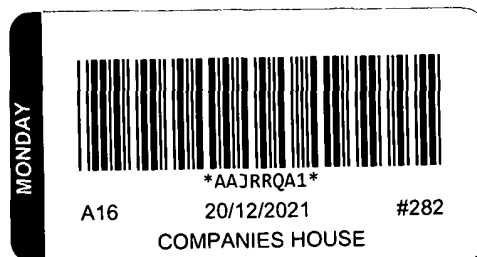


Swale Academies Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2021



Swale Academies Trust**(A company limited by guarantee)**

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Swale Academies Trust
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**Reference and administrative details of the academy, its trustees and advisers
for the year ended 31 August 2021**

Members	Mr L. Blomstrand (appointed 02/03/2021) Mr G. Clifton Mr P. Goodson Mrs V. Miner (resigned 28/09/2021) Mr R. Slee (resigned 02/03/2021)
Trustees	Mr P. Goodson (Chairman) Dr C. Duckling* (Vice Chairman) Mr P. Jarvis Mrs D. Jessel (resigned 28/09/2020) Mr R. Moreton Mr S. Penney* Mr G. Ward* (Chairman Audit and Risk Committee) Mrs. C. George (appointed 26/01/2021) Mr E. Weir (appointed 13/07/2021) Mr J. Whitcombe (Accounting Officer) *members of the Audit and Risk Committee
Company registered number	07344732 (England and Wales)
Principal and registered office	Ashdown House Johnson Road Sittingbourne Kent ME10 1JS
Senior management team	Mr J. Whitcombe, Trust Principal/CEO and Accounting Officer Mr M. Wilson, Deputy CEO/Director of Primary Mrs C. Wood, Advisory Headteacher Primaries Ms R. Gough, School Improvement Lead Mrs J. Garraway, Chief Operating Officer Mr G. Bailey, Head of Finance
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
Bankers	HSBC 115 High Street Sittingbourne Kent ME10 4AL

Swale Academies Trust
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Trustees' Report
For the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the Academy Trust for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The operates 10 primary and 7 secondary academies across Kent, East Sussex, and Bromley. Its academies have a combined pupil roll of 11,436 from the October 2021 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity and the memorandum and articles of association are its primary governing documents. The Trustees of Swale Academies Trust are also the directors for the purposes of company law.

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

Members' Liability

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

Trustees' Indemnities

The Academy Trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its Trustees. The Academy Trust has also granted indemnities to each of its Trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Trustees or other officers may incur to third parties in the course of acting as Trustees or officers of the Academy Trust.

Details of the insurance cover are provided in note 17 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

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

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

The Trust Principal shall be a trustee for as long as he remains 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 themselves been so appointed. The Trustees may not co-opt an employee of the trust as a co-opted trustee if the number of trustees who are employed by the trust would thereby exceed the maximum of three, including the Principal.

The Secretary of State may appoint additional trustees as he thinks fit if a warning notice has been given to the Trustees in the event that standards of performance of pupils at any of the academies are unacceptably low, there is a serious breakdown in the way the academies 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 with 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 and if any academy receives an Ofsted grading which amounts to a drop, either from one inspection to the next or between 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 notice for any trustee shall be four 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.

Swale Academies Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2021

Policies and procedures adopted for the induction and training of trustees

All new Trustees will be given 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.

Organisational Structure

A unified management structure is operated within Swale Academies Trust, which prioritises the safeguarding of children. 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 Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments. The Trustees also receive and approve the audited financial statements of the Academy Trust at the period end.

The Senior Managers are the Trust Principal/CEO, Director of Primary/Deputy CEO, Advisory Headteacher, School Improvement Lead, the Chief Operating Officer and the Head of Finance. These managers control the Multi Academy 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 Executive Headteachers, Heads of School, School Senior Management and Curriculum Area Managers. These managers are responsible for the day to day operation of schools under Swale Academies Trust, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy Trust comprise the Trustees and senior leadership team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board of Trustees, after taking advice from the Trust Principal and following guidance from the relevant professional pay review bodies. Naturally the Trust Principal was not involved in setting his own remuneration package.

Only staff trustees, including the Trust Principal, are remunerated and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 16.

The day to day running of the remuneration policy is delegated to the Trust Principal and monitored by the HR and Remuneration Committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the Board of Trustees.

Remuneration of key management personnel is set at an individual level and where possible the Trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the Academy Trust and recognise the fact that the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 14(d).

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Trustees' Report
For the Year Ended 31 August 2021

Trade union facility time

Relevant union officials:

Number of employees who were relevant union official during the relevant period	Full-time equivalent employee number
2	0.82

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	
1%-50%	1
51%-99%	
100%	1

Percentage of pay bill spent on facility time:

Provide the total cost of facility time	28,211.26
Provide the total pay bill	55,864,102.28
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.05%

Related Parties and other Connected Charities and Organisations

The Trust works with Kent County Council in a maintained school improvement context supporting maintained schools, and has commissioned East Sussex County Council to undertake Trust-wide safeguarding reviews.

Cooperation with local authorities has been especially tight during the period owing to the common challenges faced due to the coronavirus pandemic and the need for students, staff and wider communities to have consistency and confidence in measures introduced.

Engagement with employees (including disabled persons)

Employees receive regular updates from their schools and the trust, through briefings, newsletters and other means. Key policies and documents are cloud hosted to ensure accessibility and improve document control.

A dedicated Coronavirus drive holds the most up-to-date advice from the DfE and other government bodies, such as Public Health England, on how schools should respond to the pandemic. All-staff emails were regularly circulated to ensure all employees knew what the trust was doing to manage the crisis and how it was managing health and safety, and to praise staff for their dedication and effort.

The trust publishes an Equality Statement which is reviewed annually. This statement sets out Swale Academies Trust's commitment to Equality, Diversity and Human Rights as well as explaining the key principles, drivers and duties that inform this responsibility. It also explains what the trust will do to make sure that we fulfil these responsibilities. Each school within the trust will produce an individual set of equality objectives.

It is the trust's policy to treat all workers and job applicants equally and fairly irrespective of their sex, marital status, civil partnership status, trans-gender status, sexual orientation, race, colour, nationality, ethnic origin, national origin, culture, religion, age, or disability.

Engagement with suppliers, customers and others in a business relationship with the trust

The trust has given regard to the need to foster the company's business relationship with suppliers, customers and others. The trust publishes its payment practices report twice per year and always endeavours to adhere to supplier payment terms.

During the coronavirus pandemic, payments to suppliers were able to be made as usual and discussions were had where faster payments would be of benefit to suppliers to assist with cash flow etc.

Customers with debts owing to the trust were treated sympathetically and no small claims court actions were progressed during the pandemic, in line with government guidance.

Trustees' Report
For the Year Ended 31 August 2021

OBJECTIVES, STRATEGIES AND ACTIVITIES

Objects and Aims

The object and aim 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 English, mathematics, computing, science, geography, history and modern foreign languages.

The curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The 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.

The main objectives of the trust during the year ended 31 August 2021 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.

