

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements
for the year ended 31 August 2015



SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details of the Multi Academies Trust, its Members/Trustees and Advisers	1 - 2
Trustees' Report	3 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Trustees' Responsibilities Statement	16
Independent Auditors' Report	17 - 18
Independent Reporting Accountant's Assurance Report on Regularity	19 - 20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24 - 49

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details of the Multi Academies Trust, its Members/ Trustees and Advisers
For the Year Ended 31 August 2015

Members	Mr G Clifton Mr J Whitcombe Mr J Fassenfelt, Chairman
Trustees/Directors	Mrs K Walsh (resigned 11 August 2015) Mr G Clifton ^{1,2} Mr J Whitcombe, Trust Principal and Accounting Officer ¹ Mr J Fassenfelt ^{1,2} Mrs K Walsh (resigned 11 August 2015) ¹ Mr M Wilson Mrs C Wood ¹ Mr A Barham ^{1,2} Mr D Brown (resigned 22 December 2014) ^{1,2} Mr S Cox (resigned 23 September 2015) ¹ Mr K Holmes (resigned 23 September 2015) ¹ Mr R Slee Mrs S Dickinson (appointed 1 September 2014, resigned 23 September 2015) ¹ Mr D Stevens ¹ Mrs K Mirams ¹ Mrs F Trigwell ¹ Mrs M Fenniche (resigned 20 October 2014) ¹ Mr S Wood (appointed 17 October 2014) ¹ Mr D Trimmer (appointed 20 April 2015) Mr B Chilton (appointed 15 July 2015) ¹ Mrs L Hook (appointed 23 September 2015) ¹

¹ member of a Local Governing Body Resources Committee

² member of Audit and Risk Assurance Committee

Company registered number	07344732
Principal and registered office	Ashdown House Johnson Road Sittingbourne Kent ME10 1JS
Company secretary	Brachers LLP
Senior management team	Mr J Whitcombe, Trust Principal Mr M Wilson, Executive Headteacher Primaries Mr D Trimmer, Executive Headteacher Secondaries Mrs C Wood, Advisory Headteacher Primaries Mr K Holmes, Advisory Headteacher Mr S Cox, Headteacher – Westlands School Mrs K Mirams, Headteacher – Regis Manor Primary School Mrs M Fenniche, Headteacher – Westlands Primary School - resigned 20/10/14 Mrs S Dickinson, Headteacher – Meopham School - appointed 01/09/14 Mrs L Hopkins, Headteacher – Westlands Primary School - appointed 21/10/14 Mrs F Trigwell, Headteacher – Sittingbourne Community College Mrs J Olivier, Headteacher - South Borough Primary School Mrs C Hylands, Headteacher - Beaver Green Primary School Mrs S Goddard, Trust Business Manager - resigned 30/11/15 Mr G Bailey, Trust Business Manager - appointed 30/11/15 Miss J Laflin, Trust Shared Services Manager

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details of the Multi Academies Trust, its Members/ Trustees and Advisers
For the Year Ended 31 August 2015

Administrative details (continued)

Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
-----------------------------	---

Bankers	HSBC PLC 115 High Street Sittingbourne Kent ME10 4AL
----------------	--

Solicitors	Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH
-------------------	---

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2015. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates 4 primary and 3 secondary schools, 4 nurseries, 1 sports centre and a skills centre in Kent. The Trust has a combined pupil capacity of 5,311 and had a roll of 5,096 in the school census in January 2015.

Structure, governance and management

a. Constitution

Swale Academies Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of Swale Academies Trust. The Trustees of Swale Academies Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Swale Academies Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

The articles of association require the Members of the charitable company to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Multi Academies Trust.

The Members of the Multi Academies Trust comprise :-

- The signatories of the Memorandum
- One person appointed by the Secretary of State (not used)
- The chairman of the Board of Trustees
- Any persons appointed under Article 16 (not used)

The Swale Academies Trust is constituted under a Memorandum and Articles of Association dated 12 August 2010.

There have been no changes in the objectives since the last annual report.

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. Method of recruitment and appointment or election of Trustees

The number of Trustees shall be not less than three but shall not be subject to a maximum.

The Members of the Multi Academies Trust may appoint up to nineteen Trustees save that, for each Academy, there shall be no more than three employees of the Multi Academies Trust including the Trust Principal appointed as Trustees.

The Trust Principal shall be a Trustee for as long as they remain in office.

The Trustees may appoint up to three co-opted Trustees. A Co-opted Trustee means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Multi Academies Trust as a co-opted Trustee if the number of Trustees who are employed by the Multi Academies Trust would thereby exceed three including the Trust Principal.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2015

The Secretary of State may appoint additional Trustees as they think fit if a warning notice has been given to the Trustees because the standards of performance of pupils at any of the Academy's are unacceptably low, there is a serious breakdown in the way any of the Academy's are managed or governed or the safety of staff and pupils is threatened and following this, the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector in accordance with the Education Act 2005 if any Academy receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period.

The Secretary of State may also appoint further Trustees as he thinks fit if a Special Measures Termination Event occurs in respect of any Academy.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Trust Principal. Subject to remaining eligible to be a particular type of Trustee the Trustee may be re-appointed or re-elected.

Each Academy has a committee of Governors including a minimum of two Parent Governors.

The Parent Governor shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time of their election. The Trustees shall make all necessary arrangements and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

Where a vacancy for a Parent Governor is required to be filled by election, the Trustees shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as candidate, and vote at the election, and given an opportunity to do so.

In appointing a Parent Governor, the Trustees shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

d. Policies and procedures adopted for the induction and training of Trustees

All new Trustees will be given a tour of the Multi Academies Trust and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents that they will need to undertake their role. Induction tends to be done informally and is tailored specifically to the individual upon their appointment. Where necessary, induction will provide training on charity, educational, legal and financial matters.

e. Organisational structure

A unified management structure is operated within Swale Academies Trust. The structure consists of three levels: the Trustees, the Senior Managers and the Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. There is a clear line of delegation which is supported by a detailed Scheme of Delegation. The Trust Principal is also confirmed as the Accounting Officer.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Multi Academies Trust by the use of budgets and making major decisions about the direction of the Multi Academies Trust, capital expenditure and senior staff appointments. The Trustees also receive and approve the audited financial statements of the Multi Academies Trust at the period end.

The Senior Managers are the Trust Principal, Executive Headteachers, Advisory Headteachers, 7 Headteachers, the Trust Business Manager and the Trust Shared Services Manager. These managers control the Multi Academies Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Trustee. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

The Management Team includes the Senior Management and Curriculum Area Managers. These managers are responsible for the day to day operation of Swale Academies Trust, in particular organising the teaching staff, facilities and students.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2015

f. Connected organisations, including related party relationships

Swale Academies Trust has been working in conjunction with the EFA and Kent County Council with Chaucer Technology College until the end of the 14/15 academic year. The Trust is continuing to work with The North School and has started work with Pent Valley School, assisting with the school's improvement out of Ofsted category.

