	2021 £
Finished goods and goods for resale	1,347	830

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FOR THE YEAR ENDED 31 AUGUST 2022**

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	5,379	11,898
Prepayments and accrued income	35,785	63,274
Tax recoverable	33,492	26,862
	<u>74,656</u>	<u>102,034</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	57,299	32,245
Other taxation and social security	30,360	31,620
Other creditors	35,171	31,993
Accruals and deferred income	28,668	43,047
	<u>151,498</u>	<u>138,905</u>

	2022 £	2021 £
Deferred income at 1 September 2021	22,919	20,544
Resources deferred during the year	14,169	22,919
Amounts released from previous periods	(22,919)	(20,544)
	<u>14,169</u>	<u>22,919</u>

Deferred income represents income received in advance for trips for the 2022/23 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
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	<u>285,394</u>	<u>187,425</u>	<u>(83,040)</u>	<u>(135,017)</u>	<u>-</u>	<u>254,762</u>
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)	-	-	-
Other government grants	-	93,761	(93,761)	-	-	-
Donations	-	1,350	(350)	-	-	1,000
Covid catch up premium	8,000	-	(8,000)	-	-	-
Pension reserve	(1,264,000)	-	(186,000)	-	1,169,000	(281,000)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
	<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>
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>

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17. Statement of funds (continued)

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

General Annual Grant (GAG)

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

Pupil Premium

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

Special Educational Needs

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

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.

Pension Reserve

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

DfE/ESFA capital grants

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

Designated Funds

The Trustees have designated a fund of £50,000 to cover the cost of long term staff absence, a designated repairs and maintenance fund of £50,000 and funds have been designated for a Digital Media Suite Project of £97,000.

Donations

Income received from external sources for restricted purposes.

Catch-up Premium

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

Other COVID-19 funding

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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

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

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17. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Teachers pay and pension grant	-	85,833	(85,833)	-	-	-
Other DfE/ESFA grants	-	42,123	(42,123)	-	-	-
Pension reserve	(1,008,000)	-	(147,000)	-	(109,000)	(1,264,000)
	<u>(819,516)</u>	<u>2,191,451</u>	<u>(2,335,468)</u>	<u>(1,731)</u>	<u>(109,000)</u>	<u>(1,074,264)</u>
Restricted fixed asset funds						
Capital grants from ESFA/DfE	6,828,794	9,594	(101,123)	8,822	-	6,746,087
Capital expenditure from PTA donations	1,538	-	-	-	-	1,538
Funded from GAG	6,999	-	(2,485)	1,731	-	6,245
Donations	-	16,063	(3,295)	-	-	12,768
	<u>6,837,331</u>	<u>25,657</u>	<u>(106,903)</u>	<u>10,553</u>	<u>-</u>	<u>6,766,638</u>
Total Restricted funds	<u>6,017,815</u>	<u>2,217,108</u>	<u>(2,442,371)</u>	<u>8,822</u>	<u>(109,000)</u>	<u>5,692,374</u>
Total funds	<u><u>6,323,725</u></u>	<u><u>2,305,414</u></u>	<u><u>(2,442,371)</u></u>	<u><u>-</u></u>	<u><u>(109,000)</u></u>	<u><u>6,077,768</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
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	451,762	(148,819)	6,707,794	7,010,737

Analysis of net assets between funds - prior year

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

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FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(236,031)	(136,957)
Adjustments for:		
Depreciation	115,598	106,903
Capital grants from DfE and other capital income	(15,968)	(24,157)
Interest receivable	(89)	(57)
Defined benefit pension scheme cost less contributions payable	165,000	131,000
Defined benefit pension scheme finance cost	21,000	16,000
Increase in stocks	(517)	(79)
Decrease/(increase) in debtors	27,378	(12,579)
Increase in creditors	39,936	17,304
Net cash provided by operating activities	116,307	97,378

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20. Cash flows from investing activities

	2022 £	2021 £
Interest receivable	89	57
Purchase of tangible fixed assets	(79,097)	(22,871)
Capital grants from DfE Group	9,468	9,594
Net cash used in investing activities	(69,540)	(13,220)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	659,438	612,671
Total cash and cash equivalents	659,438	612,671

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	612,671	46,767	659,438
	612,671	46,767	659,438

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23. Pension commitments

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

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

Contributions amounting to £34,467 were payable to the schemes at 31 August 2022 (2021 - £31,620) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £211,588 (2021 - £191,000).

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

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

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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 2022 was £122,000 (2021 - £131,000), of which employer's contributions totalled £92,000 (2021 - £87,000) and employees' contributions totalled £26,000 (2021 - £26,000). The agreed contribution rates for future years are 22 per cent for employers and 5.5 - 6.8 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the Academy, who were the employees when the Academy opened and new employees who were eligible to, and did, join the Scheme subsequently. The obligation represents their cumulative service at the Academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.25	3.90
Rate of increase for pensions in payment/inflation	2.9	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.9	2.90

The UK is currently experiencing a period of high inflation. As the deferred pensioner and pensioner obligations in the LGPS are increased each April in line with the previous September's rate of CPI, the high level of inflation is expected to lead to a high Pension Increase Order being applied in April 2023. Therefore, the actuary has adjusted the CPI assumption to reflect the likely significant inflationary increase to LGPS benefits in April 2023. Although not yet confirmed by government, the annual increase is due to be based on the level of CPI increases between September 2021 and September 2022, which has been estimated to be 9.5%. As a result, within the standard CPI assumption derivation, the actuary has allowed for a year 1 CPI figure of 9.5%.

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

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.2	24.6
<i>Retiring in 20 years</i>		
Males	23.4	
Females	25.6	26.1

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23. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(103)	(57)
Discount rate -0.1%	110	58
Mortality assumption - 1 year increase	110	86
Mortality assumption - 1 year decrease	(102)	(82)
CPI rate +0.1%	110	54
CPI rate -0.1%	(102)	(52)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	552,000	482,000
Liability Driven Investment	112,000	104,000
Property	106,000	77,000
Cash and other liquid assets	16,000	14,000
Other Bonds	47,000	49,000
Diversified Growth Fund	68,000	58,000
Infrastructure	76,000	54,000
Multi Asset Credit	46,000	41,000
Total market value of assets	1,023,000	879,000

The actual return on scheme assets was £-40,000 (2021 - £141,000).

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

	2022 £	2021 £
Current service cost	(257,000)	(218,000)
Interest income	16,000	11,000
Interest cost	(36,000)	(26,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(278,000)	(234,000)

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23. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	2,143,000	1,606,000
Interest cost	36,000	26,000
Employee contributions	26,000	26,000
Actuarial (gains)/losses	(1,225,000)	239,000
Benefits paid	67,000	28,000
Current service cost	257,000	218,000
At 31 August	1,304,000	2,143,000

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

	2022 £	2021 £
At 1 September	879,000	598,000
Interest income	16,000	11,000
Actuarial (losses)/gains	(56,000)	130,000
Employer contributions	92,000	87,000
Employee contributions	26,000	26,000
Benefits paid	67,000	28,000
Administrative expenses	(1,000)	(1,000)
At 31 August	1,023,000	879,000

24. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	18,373	22,330
Later than 1 year and not later than 5 years	32,213	21,094
Later than 5 years	-	29,493
	50,586	72,917

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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.