Public Benefit

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

Achievement and Performance

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

Swale Academies Trust had the following six development priorities for the period:

- To ensure that all our schools demonstrate positive pupil progress and attendance residuals for all student groups and especially for disadvantaged students.
- To continue to develop the overall quality of education in primary schools to ensure pupil progress is in line with, or better than, national scores.
- To develop and enhance existing Post 16 provision, ensuring that standards and progress of students support their career progression and the needs of the local community.
- To ensure the quality of SEND in Trust schools is of the highest possible standard and fulfils statutory expectations.
- To further develop an efficient support services provision that complements the educational work of schools and is cost effective, to include finance, ICT, catering, premises management, health and safety and HR.
- To review the organisation and distribution of senior leadership functions across the Trust to ensure efficiency and effectiveness of the delivery of service.

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Trustees' Report
For the Year Ended 31 August 2021

Key Performance Indicators

Staff Costs to Total Income

School	2021	2020
Westlands	78.95%	79.95%
The Sittingbourne School	80.52%	80.32%
Meopham School	84.51%	79.24%
Westlands Primary School	81.30%	79.12%
Regis Manor Primary School	78.17%	77.91%
South Borough Primary School	72.60%	75.44%
Beaver Green Primary School	78.62%	75.41%
Istead Rise Primary School	75.72%	80.09%
James Dixon Primary School	77.41%	75.50%
The Eastbourne Academy	82.60%	81.77%
Parkland Infant School	67.82%	69.61%
Parkland Junior School	67.91%	67.80%
Shinewater Primary School	78.23%	84.67%
Langney Primary Academy	83.78%	80.52%
The Whitstable School	80.77%	72.44%
Peacehaven School	69.47%	64.34%
The Turing School (joined 1st September 2020)	74.40%	-

Pupil Teacher Ratio

School	2021	2020
Westlands	14.73	14.59
The Sittingbourne School	14.15	12.72
Meopham School	14.73	13.15
Westlands Primary School	20.89	21.27
Regis Manor Primary School	21.24	21.36
South Borough Primary School	18.25	18.3
Beaver Green Primary School	20.82	22.64
Istead Rise Primary School	22.33	22.33
James Dixon Primary School	18.2	17.9
The Eastbourne Academy	13.86	13.7
Parkland Infant School	22.99	25.21
Parkland Junior School	21.96	20.91
Shinewater Primary School	17.13	17
Langney Primary Academy	20.04	18.27
The Whitstable School	14.96	14.36
Peacehaven School	15.16	15.05
The Turing School (joined 1st September 2020)	14.29	-

Trustees' Report
For the Year Ended 31 August 2021

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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.

Promoting the success of the company

The success of the trust is largely dependent upon student outcomes. All decisions taken by the Trustees have student success, safety, and well-being in mind.

Trustees make decisions by way of authorising the chief executive and senior leaders to implement the trust's strategic plan. These decisions ensure the retention and development of high-quality staff, the provision of buildings and accommodations that are fit for purpose, and the allocation of resources and equipment suitable for delivering the curriculum.

The trust takes stakeholder engagement seriously and encourages the use of student voice and parent forums.

Financial review

Most of the trust's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Total income for the year, as shown by the SoFA, amounted to £99.0m (2020: £81.4m). These figures include capital income and, significantly, net donations relating to the transfers of asset and liabilities when academies join the trust, which heavily impact on the SoFA yet have no bearing on the day to day operational financial performance. Both years are impacted by joining academies, and the net donation for 2021 resulting from The Turing School (previously Causeway School prior to its conversion) joining the Trust on 1 September 2020 is detailed in note 30.

Operational financial performance can be measured by looking solely at revenue income funds. Revenue income funds for the year were £71.9m (2020: £62.4m), with the increase largely attributable to:

- A £7.3m rise in core General Annual Grant funding, due partly to the additional academy within the trust this year but also as a result of general funding increases;
- A £1.3m increase in local authority grants as detailed in note 5.
- DfE Covid funding of £1.3m, including catch-up premium of £866k.

As a large multi-academy trust, the Academy Trust continues to receive guaranteed School Condition Allocation (SCA) capital funding from the ESFA in addition to Devolved Formula Capital. This year the trust received total capital grant funding of £3.8m (2020: £1.8m).

The SoFA shows net income for the year, before other gains and losses, of £21.0m (2020: £4.97m). The overall net movement in funds, after a large actuarial loss on the Local Government defined benefit pension scheme ("LGPS") – part of the movement on the carried LGPS deficit was an increase of £16.8m (2020: decrease of £10.3m).

The large actuarial loss on the LGPS during the year arises due to changes in the actuarial assumptions used by the schemes' actuaries, which are updated at each accounting date to allow for changes in market conditions. Full details of the pension liability and assumptions used are disclosed in note 32. The actuarial loss for the year is only part of the overall movement in the carried deficit, which in total has increased by £8.4m. A small part of this increase relates a deficit of £263k inherited when The Turing School joined the trust, but most of the balance further to the actuarial movement relates to other elements are charged to the SoFA as expenditure for the year, within staff costs, as detailed in accounting policy 1.10.

The operational result and movement on revenue funds are not shown directly on the SoFA. The table which follows reconciles from the overall movement in funds by adjusting for non-revenue amounts to reach the increase in revenue funds during the year of £1.99m (2020: £514k).

The increase in revenue funds includes the impact of revenue balances transferred in for joining academies. Excluding these and the revenue to capital contributions the trust has chosen to make to fund fixed assets from revenue money, the operational result on revenue funds for the year was a surplus of £2.04m (2020: £352k).

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Trustees' Report
For the Year Ended 31 August 2021

	2021 (£000s)	2020 (£000s)
Overall net movement in funds for the year per SOFA	16,837	(10,307)
Decrease / (increase) attributable to fixed asset fund (including revaluations)	(23,292)	4,404
LGPS inherited deficits	263	928
LGPS actuarial (gain)/loss	4,204	2,563
LGPS service and interest costs	3,977	2,926
Movement on revenue funds during the year	1,989	514
Inherited deficit/(surplus) balances on revenue funds	(198)	(198)
Add: Transfers from revenue to capital to fund fixed asset additions	343	36
Operational surplus /(deficit) on revenue funds before transfers to capital	2,134	352

At 31 August 2021, the net book value of fixed assets was £140.0m (2020: £117.7m) and movements in fixed assets are shown in notes 18 and 19 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the Trust's academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

Financial position

The trust held fund balances at 31 August 2021 of £114.7m (2020: £97.9m). These funds included restricted fixed asset funds of £142.6m (2020: £119.2m) and revenue reserves of £6.7m (2020: £4.7m) split across restricted and unrestricted funds as shown in note 24.

The only fund in deficit was the LGPS pension reserve of £34.6m (2020: £26.2m). The increase in this reserve during the year is explained in the financial review section above. The carried deficit is not a concern since it does not mean that an immediate liability crystallises. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the Academy Trust have been set until 1 April 2023.