The Trust purchased consultancy services from Alan Barham Support Services Ltd (a company in which Mr A Barham (a Trustee of the Multi Academies Trust) has a majority interest) during the year.

The Trust purchased consultancy services from Richard Slee Ltd (a company in which Mr R Slee (a Trustee of the Multi Academies Trust) has a majority interest) during the year.

The Trust made the purchases at arm's length following a value for money exercise in accordance with its financial regulations, which both Mr Barham and Mr Slee neither participated in, nor influenced.

g. Risk management

The Trustees have assessed the major risks to which the Multi Academies Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Multi Academies Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g., in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g., vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Multi Academies Trust also has an effective system of internal financial controls.

h. Trustees' indemnities

Subject to the provisions of the Companies Act 2006, the Governors' Liability Insurance has a limit of indemnity of £1,000,000 for losses brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by any governor, employee or volunteer.

i. Principal activities

The principal activity of the charitable company is to advance, for the public benefit, education to our pupils by establishing, maintaining, managing and developing schools offering the highest standard of education possible.

Objectives and Activities

a. Objects and aims

The object and activity of the charitable company is the operation of the Swale Academies Trust to provide education for pupils of different abilities up to the age of 19 with an emphasis on Mathematics, English, Computing, Science, Geography, History and Modern Foreign Languages.

The curriculum should comply with the substance of the national curriculum with an emphasis on Mathematics, English, Computing, Science, Geography, History and Modern Foreign Languages and their practical applications.

The main objectives of each Academy within the Multi Academies Trust during the year ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2015

b. Objectives, strategies and activities

The Multi Academies Trust's main objective is encompassed in its mission statement which is 'Working together to succeed'.

To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs; and
- a careers advisory service to help students obtain employment or move on to higher education.

c. Public benefit

The Swale Academies Trust Trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Trustees confirm that the primary objective of Swale Academies Trust is to provide a good service of education within the local community. The management of, and future planning of the Trust consistently considers how this objective will be met.

Strategic Report

Swale Academies Trust is working towards ensuring that each of its Academy's has at least a Good Ofsted judgement and that examination results in each of its Academy's show strong evidence of value added as measured against national benchmarks.

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

Staff costs to total income

School	2015	2014
Meopham School	83.64%	78.50%
Regis Manor Primary School	73.07%	76.24%
Sittingbourne Community College	76.42%	75.35%
Westlands Primary School	72.90%	73.27%
Westlands School	76.71%	80.98%
South Borough Primary School	67.53%	-
Beaver Green Primary School	65.30%	-

Pupil Teacher Ratio

School	2015	2014
Meopham School	11.47	11.98
Regis Manor Primary School	18.18	18.95
Sittingbourne Community College	9.20	11.02
Westlands Primary School	20.09	20.67
Westlands School	11.51	13.25
South Borough Primary School	18.93	-
Beaver Green Primary School	21.45	-

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2015

c. Review of activities

During the 2014/2015 academic year the Trust has continued to develop its profile of schools. During the year three primary schools joined the Trust. These were Istead Rise Primary School (1 September 2015), Beaver Green Primary School (1 April 2015) and South Borough Primary School (1 February 2015). Work is also under way for The North School (Secondary) to join the Trust in September 2016 with an Academy Order already signed.

In terms of school achievement outcomes in 2015 results in Trust Primary schools have been very strong. Regis Manor Primary School, Beaver Green Primary School and South Borough Primary School all achieved strong outcomes. Westlands Primary School received a very positive Ofsted Inspection in June 2015 and was close to achieving an overall outstanding grade. Results for Westlands Primary School in 2015 were vastly improved on previous years and the school is now a good strong provider after a long history of turbulent times.

Performance in Trust secondary schools was largely positive in 2015. Westlands School achieved a very strong set of results especially in English, Mathematics and Science. Sittingbourne Community College achieved excellent results in English and Mathematics with some further work to do in Science and Humanities, however, in terms of overall progress for students performance here was strong. At Meopham School results were mixed mainly due to lower than expected performance in English and Mathematics, however robust steps have been taken to remedy this for 2016.

To develop our capacity for leadership further the Trust has appointed a Secondary Executive Headteacher to complement the work of the Primary Executive Headteacher already in situ. The appointment to this role has greatly increased the capacity of the Trust to service the needs of and to develop our secondary provision.

Financial review

a. Financial report for the year

A proportion of Swale Academies Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2015, total expenditure (excluding restricted fixed asset funds) of £29,700,469 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £(1,825,924).

At 31 August 2015 the net book value of fixed assets was £50,364,714 and movements in tangible fixed assets are shown in note 21 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of Swale Academies Trust.

Also at 31 August 2015, as a result of the calculation in the FRS17 report which produces the defined benefit pension scheme liability for the Local Government Pension Scheme, the net liability is £7,317,000. This is an increase of £1,898,000 on the previous year, however, £1,466,000 relates to deficits transferred into the Trust upon conversion of both South Borough Primary School and Beaver Green Primary School. The actuarial valuation has calculated an overall increased liability for the schools in the Multi Academies Trust.

b. Financial and risk management objectives and policies

The financial and other risks of the Swale Academies Trust have been reviewed as part of the Financial Management and Government Evaluation. Risk Management within the Multi Academies Trust is a continuing process of identification, evaluation and management of risks to enable the Multi Academies Trust to meet its main objective of providing a quality education to its pupils.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2015

c. Principal risks and uncertainties

The principal risks and uncertainties are the changes in educational policy, practices and outcomes which are yet to be determined.

Swale Academies Trust held fund balances at 31 August 2015 of £46,515,695 comprising £51,954,033 of restricted funds and £1,878,662 of unrestricted funds and a pension reserve deficit of £(7,317,000).

