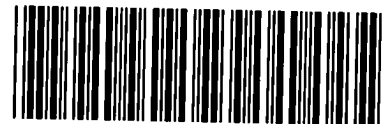


Company Registration Number: 07533271 (England and Wales)

SWIFT ACADEMIES
(FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

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SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

K D Bernstone (resigned 1 September 2017)
I D Holme (appointed 1 September 2017)
S J Jameson (resigned 1 September 2017)
I Lavelle (appointed 1 September 2017)
J E Marshall
T N Rees
R Rees (resigned 1 September 2017)

Directors

S J Jameson, Chair
T N Rees, Vice Chair¹
D Judson, Accounting Officer¹
D Bell
K D Bernstone¹
I Black¹
A Hobbs (resigned 6 September 2016)
I D Holme (resigned 2 November 2017)
F M Holmes¹
J E Marshall¹
R Rees¹

¹ Members of the Finance and Resources Committee

Swift Academies Local Governing Body

The following Directors resigned on 13 October 2017 as Directors of Swift Academies when Swift Academies converted to a Multi Academy Trust. Prior to conversion they had been registered at Companies House as Directors of Swift Academies. Subsequent to conversion, they remain as Governors of the Local Governing Body of Swift Academies unless otherwise indicated:

J Hodgson, Chair
J Stansfield, Vice Chair
S Bradnam (appointed as a Director 1 September 2016)
M Clark
E M Donlan
N Gawthorpe
K L Graves
L Johnson
D Tweddall

The following are Directors and members of the Local Governing Body:

D Judson, Accounting Officer
R Rees

Company name

Swift Academies (Formerly Hurworth School Limited)

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

**Senior leadership
team**

D Judson, Head Teacher
N Lindsay, Deputy Head Teacher
N Peaker, Deputy Head Teacher
N Gawthorpe, Assistant Head Teacher
L Gawthorpe, Assistant Head Teacher
L Burn, Assistant Head Teacher
M Hall, School Manager

Company registered number

07533271 (England and Wales)

Principal and registered office

Croft Road
Hurworth on Tees
Darlington
Co Durham
DL2 2JG

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Lloyds Bank plc
21-23 Northgate
Darlington
Co Durham
DL1 1TL

Solicitors

Watson Burton
1 St James' Gate
Newcastle upon Tyne
NE99 1YQ

Company secretary

WB Company Secretaries Limited

Chief executive officer

D Judson

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for period 1 September 2016 to 31 August 2017. The annual report serves the purpose of a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in Hurworth and the surrounding associated areas. It has a pupil capacity of 635 and had a roll of 698 in the school census on 5 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association dated 17 February 2011 are the primary governing documents of the company.

The Directors act as trustees for charitable activities of Swift Academies (formerly Hurworth School Limited) and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Swift Academies (formerly Hurworth School Limited).

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

Members' liability

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

Directors' indemnities

The academy has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 11.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of Directors

As set out in the articles and funding agreement- The Company has the following Directors:

- 8 Directors, appointed under article 50 (see below);
- Chief Executive officer appointed under article 57
- 2 Co opted Directors appointed under article 58

Appointment of Directors

The Members of the Company are:-

I D Holme
I Lavelle
J E Marshall
T N Rees

The members of the academy trust shall comprise the signatories to the memorandum and any person appointed under article 15A, provided that at any time the minimum number of members shall not be less than three.

The members may agree by passing a special resolution to appoint such additional members as they fit think (article 15A)

The members may appoint 8 Directors. The number of Directors shall not be less than three (unless determined by ordinary resolution) shall not be subject to any maximum (article 45)

Providing that the Chief Executive agrees so to act, the members may by ordinary resolution appoint the chief executive officer as a Director.

Co-Opted Directors

The Directors may appoint up to 2 co-opted Directors. A 'co-opted Director' means a person who is appointed to be a Director by being co-opted by Directors who have not themselves been so appointed. The Director may not co-opt an employee of the company as a co-opted Director if thereby the number of Directors who are employees of the company would exceed one third of the total number of Directors (including the chief executive officer).

Committees of the Board of Directors

The membership of any committee of the Directors may include persons who are not Directors, provided that (with the exception of the local governing bodies) a majority of members of any such committee shall be Directors, except in the case of the Local Governing Body, no vote on any matter shall be taken at a meeting of a committee of the Directors unless the majority of the members present are Directors.

Local Governing Body

The maximum size of the Local Governing Body will be twelve, a chair and vice chair will be elected by the Directors, annually at the first meeting of the academic year.

The Local Governing Body will be made up of

Head Teacher
5 Governors appointed by the Directors and executive board
2 Parent Governors
2 Teaching staff governors
1 Support staff governor
1 Representative from the executive leadership team.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of Directors (continued)

Term of Office

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

Policies and procedures adopted for the induction and training of Directors

The Company has a Service Level Agreement with AVEC Partnership from September 2016 for this purpose.