Reserves Policy

The Trustees review the reserve levels of the 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 will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The Trustees have determined that the appropriate level of revenue reserves should be no less than 6% of GAG income (excluding bursary funds), amounting to approximately £3.3m (2020: £2.8m). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trust had sufficient reserves as at 31 August 2021 to meet this target although the level of completely free unrestricted reserves is slightly less at £2.7m (2020: £2.6m). Most of the restricted funds relate to core General Annual Grant funding which will be used for the main educational operations.

The Trustees will continue to monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

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Trustees' Report
For the Year Ended 31 August 2021

Investment Policy

The investment policy includes the following terms:

- The investment policy of Swale Academies Trust is to maximise the interest return to the 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 & Poor credit rating of at least A.
- In total, no more than £1,000,000 should be invested with any one financial institution.
- Investments for a fixed term should not normally exceed one year.

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

Principal Risks and Uncertainties

The main risks that the Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Operational and reputational* - this covers risks to the running of the trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.
- *Financial* - covering risks to the trust's financial position, including revenue streams, cost control and cash management.

The risks to which the trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations and the financial position of the staff pension schemes.

Risk Management

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to academic performance/finances/child welfare. The Trustees have implemented a number of systems to assess risks that the academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

The risk management process has been codified in a risk register implemented by the Senior Management Team and overseen by the Trustees.

FUNDRAISING

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust distributes 16-19 bursary funds to the students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 37 to the financial statements.

As a School Direct provider the trust is also in receipt of funding on behalf of other schools in the local area, as well as trainee teachers. The trust is responsible for ensuring that these funds are distributed appropriately and within the agreed timescale.

Trustees' Report
For the Year Ended 31 August 2021

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data	period 1 September 2020 to 31 August 2021	period 1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	11,284,448	9,268,085
Energy consumption break down (kWh)		
i. gas,	i. 6,457,197	i. 5,613,423
ii. electricity,	ii. 4,755,120	ii. 3,491,232
iii. transport fuel	iii. 72,131	iii. 163,431
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	1,182.70	1,032.14
Owned transport – mini-buses	4.22	20.67
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	1,009.65	813.95
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	13.42	19.83
Total gross emissions in metric tonnes CO2e	2,209.99	1,886.59
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.199	0.186

Quantification and Reporting Methodology:

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement:

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across some sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites. Whilst this practice was always encouraged, the coronavirus pandemic necessitated fewer journeys between sites.

PLANS FOR FUTURE PERIODS

The Trust plans to grow in an organised and sustained manner building upon our experience of turning around struggling underperforming schools. Our work is mainly focused upon Kent and 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 additional schools in 2021/22 and discussions with the Kent Local Authority are underway to facilitate this. One new academy is due by 1st January, 2022.

AUDITORS

In so far as the Trustees are aware:

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

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Trustees' Report
For the Year Ended 31 August 2021

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on the board's behalf by:



Mr. P. Goodson
Chairman of Trustees



Mr. J. Whitcombe
Trust Principal/CEO and Accounting Officer

Date: 16-12-2021

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Governance Statement
For the Year Ended 31 August 2021

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.

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

The Board of Trustees has delegated the day-to-day responsibility to the chief executive, 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 Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year, 4 of which were virtual meetings due to COVID. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr P. Goodson (Chairman)	8	8
Dr C. Duckling (Vice Chairman)	8	8
Mr P. Jarvis	8	8
Mrs D. Jessel	0	1
Mr R. Moreton	8	8
Mr S. Penney	8	8
Mr G. Ward	8	8
Mrs C. George	4	5
Mr E. Weir	1	1
Mr J. Whitcombe	8	8

The Board of Trustees receive a written report and verbal update from the chief executive at each meeting. This covers topics including but not limited to secondary and primary strategy and development, safeguarding matters, health and safety reporting, central services updates, and financial monitoring.

Governance reviews

Terms of Reference were reviewed for each board and committee and expectations relating to all governance roles were fully documented.

Audit and Risk sub-committee

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

1. the strategic processes for risk, control and governance and the Governance Statement;
2. the accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to the external auditors;
3. the planned activity and results of both internal and external audit;
4. adequacy of management response to issues identified by audit activity, including external audit's management letter;
5. assurances relating to the management of risk and corporate governance requirements for the organisation;
6. (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;
7. anti-fraud policies, whistle-blowing processes and arrangements for special investigations; and
8. the Audit and Risk Committee will also periodically review its own effectiveness and report the results of that review to the Board.

Swale Academies Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2021

Attendance at Audit and Risk sub-committee meetings in the year was as follows (all meetings held virtually due to COVID):

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr G. Ward	4	4
Dr C. Duckling	4	4
Mr S. Penney	4	4

Review of value for money

As accounting officer, the chief executive 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 Academy 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 appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Focusing on targeted improvement linked to the Strategic Improvement Plan to ensure maximum impact on outcomes for pupils. The trust has focused 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.
- Continuing 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.
- Developing a Central Services function to achieve consistency and economies of scale through common procurement and contract negotiation.

During the coronavirus pandemic, the trust adhered to government guidance on expenditure and payments to suppliers. Stakeholders were regularly engaged with where disruption to services was experienced and contingency plans were put in place to mitigate risks.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period year to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Swale Academies Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2021

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including 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 finance and general purposes 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
- identification and management of risks

The Board of Trustees has decided to employ Azets as internal auditor for the period ending 31 August 2021.

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

- Procurement and treatment of income;
- Website review and data security; and
- Management information and compliance and governance

The auditor reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Due to the Covid pandemic, the programme of internal audit was completed as planned but undertaken remotely.

Review of Effectiveness

As accounting officer, the chief executive 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 auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy 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 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 and signed on its behalf by:



Mr P Goodson
Chairman of Trustees



Mr J Whitcombe
Trust Principal/CEO and Accounting Officer

Date: 16-12-2021

Swale Academies Trust

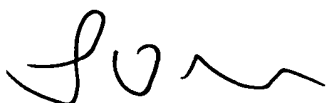
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Swale Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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



Mr. J. Whitcombe
Accounting Officer

Date: 16-12-2021

**Statement of Trustees' responsibilities
For the Year Ended 31 August 2021**

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

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

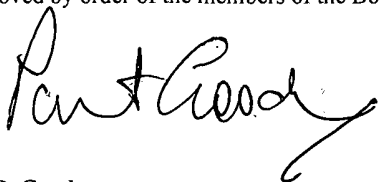
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

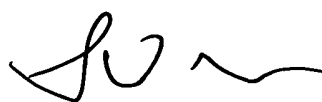
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

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



Mr. P. Goodson
Chair of Trustees



Mr. J. Whitcombe

Date: 16-12-2021

Swale Academies Trust

(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Swale Academies Trust

Opinion

We have audited the financial statements of Swale Academies Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report on the financial statements to the Members of Swale Academies Trust (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Academy Trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Academy Trust, including the Academies Financial Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

Swale Academies Trust

(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Swale Academies Trust (continued)

We assessed the susceptibility of the Academy Trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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