The pension balance deficit, as per the Balance Sheet, arose as a result of the deficit inherited when the schools converted to Academy status and subsequent actuarial gains and losses.

d. Reserves policy

The Trustees review the reserve levels of the Swale Academies Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to one months expenditure, approximately £2,000,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Swale Academies Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,289,266. The amount in excess of the reserve policy of £2,000,000 has been designated by the Trustees for the Flexible Response Fund for Capacity Development. Swale Academies Trust will take appropriate action to ensure that reserves are always at a prudent level.

e. Material investments policy

Swale Academies Trust deposits any funds that are not immediately required into a deposit account provided by the Multi Academy Trust's bank. Funds in excess of £1,000 are transferred at the close of business each day. The investment policy includes the following terms:

- The investment policy of Swale Academies Trust is to maximise the interest return to the Multi Academies Trust from available cash while providing the necessary liquidity for day-to-day operations and ensuring as far as possible the security of the funds invested.
- Trust funds may only be invested with UK based financial institutions, regulated by the Financial Services Authority, with a Standard & Poors credit rating of at least A.
- In total, no more than £500,000 should be invested with any one financial institution.
- £200,000, plus or minus 50%, should be retained in the Trust's current and sweep accounts.
- £300,000, plus or minus £100,000, should be maintained in an instant access account with a financial institution that meets the criteria of this policy.
- Any surplus should be invested in call, deposit and/or bond accounts from three to twelve months' notice with a financial institution that meets the criteria of this policy.

The Trustees ensure that no risks are taken with the capital investment and they have due regard to the banks rating.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2015

Plans for future periods

a. Future developments

The Trust plans to grow in an organised and sustained manner building upon our experience of turning around struggling underperforming schools. Currently our work is mainly focused upon Kent, however there are possible opportunities to develop a footprint in East Sussex. The Trust remains fully committed to producing improved outcomes for its students across our schools as we move forward.

The Regional School's Commissioner has approved the Trust to take on a further secondary school along with a further primary school and a new free school in the 2015/2016 academic year and discussions with the Kent Local Authority are under way to facilitate this. In addition the Trust has also begun developing a strong working relationship with East Sussex Local Authority. As a result of this the Trust has taken over the leadership and management of Peacehaven Secondary School with Trust employees in situ as Head and Deputy Head Teacher.

Employee Consultation

At Swale Academies Trust we value the contribution our employees make to the overall success of our schools. We recognise that we have a very talented team and we welcome their input and involvement.

Swale Academies Trust provides employees with information about the Trust through staff briefings; staff meetings; the posting of updates on the staff information boards and through the staff email system. There are also appointed staff governors, which enables those members of staff who wish to become more involved in the running of the Trust to stand for election. Once elected, these members of staff have a direct involvement in the running of the Trust.

Swale Academies Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Swale Academies Trust's Equal Opportunities Policy, the Swale Academies Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Disabled employees

Swale Academies Trust promotes equality of opportunity for all with the right mix of talent, skills and potential.

Swale Academies Trust gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. All candidates are selected for interview based on their skills, qualifications and experience.

Swale Academies Trust supports the recruitment and retention of employees by adapting the physical environment, by making support resources available and through training and career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Equal opportunities policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Multi Academies Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which contributions and needs of all people are fully valued.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2015

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Multi Academies Trust's auditors are unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Multi Academies Trust's auditors in connection with preparing their report and to establish that the Multi Academies Trust's auditors are aware of that information.

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2015 and signed on the board's behalf by:


Mr J Fassenfelt
Chairman


Mrs Whitcombe
Trust Principal

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Clifton	4	4
Mr J Whitcombe, Trust Principal and Accounting Officer	4	4
Mr J Fassenfelt, Chairman	3	4
Mrs K Walsh	3	4
Mrs C Wood	4	4
Mr A Barham	3	4
Mr D Brown	2	2
Mr S Cox	3	4
Mr K Holmes	2	4
Mr R Slee	3	4
Mrs S Dickinson	4	4
Mr D Stevens	3	4
Mrs K Mirams	4	4
Mrs F Trigwell	4	4
Mrs M Fenniche	1	1
Mr S Wood	4	4
Mr D Trimmer	1	1
Mr M Wilson	4	4
Mr B Chilton	0	0

During the year ended 31 August 2015 the following Trustees resigned by rotation and were reappointed:

Mr J Whitcombe

Mr G Clifton

Mr J Fassenfelt

at the meeting of 17 September 2014.

Governance reviews:

Swale Academies Trust has undertaken a review of Governance. The Trust has established an executive board for the primary schools consisting of a small group of well-qualified and experienced Headteachers and Governors who steer the work of the Governing Body. This has enabled a more intensive focus on improvement. A new governance structure for the primary schools has been implemented and a Governors' Skills Audit is being undertaken, with all the Trustees and Governors to identify areas for development.

The Local Governing Body Resources Committees are sub-committees of the main Board of Trustees. Their purpose is to consider all aspects of:

- Standards of Health & Safety;
- Financial Management including Budget Setting;
- Premises Development and Premises Review; and
- Personnel Standards including Performance Management.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

The Local Governing Body Resources Committees are responsible for ensuring that appropriate, high educational resource standards are achieved and maintained.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Clifton	9	9
Mr S Wood	0	3
Mr J Fassenfelt	3	3
Mrs K Walsh	3	3
Mr A Barham	2	3
Mr D Stevens	3	3
Mr K Holmes	0	3
Mr D Brown	0	0
Mrs S Dickinson	2	3
Mrs C Wood	6	8
Mrs K Mirams	3	3
Mrs M Fenniche	1	1
Mrs F Trigwell	3	3
Mr S Cox	3	3
Mr B Chilton	0	0

The Audit and Risk Assurance Committee is also a sub-committee of the main board of trustees. Its purpose is to advise the Board of Trustees and Accounting Officer on:

- the strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the financial statements, and the annual report of the organisation, including the process for review of the financial statements prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the management of risk and corporate governance requirements for the organisation;
- (where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes, arrangements for special investigations and
- the Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Whitcombe, Trust Principal	3	4
Mr G Clifton	4	4
Mr J Fassenfelt	3	3
Mr A Barham	0	2
Mr D Brown	2	2

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of Value for Money

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

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

- Focussing on targeted improvement linked to the Strategic Improvement Plan to ensure maximum impact on outcomes for pupils. The Trust has focussed on improving the quality of teaching by ensuring teachers set challenging targets for pupils, by ensuring teachers provide feedback to pupils that helps them move their learning forward.
- The Trust has commenced a programme of actively promoting the wider use of IT devices to engage pupils in their learning and to accelerate their progress across all subjects.
- Collaborating across our community of schools and with schools outside of the Trust, extending the National Leader of Education work undertaken.
- The Swale Skills Centre has been expanded to accommodate better Hairdressing and Catering facilities.

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 ongoing process designed to identify and prioritise the risks to the achievement of Multi Academies Trust 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 Swale Academies Trust for the year 1 September 2014 to 31 August 2015 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 Multi Academies Trust 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 Multi Academies Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 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 Multi Academies Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Miss J Laffin as internal auditor.

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

- Checks on cash and banking
- Review of purchase cards
- Lettings
- Financial Regulations and Procedures

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

On a semi-annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Following the appointment of a Trust Shared Services Manager into the Multi Academies Trust, a peer review was undertaken as the appointee was independent of the Multi Academies Trust on her appointment.