Organisational structure

The academy's Head Teacher is the Accounting Officer. His main task is to execute the policies agreed by the academy in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the academy's students. The academy's Directors have delegated the principal extensive powers to make decisions quickly and efficiently in respect of the principal's responsibilities. A leadership team consisting of two deputy heads, three assistant heads and the school manager supported the Head Teacher in managing the company during the year. So while the Directors set the overall policies of the company, the principal decides how these are put into practice.

The school's Head Teacher advises the Directors on all matters relating to the academy and its development.

The Directors ensure good governance of the company and set policies. They can also question implementation of policy where relevant. The Board of Directors has a finance committee and a curriculum/ staffing committee with specific duties relating to their function. The committees have delegated powers so that action can be taken quickly whenever necessary. Further adhoc committees are set up from time to time to advise the Directors on very specific matters. These have advisory powers only.

Arrangements for setting pay and remuneration of key management personnel

The Directors have implemented the pay policy for teachers and support staff, following consultation with staff and trade unions. The policy sets out a clear framework for the management of pay and grading issues for all staff employed at Swift Academies. The Directors are committed to taking decisions in accordance with the "key principles of public life": objectively, openness and accountability.

The salary range for the head teacher is determined by the Directors. The head teacher's appraisal is conducted annually by a panel consisting of the chair of the Board of Directors and an appropriate expert advisor with external HR support. A report containing their recommendations will be considered by the pay review committee. Pay progression or discretionary payments will be determined by the pay review committee on the basis of a successful annual appraisal demonstrating a sustained and high quality of performance and in which objectives relating to the academy's leadership and management have been addressed.

The Directors will determine a 5 point pay range for all other leadership posts from within the indicative pay points for the leadership scale contained in the school teachers' pay and conditions document. The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts.

Related parties and co-operation with other organisations

The academy is not part of any wider network.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES

Objects and aims

The company exists to ensure that standards of education provision at the academy are high and that the leadership and management of the academy develop them still further.

The Board of Directors meets termly and has committees supporting the detail of its work.

Objectives, strategies and activities

In furtherance of the 'Objects and aims' identified above the company exercises the following powers:-

- to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the company;
- to raise funds and to invite and receive contributions provided that in raising funds the academy shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- to acquire, after, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- to employ such staff, as are necessary for the proper pursuit of the object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependants;
- to establish or support, whether financially or otherwise, any charitable trusts, associations or institutions formed for all or any of the object;
- to co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the object and to exchange information and advice with them;
- to pay out of funds of the company the costs, charges and expenses of and incidental to the formation and registration of the company;
- to establish, maintain, carry on, manage and develop the academy at Croft Road, Hurworth on Tees, Darlington, County Durham, DL2 2JG;
- to offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils;
- to provide educational facilities and services to students of all ages and the wider community for the public benefit;
- to carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the company and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies;

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities (continued)

- subject to such consents as may be required by law and/or by any contract entered into by or on behalf of the company to borrow and raise money for the furtherance of the object in such manner and on such security as the company may think fit;
- to deposit or invest any funds of the company not immediately required for the furtherance of its object (but to invest only after obtaining such advice from a financial expert as the Directors consider necessary and having regard to the suitability of investments and the need for diversification);
- to delegate the management of investments to a financial expert, but only on terms that:
 - the investment policy is set down in writing for the financial expert by the Directors;
 - every transaction is reported promptly to the Directors;
 - the performance of the investments is reviewed regularly with the Directors;
 - the Directors are entitled to cancel the delegation arrangement at any time;
 - the investment policy and the delegation arrangement are reviewed at least once a year;
 - all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Director on receipt; and
 - the financial expert must not do anything outside the powers of the Directors.
- to arrange for investments or other property of the company to be held in the name of a nominee company acting under the control of the Directors or of a financial expert acting under their instructions, and to pay any reasonable fee required;
- to provide indemnity insurance to cover the liability of Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the company: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty which was committed by the Directors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors;
- to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the academy; and
- to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the object.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities (continued)

The whole school strategic plan (which all departments contribute to) is based around 5 key areas. The priorities in each area are listed under the sub-headings below:-

1. Leadership and management

- To continue to develop the role of Middle Leaders
- To produce and maintain a whole school Self Evaluation document in accordance with OFSTED criteria
- To implement and oversee the new departmental self-evaluation and verification systems in accordance with OFSTED criteria
- To ensure that the school meets the legal requirements for the new Data Protection legislation
- To ensure that the school responds to the challenges and responsibilities of being part of a MAT

2. Teaching and learning

- To implement whole school strategies to prepare pupils for 100% exam GCSEs
- To further develop the use of thinking tools to promote higher order thinking skills
- To create an on-line community to share good practice across the school