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

Use of our report

This report is made solely to the Academy 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 Academy 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

16 December 2017

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

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Swale Academies Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Swale Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Swale Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Swale Academies Trust and ESFA, 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 30 January 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Swale Academies Trust for the year ended 31 August 2021 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Swale Academies Trust

(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Swale Academies Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date:

16 December 2021

Swale Academies Trust

(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	269	(242)	27,096	27,123	10,579
Funding for educational operations	5	188	69,929	-	70,117	60,481
Teaching schools	40	-	249	-	249	255
Other trading activities	4	1,424	65	-	1,489	1,601
Investments	6	-	-	-	-	30
Total income		1,881	70,001	27,096	98,978	72,946
Expenditure on:						
Raising funds	8	1,763	-	-	1,763	1,160
Educational operations	9	16	71,762	4,147	75,925	66,550
Teaching schools	40	-	249	-	249	266
Total expenditure		1,779	72,011	4,147	77,937	67,976
Net income/(expenditure)		102	(2,010)	22,949	21,041	4,970
Transfers between funds	24	1	(344)	343	-	-
Net movement in funds before other recognised gains/(losses)		103	(2,354)	23,292	21,041	4,970
Other recognised gains/(losses):						
Losses on revaluation of fixed assets		-	-	-	-	(12,715)
Actuarial losses on defined benefit pension schemes	32	-	(4,204)	-	(4,204)	(2,563)
Net movement in funds		103	(6,558)	23,292	16,837	(10,308)
Reconciliation of funds:						
Total funds brought forward		2,559	(23,991)	119,289	97,857	108,165
Total funds carried forward	24	2,662	(30,549)	142,581	114,694	97,857

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

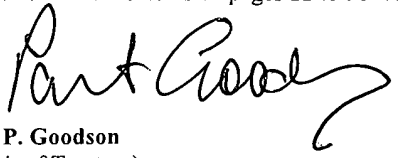
The notes on pages 25 to 58 form part of these financial statements.

Swale Academies Trust**(A company limited by guarantee)****Registered number: 07344732**


**Balance Sheet
As at 31 August 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	18	89	-
Tangible assets	19	139,896	117,651
		<u>139,985</u>	<u>117,651</u>
Current assets			
Stocks	20	14	5
Debtors	21	3,665	2,429
Cash at bank and in hand		9,398	8,111
		<u>13,077</u>	<u>10,545</u>
Creditors: amounts falling due within one year	22	(3,720)	(4,074)
Net current assets		<u>9,357</u>	<u>6,471</u>
Total assets less current liabilities		<u>149,342</u>	<u>124,122</u>
Creditors: amounts falling due greater than one year	23	(31)	(92)
Net assets excluding pension liability		<u>149,311</u>	<u>124,030</u>
Defined benefit pension scheme liability	32	(34,617)	(26,173)
Total net assets		<u><u>114,694</u></u>	<u><u>97,857</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	24	142,581	119,289
Restricted income funds	24	4,068	2,182
Pension reserve	24	(34,617)	(26,173)
Total restricted funds	24	<u>112,032</u>	<u>95,298</u>
Unrestricted income funds	24	<u>2,662</u>	<u>2,559</u>
Total funds		<u><u>114,694</u></u>	<u><u>97,857</u></u>

The financial statements on pages 22 to 58 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr. P. Goodson
(Chair of Trustees)



Mr. J. Whitcombe
(Accounting Officer)

Date: 16-12-2021

The notes on pages 25 to 58 form part of these financial statements.

Swale Academies Trust**(A company limited by guarantee)**

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	26	(250)	785
Cash flows from investing activities	27	1,537	1,003
Change in cash and cash equivalents in the year		1,287	1,788
Cash and cash equivalents at the beginning of the year		8,111	6,323
Cash and cash equivalents at the end of the year	28, 29	<u>9,398</u>	<u>8,111</u>

The notes on pages 25 to 58 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 August 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Swale Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust when a Local Authority school converts to academy status, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

Notes to the Financial Statements
For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

Where relevant expenditure is shown inclusive of any irrecoverable VAT.

1.5 Taxation

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

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

1.6 Intangible assets

Intangible assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 10 %
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Notes to the Financial Statements
For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Freehold property	-	2%
Long-term leasehold property	-	2%
Improvements to property	-	10%
Furniture and equipment	-	10%
Computer equipment	-	25%
Motor vehicles	-	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.9 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 21. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 22 and 23. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Notes to the Financial Statements
For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 32, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Critical accounting estimates and areas of judgment (continued)

Critical areas of judgment:

We consider that there has been one key area of judgement in respect of the actuarial assumptions made leading to the closing pension scheme liability:

The "McCloud/Sargeant judgements". These employment tribunal cases relate to all public sector pension schemes and not specifically to the Academy Trust. The cases relate to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material and a past service cost adjustment was made, within staff costs, in the Academy Trust's 2018/19 financial statements.

Since then a consultation has taken place. Then, on 13 May 2021, the Government issued a ministerial statement which confirms that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. The Government's intention is that revised regulations will come into force on 1 April 2023, and draft regulations are expected later in 2021.

In July 2021 the actuary has indicated that they do not believe there are any material differences between the approach underlying the estimated allowance and the proposed remedy, and therefore no further subsequent adjustment has been made.

We consider that there has been one key area of judgement in respect of the assumptions made leading to the inclusion of an employee settlement accrual:

Term Time Only annual leave settlement. Last year disclosures were included about a contingent liability in respect of term time only workers' annual leave. This related to trade unions encouraging their members to collectively make claims against Kent based education employers regarding the calculation of term time only workers' annual leave, following settlements made in other local authorities.

Since gaining academy status the Academy Trust has been free to set its own pay rates, but in common with most academies the Academy Trust has closely followed the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated and the Academy Trust has followed by altering its own approach.

At the time the 31 August 2020 financial statements were approved last year KCC were resisting making any collective settlement and encouraging individual employer schools and academies to do likewise. The issue has not yet been fully resolved, however KCC have now negotiated a settlement during 2021. Whilst this settlement was made by KCC, and does not directly affect academy trusts, which negotiate in their own right as their own employer, in line with the KCC recommendation and having taken further appropriate advice, the Academy Trust has chosen to make the same offer settlement to its affected staff.

The Academy Trust has calculated an estimated liability and this has been accrued for and included within creditors, with a corresponding amount split between direct and support staff costs as appropriate. Since KCC have agreed to allow claims from academy trusts for funding towards the cost of addressing the term time only liabilities, a corresponding debtor for the accrued income that the Academy Trust expects to claim during 2021/22 has also been included to match against the expenditure. The Academy Trust therefore expects that making the settlements with affected employees will have no net impact on the Academy Trust's financial position.

Swale Academies Trust

(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Transfer from local authority on conversion (see note 30)	198	(263)	22,863	22,798	8,736
Donations	71	21	395	487	9
Capital grants	-	-	3,838	3,838	1,834
	71	21	4,233	4,325	1,843
	269	(242)	27,096	27,123	10,579
<i>Analysis of 2020 total by fund</i>	207	(928)	11,300	10,579	

During 2020/21 the Academy Trust received ICT equipment from the Government under the free laptop and tablet scheme which has been valued at £395k, following the applicable accounting policy.

4. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Rentals & lettings income	233	-	233	190
Income from facilities and services	1,191	8	1,199	1,321
Insurance claims	-	57	57	90
	1,424	65	1,489	1,601
<i>Analysis of 2020 total by fund</i>	1,517	84	1,601	

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Notes to the Financial Statements
For the Year Ended 31 August 2021

5. Funding for educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	As restated Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	54,699	54,699	47,361
Other DfE/ESFA grants				
Start up grants	-	-	-	7
Student support services	-	2	2	3
Rates reclaim	-	413	413	383
Pupil premium and service premium	-	3,653	3,653	3,366
Universal infant free school meals	-	430	430	448
PE and Sports grant	-	189	189	192
Teachers' pay and pension grants	-	2,686	2,686	2,464
Year 7 literacy and numeracy catch-up premium	-	-	-	94
Other grants	-	230	230	261
	-	62,302	62,302	54,579
Other Government grants				
Local authority - Special educational projects	-	2,338	2,338	2,124
Local authority - Early years	-	818	818	696
Local authority - Other revenue grants	7	2,948	2,955	1,954
	7	6,104	6,111	4,774
Other income from the Academy Trust's educational operations	181	174	355	1,055
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	866	866	-
Other funding	-	483	483	73
	-	1,349	1,349	73
	188	69,929	70,117	60,481
<i>Analysis of 2020 total by fund</i>	537	59,944	60,481	

Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified

Notes to the Financial Statements
For the Year Ended 31 August 2021

5. Funding for educational operations (continued)

The Academy Trust received Covid Catch-up premium, which relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (COVID-19). The costs incurred in respect of this funding totalled £359k, and the remaining £507k will be spent in 2021/22.

Other DfE Covid funding relates to COVID mass testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme.

The Academy Trust has been eligible to claim additional funding in the current year from government support schemes in response to the Coronavirus outbreak. Other claims were made for free school meal vouchers and Summer School provisions issued during lockdown. These costs are included in notes 7 and 10 as appropriate.

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	-	-	30
<i>Analysis of 2020 total by fund</i>	30	30	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on fundraising trading activities:					
Direct costs	1,493	93	177	1,763	1,160
Educational operations:					
Direct costs	48,131	3,265	4,031	55,427	49,351
Support costs	11,414	5,460	3,624	20,498	17,199
Teaching school	245	-	4	249	266
	61,283	8,818	7,836	77,937	67,976
<i>Analysis of 2020 total by fund</i>	53,376	7,229	7,371	67,976	

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Premises costs	93	93	87
Learning resources	165	165	15
Catering costs	12	12	-
Wages and salaries	1,493	1,493	1,058
	<u>1,763</u>	<u>1,763</u>	<u>1,160</u>
<i>Analysis of 2020 total by fund</i>	<u>1,160</u>	<u>1,160</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational operations	16	75,909	75,925	66,550
<i>Analysis of 2020 total by fund</i>	<u>934</u>	<u>65,616</u>	<u>66,550</u>	

10. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational operations	55,427	20,498	75,925	66,550
<i>Analysis of 2020 total</i>	<u>49,351</u>	<u>17,199</u>	<u>66,550</u>	

Notes to the Financial Statements
For the Year Ended 31 August 2021

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Staff costs	48,131	42,657
Depreciation	3,265	2,658
Other staff expenses	597	475
Educational supplies	1,858	1,813
Examination fees	519	427
Technology costs	428	486
Educational consultancy	312	238
Other direct costs	317	597
	55,427	<i>49,351</i>

Analysis of support costs

	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Staff costs	11,414	9,451
Technology costs	680	590
Maintenance of premises	1,196	892
Operating lease rentals	253	219
Other premises costs	2,850	2,273
Transport	17	14
Catering	1,283	1,204
PFI service costs	1,256	1,225
Legal and professional	604	584
Governance costs	49	50
Other support costs	738	603
Gain or loss on disposal of fixed assets	158	94
	20,498	<i>17,199</i>

Swale Academies Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

11. Analysis of specific expenses

Included within expenditure are the following transactions:

Gifts made by the Academy Trust £1,438 (2020: £1,192)

Unrecoverable debts £6,558 (2020: £4,553)

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	253	220
Depreciation of tangible fixed assets	3,255	2,658
Amortisation of intangible assets	10	-
Loss on disposal of fixed assets	158	94
	<hr/>	<hr/>

13. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Academy Trust's auditor and its associates for the audit of the Academy Trust's annual accounts	28	27
Fees payable to the Academy Trust's auditor and its associates in respect of:		
Audit-related assurance services	11	10
Internal audit services	-	3
All non-audit services not included above	-	2
	<hr/>	<hr/>

In the previous year the external auditors provided an internal audit service using segregated teams. Following the update to auditing ethical standards, and subsequently the Academies Financial Handbook, prohibiting the same firm from conducting both services, during 2020/21 the internal audit service was provided by another firm of auditors.

Notes to the Financial Statements
For the Year Ended 31 August 2021

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	42,978	38,022
Social security costs	4,465	3,678
Pension costs	12,933	10,771
	<u>60,376</u>	<u>52,471</u>
Agency staff costs	779	702
Staff restructuring costs	128	203
	<u>61,283</u>	<u>53,376</u>

Staff restructuring costs comprise:

	2021 £000	2020 £000
Redundancy payments	46	201
Severance payments	82	2
	<u>128</u>	<u>203</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual staff severance payments totalling £21k (2020: £2k). Individually, the payments were: £9k, £7k, £3k and £2k.

c. Staff numbers

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

	2021 No.	2020 No.
Leadership	32	32
Teachers	748	677
Administration and support	1,055	880
	<u>1,835</u>	<u>1,589</u>

Notes to the Financial Statements
For the Year Ended 31 August 2021

14. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Leadership	31	31
Teachers	685	612
Administration and support	597	552
	<u>1,313</u>	<u>1,195</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	35	21
In the band £70,001 - £80,000	8	8
In the band £80,001 - £90,000	6	8
In the band £90,001 - £100,000	8	5
In the band £100,001 - £110,000	3	1
In the band £110,001 - £120,000	1	1
In the band £140,001 - £150,000	-	1
In the band £160,001 - £170,000	1	-
In the band £190,001 - £200,000	-	1
In the band £200,001 - £210,000	1	-
In the band £350,001 - £360,000	-	1
	<u>-</u>	<u>1</u>

In the prior year, one individual had been pushed into the £350,001 - £360,000 banding due to the need to include exit packages alongside remuneration earned during the year. For the avoidance of doubt this did not relate to the Accounting Officer, who had fallen down a band into the £190k - £200k range (see note 16).

The exit package payment formed part of the restructuring costs disclosed in note 14(a) above and the Academy Trust had fully complied with requirements of the Academies Financial Handbook in respect of the transaction. The Academy Trust obtained confirmation of this compliance from the ESFA and its auditors before making the payment.