There were no material control issues identified.

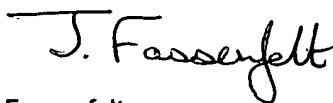
Review of Effectiveness

As Accounting Officer, the Trust Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Multi Academies Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2015 and signed on its behalf, by:



Mr J Fassenfelt
Chairman



Mr J Whitcombe
Accounting Officer

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Swale Academies Trust I have considered my responsibility to notify the Multi Academies Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Multi Academies Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Multi Academies Trust Board of Trustees are able to identify any material, irregular or improper use of funds by the Multi Academies Trust, or material non-compliance with the terms and conditions of funding under the Multi Academies Trust's funding agreement and the Academies Financial Handbook (2014).

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 EFA.



Mr J Whitcombe
Accounting Officer

Date: 09 December 2015

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Trustees' Responsibilities Statement
For the Year Ended 31 August 2015

The Trustees (who act as governors of Swale Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

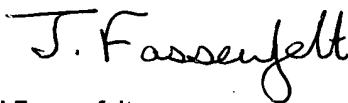
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 9 December 2015 and signed on its behalf by:



Mr J Fassenfelt
Chairman

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Swale Academies Trust

We have audited the financial statements of Swale Academies Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable Multi Academies Trust 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Multi Academies Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Multi Academies Trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

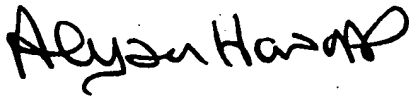
SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Swale Academies Trust

Matters on which we are required to report by exception

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

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



Alyson Howard FCCA CF (Senior Statutory Auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants-
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH
15 December 2015

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Swale Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 19 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Swale Academies Trust during the year 1 September 2014 to 31 August 2015 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 Swale Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Swale Academies Trust and EFA 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 Swale Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Swale Academies Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Swale Academies Trust's funding agreement with the Secretary of State for Education dated 1 September 2010, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. 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 Multi Academies Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

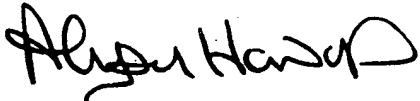
- An assessment of the risk of material misstatement and irregularity;
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime; and
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Swale Academies Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alyson Howard FCCA CF

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

15 December 2015

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the Year Ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Transfer on conversion	3	92,601	(1,466,000)	5,252,116	3,878,717	-
Other voluntary income	3	8,423	362,900	-	371,323	208
Activities for generating funds	4	1,168,398	942,639	-	2,111,037	1,932,595
Investment income	5	3,595	-	-	3,595	2,938
Incoming resources from charitable activities	6	-	27,275,761	1,583,376	28,859,137	26,777,601
Other incoming resources	7	-	32,840	-	32,840	76,023
Total incoming resources		1,273,017	27,148,140	6,835,492	35,256,649	28,789,365
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	8	982,732	1,003,119	7,333	1,993,184	1,805,096
Charitable activities	9	-	27,547,368	1,504,418	29,051,786	26,889,796
Governance costs	10	-	167,250	-	167,250	151,258
Total resources expended	13	982,732	28,717,737	1,511,751	31,212,220	28,846,150
Net incoming / (outgoing) resources before transfers		290,285	(1,569,597)	5,323,741	4,044,429	(56,785)
Transfers between Funds	26	-	(546,612)	546,612	-	-
Net income / (expenditure) for the year		290,285	(2,116,209)	5,870,353	4,044,429	(56,785)
Actuarial gains and losses on defined benefit pension schemes	26	-	30,000	-	30,000	433,000
Net movement in funds for the year		290,285	(2,086,209)	5,870,353	4,074,429	376,215
Total funds at 1 September 2014		1,588,377	(3,941,525)	44,794,414	42,441,266	42,065,051
Total funds at 31 August 2015		1,878,662	(6,027,734)	50,664,767	46,515,695	42,441,266

All of the Multi Academies Trust's activities derive from continuing operations during the above two financial periods.

The Statement of Financial Activities includes all gains and losses recognised in the year.

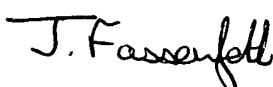
The notes on pages 24 to 49 form part of these financial statements.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)
Registered number: 07344732

Balance Sheet
As at 31 August 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	21	50,364,714	45,024,880
Current assets			
Stocks	22	24,133	19,292
Debtors	23	2,066,102	1,810,078
Cash at bank and in hand		3,494,964	3,722,563
		<u>5,585,199</u>	<u>5,551,933</u>
Creditors: amounts falling due within one year	24	<u>(2,076,829)</u>	<u>(2,585,659)</u>
Net current assets		<u>3,508,370</u>	<u>2,966,274</u>
Total assets less current liabilities		<u>53,873,084</u>	<u>47,991,154</u>
Creditors: amounts falling due after more than one year	25	<u>(40,389)</u>	<u>(130,888)</u>
Net assets excluding pension scheme liability		<u>53,832,695</u>	<u>47,860,266</u>
Defined benefit pension scheme liability	34	<u>(7,317,000)</u>	<u>(5,419,000)</u>
Net assets including pension scheme liability		<u><u>46,515,695</u></u>	<u><u>42,441,266</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds	26	1,289,266	1,477,475
Restricted fixed asset funds	26	50,664,767	44,794,414
Restricted funds excluding pension liability		51,954,033	46,271,889
Pension reserve		<u>(7,317,000)</u>	<u>(5,419,000)</u>
Total restricted funds		<u>44,637,033</u>	<u>40,852,889</u>
Unrestricted funds	26	<u>1,878,662</u>	<u>1,588,377</u>
Total funds		<u><u>46,515,695</u></u>	<u><u>42,441,266</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:


Mr J Fassenfelt
Chairman


Mr J Whitcombe
Accounting Officer

The notes on pages 24 to 49 form part of these financial statements.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Cash Flow Statement
For the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	28	(208,124)	1,820,437
Returns on investments and servicing of finance	29	3,595	2,938
Capital expenditure and financial investment	29	(16,093)	(362,099)
Cash transferred on conversion to an academy trust		92,601	-
Cash (outflow)/inflow before financing		(128,021)	1,461,276
Financing	29	(99,578)	(99,806)
(Decrease)/Increase in cash in the year		(227,599)	1,361,470

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(227,599)	1,361,470
Cash outflow from decrease in debt and lease financing	99,578	99,806
Movement in net funds in the year	(128,021)	1,461,276
Net funds at 1 September 2014	3,492,096	2,030,820
Net funds at 31 August 2015	3,364,075	3,492,096

The notes on pages 24 to 49 form part of these financial statements.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Multi Academies Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Multi Academies Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Multi Academies Trust being notified of an impending distribution or the legacy being received.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Multi Academies Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Multi Academies Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Multi Academies Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi Academies Trust's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. Accounting Policies (continued)

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Multi Academies Trust's educational operations.