3. Assessment, monitoring and feedback over time

- To monitor the implementation of the refined ILT tasks across lower school and to develop procedures for Year 10 pupils (including intervention)
- To monitor marking, assessment and pupil feedback
- To implement the new reporting system
- To develop the use of SISRA in lower school
- To further develop the Academic RG process
- To increase the effectiveness of the school mentoring system

4. Pupil progress and data

- To ensure that strategies are in place to ensure that all pupil groups and target groups of pupils (currently Middle Disadvantaged Attainers and High Attaining girls) make or exceed their expected levels of progress across all subjects and to narrow the gaps between groups
- To ensure strategies are in place to achieve our Key Stage 4 target for Progress 8, above the national benchmark of 0.0
- To increase the use of SISRA across departments to allow better departmental analysis and interventions to be agreed
- Maintain the Year 11 review meetings with HODs following data collection and extend the process to Year 10
- To continue to monitor and support the HODs of Science and MFL with the issues identified in RAISE 2016

5. Personal development and behaviour and welfare

- To continue to reduce the number of fixed term exclusions
- To increase the attendance of specific pupil groups
- To implement and monitor new Child Protection and Safeguarding (CP&S) developments
- To monitor and standardise the use of ClassCharts across the school

In addition each department identifies 3-5 key priorities of their own and produces a departmental review plan on a termly basis.

The objectives are agreed by the sub committee meetings and in turn approved by the full Board of Directors in the summer term of each academic year.

In the autumn term LGB & Board of Directors receives the school strategic plan and the review of the previous year's strategic plan.

Implementation of the whole school strategic plan is reviewed by the Leadership team and the Middle Leaders representatives regularly at Leadership Team meetings. Departmental review plans are reviewed by the Leadership Team link at termly meetings with Heads of Department (representatives from the LGB are invited to attend these meetings); this information in turn is fed back to leadership meetings and then progress towards the strategic plan is reported at half termly LGB meetings and in turn to the Board of Directors.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy should undertake.

STRATEGIC REPORT

Achievements and performance

The school results for 2017 were as follows:-

Core Subjects (9-4)

- English – 88%
- English Language – 80%
- English Literature – 83%
- English 5 plus – 69%
- English 4 plus – 88%
- Maths – 88%
- Maths 5 plus – 68%
- Maths 4 plus – 88%
- Basics 4 plus English & Maths – 80%
- Basics 5 plus English & Maths – 57%

Core Subjects (A*-C)

- Additional Science – 67%
- Biology – 83%
- Chemistry – 79%
- Physics – 83%
- Core Science – 42%

Non-core Subjects

- Art – 100%
- BIS – 75%
- Catering – 94%
- Computing – 70%
- Drama – 100%
- Engineering – 97%
- French- 100%
- Geography – 89%
- German – 100%
- Graphics – 100%
- Health & Social Care – 100%
- History – 88%
- iMedia – 100%
- Music – 100%
- PE – 95%
- VCERT PE – 91%
- Resistant Materials – 95%
- Religious Studies – 78%
- Spanish – 67%

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Achievements and performance (continued)

The school targets for 2018 are (targets are listed first with predictions in italic text)

Progress 8 (0)

Attainment 8 – (B-)

Basics (5+ Eng and Maths)-84%

5 A*-C/4 grades (including Eng. and Maths) 84%

E Bacc – 15%

A*/A – 28%

Hurworth School Limited had its last full inspection in April 2008 and achieved outstanding overall and outstanding in every separate area assessed. A year later it was inspected for standards of literacy and numeracy and graded outstanding in both.

Key performance indicators

The academy has only been in operation since April 2011, however in broad terms, the organisation has only ever had two overspends in the 19 years of the current management and these were both less than 0.5% of the overall budget.

With the completion of the recent capital grant bids the academy's facilities are significantly improved, but overcrowding is an issue as is the on-going programme of asbestos removal.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the academy 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 Accounting Policies.

Financial review

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £4,923,000 was exceeded by recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £225,000.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Financial review (continued)

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2017 the net book value of fixed assets was £9,041,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,374,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2017 of £7,949,000 comprising £7,763,000 of restricted funds and £186,000 of unrestricted funds.

Expenditure is dominated by salaries with £3.6 million staff costs recognised in the current year. The Directors have a policy of keeping staffing levels lean but rewarding performance through relatively high pay rates, particularly at leadership level. This policy serves the organisation well.

A deficit is recognised through unrestricted funds in the year to 31 August 2017 of £84,000 (2016: £(4,000)).

The school cash balance in 2017 benefited from capital grants received but unspent.

Reserves Policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to cover ongoing costs in relation to the running of the academy including catering provisions, school trips and uniform costs.