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £838k (2020: £1,183k). The movement in remuneration is directly linked to the restructuring in the prior year.

Notes to the Financial Statements
For the Year Ended 31 August 2021

15. Central services and fund pooling

From 1 September 2020, the Academy Trust made use of fund pooling. Under this arrangement the pooled funds include the General Annual Grant and the Devolved Formula Capita grant. All in year movements clear to pooled funds held by the Central Services function at the end of the year.

The Academy Trust has provided the following central services to its academies during the year:

- Finance
- Governance
- Human resources
- Information technology
- Leadership and educational support

16. Trustees' remuneration and expenses

One Trustee, the Accounting Officer, has been paid remuneration as a result of his employment with the Academy Trust. He only receives remuneration in respect of services provided under his contract of employment. The value of his remuneration and other benefits was as follows:

		2021 £000	2020 £000
Mr. J. Whitcombe, Accounting Officer	Remuneration	200 - 205	190 - 195
	Pension contributions paid	15 - 20	15 - 20
	Other benefits	0 - 5	0 - 5

Mr. J. Whitcombe opted out of the Teachers' Pension Scheme for 7 months (2020: 7 months). An alternative remuneration package was agreed in these months which totals £15k (2020: £15k). This was paid as taxable remuneration and is therefore included in the remuneration banding stated above.

During the year ended 31 August 2021, travel and stationery expenses totalling £405 were reimbursed or paid directly to 2 Trustees (2020 - £408 to 1 Trustee).

17. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £nil (2020 - £nil). The cost of this insurance is included in the total insurance cost.

The Trustee Indemnity insurance cost for 2021 and 2020 was not separately provided from the insurance provider's premium charge.

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Notes to the Financial Statements
For the Year Ended 31 August 2021

18. Intangible assets

	Computer software £000
Cost	
Additions	99
At 31 August 2021	<u>99</u>
Amortisation	
Charge for the year	10
At 31 August 2021	<u>10</u>
Net book value	
At 31 August 2021	<u><u>89</u></u>
At 31 August 2020	<u><u>-</u></u>

Swale Academies Trust

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**Notes to the Financial Statements
For the Year Ended 31 August 2021**

19. Tangible fixed assets

	Freehold and long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost and valuation					
At 1 September 2020	129,359	273	4,795	103	134,530
Additions	801	1,215	779	-	2,795
Acquired on conversion	22,802	-	61	-	22,863
Disposals	(307)	-	(993)	-	(1,300)
Transfers between classes	120	(120)	-	-	-
At 31 August 2021	152,775	1,368	4,642	103	158,888
Depreciation					
At 1 September 2020	13,249	-	3,544	86	16,879
Charge for the year	2,819	-	428	8	3,255
On disposals	(204)	-	(938)	-	(1,142)
At 31 August 2021	15,864	-	3,034	94	18,992
Net book value					
At 31 August 2021	136,911	1,368	1,608	9	139,896
At 31 August 2020	116,110	273	1,251	17	117,651

Freehold and long-term leasehold land and buildings are revalued upon receipt of the DfE's Sector Annual Report and Accounts (SARA) valuations.

The Academy Trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2021 £000	2020 £000
Freehold property	36,885	37,464
Long-term leasehold property	129,229	108,926
	166,114	146,390

Swale Academies Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

19. Tangible fixed assets (continued)

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2021	2020
	£000	£000
Freehold land	4,071	4,071
Long-term leasehold land	28,601	27,932
	<u>32,672</u>	<u>32,003</u>

20. Stocks

	2021	2020
	£000	£000
Goods for resale	14	5
	<u>14</u>	<u>5</u>

21. Debtors

	2021	2020
	£000	£000
Due within one year		
Trade debtors	337	432
Other debtors	748	505
Prepayments and accrued income	2,580	1,492
	<u>3,665</u>	<u>2,429</u>

Swale Academies Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

22. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	1,159	920
Other taxation and social security	365	254
Other creditors	498	1,073
Accruals and deferred income	1,698	1,827
	<u>3,720</u>	<u>4,074</u>

	2021	2020
	£000	£000
Deferred income at 1 September 2020	624	578
Resources deferred during the year	558	624
Amounts released from previous periods	(624)	(578)
	<u>558</u>	<u>624</u>

	2021	2020
	£000	£000
DfE/ESFA grants	417	477
Other government grants	36	29
Educational visits	20	38
Educational facilities	10	25
Other	75	55
	<u>558</u>	<u>624</u>

23. Creditors: Amounts falling due after more than one year

	2021	2020
	£000	£000
Other creditors	<u>31</u>	<u>92</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2021

24. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General funds	2,559	1,683	(1,779)	199	-	2,662
Transferred on conversion	-	198	-	(198)	-	-
	<u>2,559</u>	<u>1,881</u>	<u>(1,779)</u>	<u>1</u>	<u>-</u>	<u>2,662</u>
Restricted general funds						
General Annual Grant	1,911	54,699	(52,981)	(192)	-	3,437
Other DfE/ESFA	197	9,201	(8,688)	(153)	-	557
Other government	3	6,145	(6,148)	-	-	-
Other restricted	71	219	(217)	1	-	74
Pension reserve	(26,173)	(263)	(3,977)	-	(4,204)	(34,617)
	<u>(23,991)</u>	<u>70,001</u>	<u>(72,011)</u>	<u>(344)</u>	<u>(4,204)</u>	<u>(30,549)</u>
Restricted fixed asset funds						
Intangible fixed assets	-	-	(10)	99	-	89
Tangible fixed assets	117,651	392	(2,964)	24,817	-	139,896
Capital grant	1,638	3,841	(724)	(2,159)	-	2,596
Transferred on conversion	-	22,863	(449)	(22,414)	-	-
	<u>119,289</u>	<u>27,096</u>	<u>(4,147)</u>	<u>343</u>	<u>-</u>	<u>142,581</u>
Total Restricted funds	<u>95,298</u>	<u>97,097</u>	<u>(76,158)</u>	<u>(1)</u>	<u>(4,204)</u>	<u>112,032</u>
Total funds	<u>97,857</u>	<u>98,978</u>	<u>(77,937)</u>	<u>-</u>	<u>(4,204)</u>	<u>114,694</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

24. Statement of funds (continued)

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

- (i) General Annual Grant "GAG" must be used for the normal running costs of the Academy Trust's academies.
- (ii) The other DfE/ESFA fund is used to track other grant money received from the DfE/ESFA and connected bodies, and included Teachers' Pension and Teachers' Pay Grants, Pupil Premium and Universal Infant Free School Meals grants. This year the fund also includes Covid catch-up premium and other Covid funding as detailed in note 5.
- (iii) The Other government grants fund is used to track grants provided by the local authority and other government departments, as detailed in note 5.
- (iv) The Other restricted fund accounts for all other income received for a specific purpose.
- (v) The Pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Schemes.
- (vi) The Restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The transfers into this fund represent capital items purchased during the year from revenue reserves.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