Governance costs include the costs attributable to the Multi Academies Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

The land and buildings from which the Multi Academies Trust operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership of the buildings have been substantially transferred to the Multi Academies Trust and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the Statement of Financial Activities. The values for these transfers have been taken from the valuations provided by the EFA or an appropriate proportion of insurance valuations where these were not available.

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

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

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

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. Accounting Policies (continued)

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Assets under construction	-	0%
Long term leasehold property	-	2%
Leasehold improvements	-	10%
Furniture and equipment	-	10%
Computer equipment	-	25%
Motor vehicles	-	20%

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Stocks

Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items. Farm animals held in the care of the Multi Academies Trust are not included in stock as legal possession has not passed to the multi academy trust but is retained by the farmer.

1.9 Taxation

The Multi Academies Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Multi Academies Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions

Retirement benefits to employees of the Multi Academies Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), and the assets are held separately from those of the Multi Academies Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academies Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 34, the TPS is a multi-employer scheme and the Multi Academies Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Multi Academies Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some Academy's within the Multi Academies Trust were subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No Academy's within the trust exceeded the limits during the year ended 31 August 2015.

3. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfer on conversion	92,601	3,786,116	3,878,717	-
Donations	8,423	362,900	371,323	208
Voluntary income	101,024	4,149,016	4,250,040	208

4. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	37,285	-	37,285	61,734
Uniform sales	7,278	-	7,278	4,306
School trips	-	196,403	196,403	257,603
Graduate training income	4,815	-	4,815	7,001
Catering income	10,930	388,112	399,042	417,156
Other income	41,200	-	41,200	85,123
Nursery income	106,765	358,124	464,889	293,765
Department income	64,511	-	64,511	60,296
Consultancy	598,969	-	598,969	360,010
Skills centre income	164,053	-	164,053	254,189
Sports centre income	132,592	-	132,592	131,412
	1,168,398	942,639	2,111,037	1,932,595

5. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	3,595	-	3,595	2,938

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

6. Funding for the multi academy trust's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Capital grants				
Devolved capital grants	-	436,976	436,976	90,851
Capital grants	-	1,146,400	1,146,400	414,850
	-	1,583,376	1,583,376	505,701
DfE/EFA grants				
General annual grant (GAG)	-	23,794,654	23,794,654	23,116,894
Other DfE grants	-	567,174	567,174	386,751
Pupil premium	-	1,460,878	1,460,878	1,295,589
Start up grants	-	118,893	118,893	219,733
	-	25,941,599	25,941,599	25,018,967
Other funding				
Other government grants	-	194,514	194,514	157,721
Local authority pupil premium	-	47,251	47,251	45,348
Local authority SEN funding	-	1,092,397	1,092,397	1,049,864
	-	1,334,162	1,334,162	1,252,933
	-	28,859,137	28,859,137	26,777,601

7. Other incoming resources

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Insurance claims	-	32,840	32,840	76,023

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

8. Costs of generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School trips	-	303,036	303,036	301,644
Nursery costs	12,686	2,672	15,358	29,771
Uniform costs	18,942	-	18,942	4,447
Hire of facilities	12,789	-	12,789	9,983
Skills centre costs	57,881	-	57,881	157,152
Sports centre costs	19,069	-	19,069	27,395
Catering	-	402,212	402,212	365,747
Additional support	26,400	-	26,400	14,180
Other costs	12,933	-	12,933	11,258
Staff costs incl. nic & pensions	822,032	295,199	1,117,231	869,239
Depreciation	-	7,333	7,333	14,280
	<u>982,732</u>	<u>1,010,452</u>	<u>1,993,184</u>	<u>1,805,096</u>

9. Expenditure by charitable activity

Summary by fund type

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations	-	29,051,786	29,051,786	26,889,796

Summary by expenditure type

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Educational operations	<u>22,325,696</u>	<u>1,504,418</u>	<u>5,221,672</u>	<u>29,051,786</u>	<u>26,889,796</u>

10. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Audit fees	-	21,912	21,912	38,605
Legal & professional fees	-	145,338	145,338	112,653
	<u>-</u>	<u>167,250</u>	<u>167,250</u>	<u>151,258</u>

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

11. Direct costs

	Educational operations £	Total 2015 £	Total 2014 £
Educational supplies	814,614	814,614	891,362
Examination fees	393,050	393,050	439,069
Staff development	205,849	205,849	208,614
Educational consultancy	132,490	132,490	156,312
Supply teacher costs	486,817	486,817	203,511
Recruitment and support	18,846	18,846	21,652
Other direct costs	77,570	77,570	68,240
(Profit)/Loss on disposal of assets	(446)	(446)	(182)
Staff related insurance	25,190	25,190	46,673
Redundancies	125,450	125,450	125,935
Wages and salaries	16,594,466	16,594,466	15,228,670
National insurance	1,161,222	1,161,222	1,131,042
Pension costs	2,073,710	2,073,710	1,982,146
Depreciation	1,504,418	1,504,418	1,488,160
	<u>23,613,246</u>	<u>23,613,246</u>	<u>21,991,204</u>

12. Support costs

	Educational operations £	Total 2015 £	Total 2014 £
LGPS costs	86,000	86,000	203,000
Travel and subsistence	20,278	20,278	15,722
Recruitment and support	86,954	86,954	59,369
Maintenance of premises	671,550	671,550	632,473
Cleaning	185,450	185,450	182,598
Rates	135,368	135,368	243,883
Light and heat	365,962	365,962	379,460
Insurance	138,511	138,511	134,898
Security	50,618	50,618	47,432
Catering	53,585	53,585	34,552
Interest and charges	1,033	1,033	861
Computer costs	488,896	488,896	371,844
Printing, postage and stationery	197,448	197,448	193,136
Other support costs	112,946	112,946	78,307
Rent	25,369	25,369	20,104
Maintenance of equipment	80,403	80,403	44,458
Water rates	134,443	134,443	96,157
Irrecoverable VAT	-	-	1,278
Transport	16,144	16,144	19,662
Operating lease rentals	79,524	79,524	66,911
Redundancies	11,760	11,760	15,322
Wages and salaries	1,931,945	1,931,945	1,541,886
National insurance	151,159	151,159	126,127
Pension costs	413,194	413,194	389,152
	<u>5,438,540</u>	<u>5,438,540</u>	<u>4,898,592</u>

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

13. Resources expended

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
	£	£	£	£	£
Costs of generating voluntary income	1,117,231	5,333	870,620	1,993,184	1,805,096
Costs of generating funds	1,117,231	5,333	870,620	1,993,184	1,805,096
Direct costs	20,441,665	1,186,797	1,984,784	23,613,246	21,991,204
Support costs	2,508,058	671,550	2,258,932	5,438,540	4,898,592
Charitable activities	22,949,723	1,858,347	4,243,716	29,051,786	26,889,796
Governance	-	-	167,250	167,250	151,258
	24,066,954	1,863,680	5,281,586	31,212,220	28,846,150

14. Net incoming / (outgoing) resources

This is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,511,751	1,502,440
Audit fees	21,912	38,605
Operating lease rentals:		
- plant and machinery	79,524	66,911
(Profit)/Loss on disposal	(446)	(182)

15. Auditors' remuneration

	2015	2014
	£	£
Fees payable to the auditor for the audit of the Multi Academies Trust's annual accounts	17,500	17,500
Fees payable to the auditor in respect of:		
Auditors remuneration underprovided previous years	-	14,700
All other services underprovided previous years	-	1,500
All other non-audit services not included above	4,412	4,905

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

16. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	19,439,437	17,560,051
Social security costs	1,376,919	1,275,444
Other pension costs (Note 34)	2,626,571	2,432,767
	<u>23,442,927</u>	<u>21,268,262</u>
Supply teacher costs	486,817	203,511
Compensation payments	137,210	141,257
	<u><u>24,066,954</u></u>	<u><u>21,613,030</u></u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £14,220 (2014: £13,802). One of the non-statutory/non-contractual payments exceeded £5,000 individually, and this was for £7,026, £6,443, and £751.

c. Staff numbers

The average number of persons employed by the Multi Academies Trust during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	343	336
Administration and support	296	261
Management	8	7
	<u>647</u>	<u>604</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	9	8
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	1	1
In the band £150,001 - £160,000	2	1

Thirteen of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £158,607 (2014 : £139,451).

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

17. Central services

The Multi Academies Trust has provided the following central services to its Academies during the year:

- Central Finance
- Central Leadership
- Staff on secondment

The Multi Academies Trust charges for these services on the following basis:

Central costs are charged on the basis of pupil numbers with a time apportionment for newly joining Academies.

The actual amounts charged during the year were as follows:

	2015
	£
Westlands School	439,466
Sittingbourne Community College	289,198
Meopham School	122,076
Westlands Primary School	102,255
Regis Manor Primary School	87,615
Beaver Green Primary School	35,000
	<hr/>
Total	1,075,610
	<hr/>

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

18. Trustees' remuneration and expenses

During the year retirement benefits were accruing to 8 Trustees (2014 - 8) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015 £	2014 £
Mr J Whitcombe	180,000-185,000	175,000-180,000
Mr D Trimmer	60,000-65,000	-
Mr S Cox	100,000-105,000	100,000-105,000
Mr M Munro	0-5,000	85,000-90,000
Mrs C Wood	35,000-40,000	80,000-85,000
Mrs S Dickinson	80,000-85,000	-
Mrs F Trigwell	95,000-100,000	85,000-90,000
Mrs K Mirams	85,000-90,000	75,000-80,000
Mr M Wilson	90,000-95,000	60,000-65,000
Mrs M Fenniche	0-5,000	30,000-35,000
Mr K Holmes	45,000-50,000	

During the year ended 31 August 2015, expenses totalling £6,959 (2014 - £8,046) were reimbursed to 7 Trustees (2014 - 8).

Trustees received benefits in kind amounting to £6,450 in the current year (2014 - £2,398).

19. Trustees' and officers' insurance

In accordance with normal commercial practice the Multi Academies Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,918 (2014 - £2,918). The cost of this insurance is included in the total insurance cost.

20. Other finance income

	2015 £	2014 £
Expected return on pension scheme assets	412,000	309,000
Interest on pension scheme liabilities	(498,000)	(512,000)
	<u>(86,000)</u>	<u>(203,000)</u>

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

21. Tangible fixed assets

	Assets under construction £	Long term leasehold property £	Leasehold improvement £	Furniture & equipment £
Cost				
At 1 September 2014	544,184	44,523,883	1,614,793	1,302,765
Additions	267,680	5,621,396	178,481	372,528
Transfer between classes	(540,584)	540,584	-	-
At 31 August 2015	271,280	50,685,863	1,793,274	1,675,293
Depreciation				
At 1 September 2014	-	2,663,264	333,616	371,073
Charge for the year	-	954,856	169,532	146,714
At 31 August 2015	-	3,618,120	503,148	517,787
Net book value				
At 31 August 2015	271,280	47,067,743	1,290,126	1,157,506
At 31 August 2014	544,184	41,860,619	1,281,177	931,692
		Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2014		1,204,747	75,635	49,266,007
Additions		381,774	29,726	6,851,585
Transfer between classes		-	-	-
At 31 August 2015		1,586,521	105,361	56,117,592
Depreciation				
At 1 September 2014		825,159	48,015	4,241,127
Charge for the year		223,540	17,109	1,511,751
At 31 August 2015		1,048,699	65,124	5,752,878
Net book value				
At 31 August 2015		537,822	40,237	50,364,714
At 31 August 2014		379,588	27,620	45,024,880

The Multi Academies Trust transactions relating to land and buildings included:

- the taking up of a leasehold on Unit 4, Centre 2000, Sittingbourne, Kent for a peppercorn rent over a term of 999 years.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

22. Stocks

	2015 £	2014 £
Uniform & Catering	<u>24,133</u>	<u>19,292</u>

23. Debtors

	2015 £	2014 £
Trade debtors	276,421	108,658
VAT recoverable	419,639	202,898
Other debtors	705,087	624,357
Prepayments and accrued income	664,955	874,165
	<u>2,066,102</u>	<u>1,810,078</u>

24. Creditors:
Amounts falling due within one year

	2015 £	2014 £
Other loans	90,500	99,579
Trade creditors	590,161	619,081
Other taxation and social security	426,174	392,886
Other creditors	351,144	274,625
Accruals and deferred income	618,850	1,199,488
	<u>2,076,829</u>	<u>2,585,659</u>

Deferred income

Deferred income at 1 September 2014	951,535
Resources deferred during the year	361,737
Amounts released from previous years	<u>(951,535)</u>
Deferred income at 31 August 2015	<u>361,737</u>

At the Balance Sheet date the trust was holding funds invoiced in advance for lettings and nursery places booked in advance for Term 1, 2015. The Trust also held funds received in advance for Universal Infant Free School Meals.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