Swale Academies Trust

(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

24. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	2,349	2,094	(2,094)	210	-	2,559
Transferred on conversion	-	198	-	(198)	-	-
	<u>2,349</u>	<u>2,292</u>	<u>(2,094)</u>	<u>12</u>	<u>-</u>	<u>2,559</u>
Restricted general funds						
General Annual Grant	1,743	47,369	(47,165)	(36)	-	1,911
Other DfE/ESFA	75	7,535	(7,401)	(12)	-	197
Other government	3	4,807	(4,807)	-	-	3
Other restricted	57	571	(557)	-	-	71
Pension reserve	(19,756)	(928)	(2,926)	-	(2,563)	(26,173)
	<u>(17,878)</u>	<u>59,354</u>	<u>(62,856)</u>	<u>(48)</u>	<u>(2,563)</u>	<u>(23,991)</u>
Restricted fixed asset funds						
Tangible fixed assets	122,576	-	(2,752)	10,542	(12,714)	117,652
Capital grant	1,117	1,833	(273)	(1,040)	-	1,637
Transferred on conversion	-	9,466	-	(9,466)	-	-
	<u>123,693</u>	<u>11,299</u>	<u>(3,025)</u>	<u>36</u>	<u>(12,714)</u>	<u>119,289</u>
Total Restricted funds	<u>105,815</u>	<u>70,653</u>	<u>(65,881)</u>	<u>(12)</u>	<u>(15,277)</u>	<u>95,298</u>
Total funds	<u>108,164</u>	<u>72,945</u>	<u>(67,975)</u>	<u>-</u>	<u>(15,277)</u>	<u>97,857</u>

Swale Academies Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

24. Statement of funds (continued)**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Beaver Green Primary School	157	620
Istead Rise Primary School	8	(448)
James Dixon Primary School	30	12
Langney Primary Academy	21	48
Meopham School	34	(778)
Parkland Infant School	104	152
Parkland Junior School	69	60
Peacehaven Community School	269	220
Regis Manor Primary School	354	710
Shinewater Primary School	301	152
South Borough Primary School	47	538
The Eastbourne Academy	334	748
The Sittingbourne School	92	(80)
The Turing School	26	-
The Whitstable School	139	263
Westlands Primary School	149	797
Westlands School	1,014	1,654
Central services	3,582	73
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	6,730	4,741
Restricted fixed asset fund	142,581	119,289
Pension reserve	(34,617)	(26,173)
	<hr/>	<hr/>
Total	114,694	97,857

From 1 September 2020, the Academy Trust made use of fund pooling, as detailed in note 15. All in year movements on General Annual Grant fund clear to pooled funds held by the Central Services function at the end of the year.

Notes to the Financial Statements
For the Year Ended 31 August 2021

24. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Beaver Green Primary School	1,545	282	64	276	2,167	2,078
Istead Rise Primary School	953	138	49	251	1,391	1,381
James Dixon Primary School	1,825	214	74	409	2,522	2,677
Langney Primary Academy	1,883	274	114	334	2,605	2,576
Meopham School	3,652	405	127	687	4,871	4,345
Parkland Infant School	562	115	37	152	866	897
Parkland Junior School	723	88	59	271	1,141	1,114
Peacehaven Community School	3,945	472	118	1,724	6,259	6,159
Regis Manor Primary School	1,609	318	105	353	2,385	2,170
Shinewater Primary School	1,689	152	74	342	2,257	2,092
South Borough Primary School	1,460	157	82	353	2,052	1,868
The Eastbourne Academy	3,636	937	198	767	5,538	5,006
The Sittingbourne School	7,122	1,146	259	1,226	9,753	8,965
The Turing School	2,593	337	125	792	3,847	-
The Whitstable School	3,689	530	147	792	5,158	4,522
Westlands Primary School	2,276	275	99	441	3,091	2,913
Westlands School	7,246	859	262	1,463	9,830	9,337
Central services	2,883	1,314	25	740	4,962	4,292
Local government pension charge	-	3,977	-	-	3,977	2,926
Academy Trust	49,291	11,990	2,018	11,373	74,672	65,318

Notes to the Financial Statements
For the Year Ended 31 August 2021

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	139,896	139,896
Intangible fixed assets	-	-	89	89
Current assets	2,662	7,819	2,596	13,077
Creditors due within one year	-	(3,720)	-	(3,720)
Creditors due in more than one year	-	(31)	-	(31)
Provisions for liabilities and charges	-	(34,617)	-	(34,617)
Total	2,662	(30,549)	142,581	114,694

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	117,651	117,651
Current assets	2,559	6,348	1,638	10,545
Creditors due within one year	-	(4,074)	-	(4,074)
Creditors due in more than one year	-	(92)	-	(92)
Provisions for liabilities and charges	-	(26,173)	-	(26,173)
Total	2,559	(23,991)	119,289	97,857

Swale Academies Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

26. Reconciliation of net income to net cash flow from operating activities

	2021 £000	2020 £000
Net income for the year (as per Statement of financial activities)	21,041	4,970
Adjustments for:		
Amortisation	10	-
Depreciation	3,255	2,658
Loss on disposal of fixed assets	158	94
Capital grants from DfE and other capital income	(4,233)	(1,834)
Interest receivable	-	(30)
Defined benefit pension scheme obligation inherited	263	928
Defined benefit pension scheme cost less contributions payable	3,540	2,533
Defined benefit pension scheme finance cost	411	379
Defined benefit pension scheme administration cost	26	14
(Increase)/decrease in stocks	(9)	19
Increase in debtors	(1,236)	(126)
(Decrease)/increase in creditors	(415)	860
Net gain on assets and liabilities from local authority on conversion	(23,061)	(9,680)
Net cash (used in)/provided by operating activities	(250)	785

27. Cash flows from investing activities

	2021 £000	2020 £000
Interest	-	30
Purchase of intangible assets	(98)	-
Purchase of tangible fixed assets	(2,796)	(1,141)
Capital grants from DfE Group	2,475	1,711
Capital funding received from sponsors and others	1,758	123
Cash received from transfers on conversion	198	280
Net cash provided by investing activities	1,537	1,003

28. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	9,398	8,111
Total cash and cash equivalents	9,398	8,111

Swale Academies Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

29. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	Cash received from transfers on conversion £000	At 31 August 2021 £000
Cash at bank and in hand	8,111	1,089	198	9,398
	<u>8,111</u>	<u>1,089</u>	<u>198</u>	<u>9,398</u>

30. School converting to academy status joining the Academy Trust

On 1 September 2020 Causeway School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Swale Academies Trust from East Sussex Council for £NIL consideration. Since 1 September 2021 the academy has been known as The Turing School.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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 £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	22,802	22,802
Other tangible fixed assets	-	-	61	61
Current assets				
Cash - representing budget surplus on LA funds	198	-	-	198
Non-current liabilities				
Local Government Pension Scheme deficit	-	(263)	-	(263)
Net assets/(liabilities)	<u>198</u>	<u>(263)</u>	<u>22,863</u>	<u>22,798</u>

The Turing School operates its premises under a 125 year lease with the local authority with all assets and liabilities transferring to Swale Academies Trust on conversion to an academy.

31. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>3,280</u>	<u>3,934</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

32. Pension commitments

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

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

Contributions amounting to £356k were payable to the schemes at 31 August 2021 (2020 - £276k) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £6,704k (2020 - £5,831k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year ended 31 August 2021 was £2,942k (2020 - £2,612k), of which employer's contributions totalled £2,252k (2020 - £2,014k) and employees' contributions totalled £ 690k (2020 - £598k). The agreed contribution rates for future years are 12 to 22.5 per cent for employers and 5.5 to 12.5 per cent 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.

Notes to the Financial Statements
For the Year Ended 31 August 2021

32. Pension commitments (continued)

Principal actuarial assumptions

East Sussex Council

	2021 %	2020 %
Rate of increase in salaries	2.90	2.20
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.2	21.6
Females	23.7	23.9
<i>Retiring in 20 years</i>		
Males	22.0	22.5
Females	25.1	25.3

Kent County Council

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

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

Notes to the Financial Statements
For the Year Ended 31 August 2021

32. Pension commitments (continued)

London Borough of Bromley

	2021	2020
	%	%
Rate of increase in salaries	4.30	3.80
Rate of increase for pensions in payment/inflation	2.90	2.40
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.80	2.30

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	22.9	22.8
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	27.3	27.2

Sensitivity analysis

East Sussex Council

	2021 £000	2020 £000
Discount rate +0.1%	(493)	(382)
Discount rate -0.1%	507	382
Mortality assumption - 1 year increase	899	-
Mortality assumption - 1 year decrease	(860)	-
CPI rate +0.1%	462	340
CPI rate -0.1%	(449)	(340)

No Mortality assumption amounts were provided in the prior year.

Kent County Council

	2021 £000	2020 £000
Discount rate +0.1%	(1,319)	(1,052)
Discount rate -0.1%	1,355	1,081
Mortality assumption - 1 year increase	2,024	1,481
Mortality assumption - 1 year decrease	(1,947)	(1,429)
CPI rate +0.1%	1,234	984
CPI rate -0.1%	(1,202)	(958)

Swale Academies Trust**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

32. Pension commitments (continued)

London Borough of Bromley

	2021	2020
	£000	£000
Discount rate +0.1%	(62)	(48)
Discount rate -0.1%	64	49
Mortality assumption - 1 year increase	81	58
Mortality assumption - 1 year decrease	(78)	(56)
CPI rate +0.1%	63	58
CPI rate -0.1%	(61)	(56)

Share of scheme assets

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

	2021	2020
	£000	£000
Equities	26,780	21,349
Gilts	2,173	1,866
Corporate bonds	3,645	2,745
Property	3,562	3,083
Cash and other liquid assets	958	734
Other	2,063	1,796
Total market value of assets	39,181	31,573

The actual return on scheme assets was £4,823k (2020 - £758k).

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

	2021	2020
	£000	£000
Current service cost	(5,792)	(4,520)
Past service cost	-	(27)
Interest income	545	548
Interest cost	(956)	(927)
Administrative expenses	(26)	(14)
Total amount recognised in the Statement of Financial Activities	(6,229)	(4,940)

Notes to the Financial Statements
For the Year Ended 31 August 2021

32. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	57,746	46,533
Conversion of academies	711	2,709
Current service cost	5,792	4,520
Interest cost	956	927
Employee contributions	690	598
Actuarial losses	8,482	2,773
Benefits paid	(567)	(341)
Past service costs	-	27
Unfunded pension payments	(12)	-
At 31 August	73,798	57,746

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

	2021 £000	2020 £000
At 1 September	31,573	26,777
Conversion of academies	448	1,781
Interest income	545	548
Actuarial gains	4,278	210
Employer contributions	2,252	2,014
Employee contributions	690	598
Benefits paid	(573)	(341)
Effects of non-routine settlements	(6)	-
Administrative expenses	(26)	(14)
At 31 August	39,181	31,573

33. Financial instruments

	2021 £000	2020 £000
Financial assets		
Financial assets measured at fair value through income and expenditure	9,398	8,111

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

**Notes to the Financial Statements
For the Year Ended 31 August 2021**

34. Members' liability

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

35. Related party transactions

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

The following related party transactions took place during the year:

Employment relationships

During the year:

- S. Clifton, daughter of G.Clifton, a member, was employed as a teacher; and
- B. Wood, son of C. Wood, part of the Academy Trust's Key Management, was employed as a pastoral member of staff.

Each employee was paid a salary under an employment contract for their role. G.Clifton and C. Wood had no involvement in their close family appointments. The Board of Trustees are comfortable that their salaries provides value for money and are not at a preferential rates.

36. Post balance sheet events

As a result of administrative delays, The North School is expected to join the Academy Trust from 1 January 2022, upon conversion to academy status. Swale Academies Trust will assume responsibility for the management and operation of the joining the Academy, and on this date all net assets and liabilities will transfer into the Academy Trust.

37. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to the students as an agent for the ESFA. During the year the Academy Trust received £53k, charged a 5% administration and distributed a total of £23k, and repaid £17k from the fund. Undistributed funds, including provisions for fund to be repaid of £71k, are included in other creditors.

The Academy Trust distributes student bus passes to the students as an agent for Kent County Council. During the year ended the Academy Trust collected £2k and distributed £2k of bus pass income. There were no undistributed funds at the year end.

38. Controlling party

The Academy Trust is run by the senior management team on a day to day basis. Strategic decisions are made by the Trustees. There is no ultimate controlling party.

Notes to the Financial Statements
For the Year Ended 31 August 2021

39. Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	222	162
Amounts due between one and five years	179	187
Amounts due after five years	-	4
	<u>401</u>	<u>353</u>

Other contractual commitments

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under other contractual commitments was:

	2021 £000	2020 £000
Amounts due within one year	1,272	1,244
Amounts due between one and five years	4,981	4,977
Amounts due after five years	-	1,141
	<u>6,253</u>	<u>7,362</u>

The other contractual commitments represent the committed amounts under Private Finance Initiative (PFI) for the Academy Trust's PFI academy, Peacehaven Community School.

Notes to the Financial Statements
For the Year Ended 31 August 2021

40. Teaching school trading account

	2021 £000	2021 £000	2020 £000	2020 £000
Income				
Direct income				
DfE grant income	40		47	
School direct funding	209		208	
	<u> </u>		<u> </u>	
Total income		249		255
Expenditure				
Direct expenditure				
Direct staff costs	245		210	
Other expenditure				
Course fees and facilities	4		56	
	<u> </u>		<u> </u>	
Total expenditure		249		266
Transfers between funds excluding depreciation		-		11
		<u> </u>		<u> </u>
Surplus from all sources		-		-
Teaching school balances at 1 September 2020		-		-
		<u> </u>		<u> </u>
Teaching school balances at 31 August 2021		-		-
		<u> </u>		<u> </u>