25. Creditors:

Amounts falling due after more than one year

	2015	2014
	£	£
Other loans	40,389	130,888

Included within the above are amounts falling due as follows:

	2015	2014
	£	£
Between one and two years		
Other loans	40,389	90,499
Between two and five years		
Other loans	-	40,389

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

26. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	<u>1,588,377</u>	<u>1,273,017</u>	<u>(982,732)</u>	<u>-</u>	<u>-</u>	<u>1,878,662</u>
Restricted funds						
General Annual Grant (GAG)	1,477,475	23,794,654	(23,436,251)	(546,612)	-	1,289,266
Pupil premium	-	1,460,878	(1,460,878)	-	-	-
Start up grant	-	118,893	(118,893)	-	-	-
Early years Funding	-	358,124	(358,124)	-	-	-
Other DfE/EFA grants	-	567,174	(567,174)	-	-	-
Other government grants	-	194,514	(194,514)	-	-	-
Local authority pupil premium	-	47,251	(47,251)	-	-	-
Local authority SEN funding	-	1,092,397	(1,092,397)	-	-	-
Generated income	-	980,255	(980,255)	-	-	-
Pension reserve	(5,419,000)	(1,466,000)	(462,000)	-	30,000	(7,317,000)
	<u>(3,941,525)</u>	<u>27,148,140</u>	<u>(28,717,737)</u>	<u>(546,612)</u>	<u>30,000</u>	<u>(6,027,734)</u>
Restricted fixed asset funds						
Assets held at valuation	45,024,880	5,252,116	(1,511,751)	1,599,469	-	50,364,714
SALIX Loan	(230,466)	-	-	99,577	-	(130,889)
Demographic Growth Capital Fund	-	1,146,400	-	(906,826)	-	239,574
School Condition Allocation	-	274,929	-	(83,561)	-	191,368
Devolved Formula Capital	-	162,047	-	(162,047)	-	-
	<u>44,794,414</u>	<u>6,835,492</u>	<u>(1,511,751)</u>	<u>546,612</u>	<u>-</u>	<u>50,664,767</u>
Total restricted funds	<u>40,852,889</u>	<u>33,983,632</u>	<u>(30,229,488)</u>	<u>-</u>	<u>30,000</u>	<u>44,637,033</u>
Total of funds	<u>42,441,266</u>	<u>35,256,649</u>	<u>(31,212,220)</u>	<u>-</u>	<u>30,000</u>	<u>46,515,695</u>

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

Restricted funds

General Annual Grant (GAG) is the core funding provided from the DfE/EFA for Swale Academies Trust to provide its main function of educating pupils. GAG also includes the Local Authority Central Spend Equivalent Grant (LACSEG). This is additional money to cover the cost of education services that the

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

26. Statement of funds (continued)

local authority provides to its maintained schools but which academies are free to secure independently.

Other DfE/EFA Grants are made up from Pupil Premium funding, including funding for Looked After Children (LAC), Summer School funding and 16-19 Bursary funding.

Unrestricted funds

These are funds available for the purposes of Swale Academies Trust to be spent as it sees fit. The Trustees are free to set priorities and decide how and when to spend the funds, and they are not earmarked in any way.

The unrestricted funds are generated from services that Swale Academies Trust provides and are funds that it utilises within:

- Sittingbourne Community College Skills Centre;
- Westlands Primary School Nursery;
- General unrestricted funds transferred on conversion to academy status; and
- The schools General/Voluntary Funds (parents donations/schools trips).

Under the funding agreement with the Secretary of State, the Multi Academies Trust was subject to a limit on the amount of GAG it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Westlands School	75,000
Westlands Primary School	50,000
Regis Manor Primary School	50,000
Sittingbourne Community College	75,000
South Borough Primary School	50,000
Beaver Green Primary School	50,000
Central	2,817,928
Total before fixed asset fund and pension reserve	3,167,928
Restricted fixed asset fund	50,664,767
Pension reserve	(7,317,000)
Total	46,515,695

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

26. Statement of funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Westlands School	7,191,391	483,837	233,001	1,648,661	9,556,890
Westlands Primary School	1,575,259	311,847	79,551	472,930	2,439,587
Regis Manor Primary School	1,356,500	230,096	45,257	301,916	1,933,769
Sittingbourne Community College	6,093,608	940,052	276,255	1,324,942	8,634,857
Meopham School	2,764,186	265,766	146,528	646,624	3,823,104
South Borough Primary School	449,754	65,471	14,729	158,452	688,406
Beaver Green Primary School	535,209	178,909	19,293	129,081	862,492
Central	1,015,045	610,024	-	136,295	1,761,364
	<u>20,980,952</u>	<u>3,086,002</u>	<u>814,614</u>	<u>4,818,901</u>	<u>29,700,469</u>

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	1,588,377	1,273,017	(982,732)	-	-	1,878,662
Restricted funds	(3,941,525)	27,148,140	(28,717,737)	(546,612)	30,000	(6,027,734)
Restricted fixed asset funds	44,794,414	6,835,492	(1,511,751)	546,612	-	50,664,767
	<u>42,441,266</u>	<u>35,256,649</u>	<u>(31,212,220)</u>	<u>-</u>	<u>30,000</u>	<u>46,515,695</u>

27. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	50,364,714	50,364,714	45,024,880
Current assets	1,878,662	3,275,595	430,942	5,585,199	5,551,933
Creditors due within one year	-	(1,986,329)	(90,500)	(2,076,829)	(2,585,659)
Creditors due in more than one year	-	-	(40,389)	(40,389)	(130,888)
Provisions for liabilities and charges	-	(7,317,000)	-	(7,317,000)	(5,419,000)
	<u>1,878,662</u>	<u>(6,027,734)</u>	<u>50,664,767</u>	<u>46,515,695</u>	<u>42,441,266</u>

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

28. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	4,044,429	(56,785)
Returns on investments and servicing of finance	(3,595)	(2,938)
Net Assets transferred on conversion	(3,878,717)	-
Depreciation of tangible fixed assets	1,511,751	1,502,440
Capital grants from DfE	(1,583,376)	(505,701)
Increase in stocks	(4,841)	(11,539)
Increase in debtors	(256,024)	(529,448)
(Decrease)/increase in creditors	(499,751)	1,136,590
(Profit)/Loss on disposal of assets	-	(182)
FRS 17 pension cost less contribution payable	376,000	65,000
FRS 17 pension finance income	86,000	223,000
Net cash (outflow)/inflow from operations	(208,124)	1,820,437

29. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	3,595	2,938
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,599,469)	(870,800)
Sale of tangible fixed assets	-	3,000
Capital grants from DfE	1,583,376	505,701
Net cash outflow capital expenditure	(16,093)	(362,099)
	2015 £	2014 £
Financing		
Repayment of other loans	(99,578)	(99,806)

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

30. Analysis of changes in net funds

	1 September 2014	Cash flow	Other non-cash changes	31 August 2015
	£	£	£	£
Cash at bank and in hand:	3,722,563	(227,599)	-	3,494,964
Debt:				
Finance leases	-	-	-	-
Debts due within one year	(99,579)	-	9,079	(90,500)
Debts falling due after more than one year	(130,888)	-	90,499	(40,389)
Net funds	3,492,096	(227,599)	99,578	3,364,075

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

31. Conversion to an academy trust

On 1 February 2015 South Borough Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Swale Academies Trust from Kent County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	954,000	954,000
- Other tangible fixed assets	-	-	78,956	78,956
Budget surplus/(deficit) on LA funds	20,525	-	-	20,525
LGPS pension surplus/(deficit)	-	(385,000)	-	(385,000)
Other identified assets and liabilities	(14,333)	-	-	(14,333)
Net assets/(liabilities)	<u>6,192</u>	<u>(385,000)</u>	<u>1,032,956</u>	<u>654,148</u>

The above net assets include £20,525 that were transferred as cash.

Conversion to an academy trust

On 1 April 2015 Beaver Green Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Swale Academies Trust from Kent County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	-
- Leasehold land and buildings	-	-	3,897,244	3,897,244
- Other tangible fixed assets	-	-	321,916	321,916
Budget surplus/(deficit) on LA funds	94,448	-	-	94,448
LGPS pension surplus/(deficit)	-	(1,081,000)	-	(1,081,000)
Other identified assets and liabilities	(8,039)	-	-	(8,039)
Net assets/(liabilities)	86,409	(1,081,000)	4,219,160	3,224,569

The above net assets include £94,448 that were transferred in cash.

32. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Multi Academies Trust not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Multi Academies Trust shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

33. Capital commitments

At 31 August 2015 the Multi Academies Trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	156,987	89,416

34. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 04 July 2012 and of the LGPS 31 March 2014.

Contributions amounting to £334,397 were payable to the scheme at 31 August 2015 (2014 - 272,818) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007,

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

34. Pension commitments (continued)

automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £2,852,716 (2014: £2,714,681).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Multi Academies Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Multi Academies Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £1,135,000, of which employer's contributions totalled £882,000 and employees' contributions totalled £253,000. The agreed contribution rates for future years are 19.8% for employers and various % for employees.

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.

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

34. Pension commitments (continued)

The Multi Academies Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.00	5,207,000	6.70	4,265,000
Bonds	6.00	841,000	3.60	737,000
Property	6.00	1,033,000	5.90	638,000
Cash	6.00	199,000	2.90	265,000
Target return portfolio	6.00	331,000	5.90	270,000
Gilts	6.00	78,000	3.00	77,000
Total market value of assets		<u>7,689,000</u>		<u>6,252,000</u>
Present value of scheme liabilities		<u>(15,006,000)</u>		<u>(11,671,000)</u>
Deficit in the scheme		<u><u>(7,317,000)</u></u>		<u><u>(5,419,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(15,006,000)	(11,671,000)
Fair value of scheme assets	<u>7,689,000</u>	<u>6,252,000</u>
Net liability	<u><u>(7,317,000)</u></u>	<u><u>(5,419,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(1,258,000)	(869,000)
Interest on obligation	(498,000)	(512,000)
Expected return on scheme assets	412,000	309,000
Gains on curtailments and settlements	-	(20,000)
Total	<u><u>(1,344,000)</u></u>	<u><u>(1,092,000)</u></u>

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

34. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	11,671,000	10,386,000
Current service cost	1,258,000	869,000
Interest cost	498,000	512,000
Contributions by scheme participants	253,000	207,000
Actuarial (gains)/losses	(284,000)	(231,000)
Losses on curtailments	-	20,000
Liabilities assumed in a business combination	1,727,000	-
Estimated benefits paid net of transfers in	(117,000)	(92,000)
	<u>15,006,000</u>	<u>11,671,000</u>
Closing defined benefit obligation	<u>15,006,000</u>	<u>11,671,000</u>

Movements in the fair value of the Multi Academies Trust's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	6,252,000	4,822,000
Expected return on assets	412,000	309,000
Actuarial gains/(losses)	(254,000)	202,000
Contributions by employer	882,000	804,000
Contributions by employees	253,000	207,000
Assets acquired in a business combination	261,000	-
Estimated benefits paid net of transfers in	(117,000)	(92,000)
	<u>7,689,000</u>	<u>6,252,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £(557,000) (2014 - £(587,000)).

The Multi Academies Trust expects to contribute £1,288,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	68.00 %	69.00 %
Gilts	1.00 %	1.00 %
Other bonds	11.00 %	12.00 %
Property	13.00 %	10.00 %
Cash	3.00 %	4.00 %
Target Return Portfolio	4.00 %	4.00 %

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

34. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
RPI increases	3.60 %	3.50 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(15,006,000)	(11,671,000)	(10,386,000)
Scheme assets	7,689,000	6,252,000	4,822,000
Deficit	(7,317,000)	(5,419,000)	(5,564,000)
Experience adjustments on scheme liabilities	284,000	231,000	(1,383,000)
Experience adjustments on scheme assets	(254,000)	202,000	607,000

35. Operating lease commitments

At 31 August 2015 the Multi Academies Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	16,197	32,465
Between 2 and 5 years	50,977	29,507

SWALE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2015

36. Related party transactions

Owing to the nature of the Multi Academies Trust's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Multi Academies Trust's financial regulations and normal procurement procedures.

During the year related party transactions took place with the following Trustees:

	2015 £	2014 £
Mr A Barham	16,876	47,597
Mr R Slee	26,400	47,850

The Trust purchased consultancy services from Alan Barham Business Support Services Ltd (a company in which Mr A Barham (a trustee of the Multi Academies Trust) has a majority interest) totalling £16,876 (2014: £47,597) during the year. As at 31 August 2015 £nil was outstanding (2014: £2,590).

The Trust purchased behaviour support consultancy services from Richard Slee Ltd (a company in which Mr R Slee (a trustee of the Multi Academies Trust) has a majority interest) totalling £26,400 (2014: £47,850) during the year. As at 31 August 2015 £nil was outstanding (2014: £nil).

The Trust made the purchases at arm's length following a value for money exercise in accordance with its financial regulations, which both Mr Barham and Mr Slee neither participated in, nor influenced.

In entering into the transaction the Trust has complied with the requirements of the EFA's Academies Financial Handbook.