The level of reserves is reviewed by the Directors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of 5% of the school budget share income which currently stands at £ 170,350 .

This is considered sufficient to cover unexpected significant cost pressures, in particular with regards to pension contributions, and unknown changes to the schools funding formula.

The academy's current level of free reserves are in surplus by £186,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy.

Investments policy

When there is excess cash, in accordance with the investments policy, funds are placed on deposit.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The Directors have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. 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 Governance Statement.

The academy has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

Plans for future periods

The school is mindful of further budget pressures with cuts from the Education and Skills Funding Agency, Darlington Borough Council and increases in employment costs. Therefore the need to continue to improve efficiency, maximize collaborative working with local schools, whilst still maintaining high standards.

During the year ending 31 August 2017, the Directors agreed to pursue Multi Academy Trust status and the school changed its name to Swift Academies on the 20 July 2017. The aim is to expand the trust and discussions are currently on-going with interested parties.

Risk management

A review identifying the major risks, to which the company is exposed, as identified by the Directors, is undertaken annually, and systems or procedures established to manage those risks. The company has conducted a review and updated the risk register which was discussed and approved by the finance committee on the 18 October 2017.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Statement as to disclosure of information to auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Directors' Report, incorporating a strategic report, was approved by order of the Directors, as the company directors, on 15 December 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S Jameson', with a small horizontal line at the end.

S Jameson
Chair

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Directors have delegated the day-to-day responsibility to the Head Teacher, 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 Swift Academies (Formerly Hurworth School Limited) and the Secretary of State for Education. They are also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

Governance

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

Director	Meetings attended	Out of a possible
S J Jameson, Chair	4	4
T N Rees, Vice Chair	3	4
D Judson, Accounting Officer	4	4
D Bell	2	4
K D Bernstone	3	4
I Black	3	4
S Bradnam	4	4
M Clark	1	4
E M Donlan	1	4
N Gawthorpe	3	4
K L Graves	2	4
A Hobbs	1	4
J Hodgeson	1	4
I D Holme	0	4
F M Holmes	3	4
L Johnson	2	4
J E Marshall	3	4
R Rees	3	4
J Stansfield	1	4
D Tweddall	1	4

The finance and general purpose committee is a sub-committee of the main Board of Directors. The finance committee has formally met 4 times during the year. Its purpose is to oversee the company's financial affairs and assist the decision making of the Board of Directors. Attendance at meeting in the year is as follows:

Director	Meetings attended	Out of a possible
K D Bernstone	2	4
S Bradnam	4	4
N Gawthorpe	0	4
I D Holme	1	4
F M Holmes	4	4
D Judson, Accounting Officer	4	4
J E Marshall	2	4
T N Rees	3	4
R Rees	3	4

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

- Collaborative working with other local schools. The Financial Controller and School Business Manager are part of the Darlington Schools Business Managers Network. The group continues to secure significant savings. Recent success include a significant saving of c£10k per annum for broadband provision.
- Reviewing contracts: all contracts are constantly being reviewed to ensure value for money is achieved. Retendering during the year has taken place for the provision of multi-functional print devices, which will produced an annual saving of £8k.
- Maximizing external grant opportunities: we were successful during the year in securing external funding from the Condition Improvement Fund (CIF) for the replacement of a flat roof. This will lead to a reduction in heating bills going forward.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Swift Academies (Formerly Hurworth School Limited) for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Directors have reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

The Risk and Control Framework

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

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

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed N Rees, Director, to carry out a programme of internal checks for the period 1 September 2016 to 31 March 2017. Clive Owen LLP, the external auditors, have reviewed the transactions for the period since. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an agreed basis, the reviewer reports to the Directors on the operation of the systems of control and on the discharge of the Director's financial responsibilities.

In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Review of risk register
- Review of income streams
- Testing of expenses and petty cash systems
- Review of fixed asset
- Review of accounting systems

Review of Effectiveness

As Accounting Officer, the Head Teacher 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 reviewer;
- the work of the external auditor; and
- the work of the executive managers within the academy 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 finance and general purposes 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 Directors on 15 December 2017 and signed on their behalf, by:



S Jameson
Chair



D Judson
Accounting Officer


SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Swift Academies (Formerly Hurworth School Limited) I have considered my responsibility to notify the academy trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of 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 2016.

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 Directors and ESFA.

A handwritten signature in black ink, appearing to read 'D Judson', with a horizontal line drawn underneath it.

D Judson
Accounting Officer

Date: 15 December 2017

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors (who act as governors of Swift Academies (Formerly Hurworth School Limited) and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

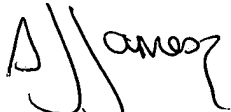
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Directors 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 Directors 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 Directors 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 Directors on 15 December 2017 and signed on its behalf by:


S Jameson
Chair

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)

Opinion

We have audited the financial statements of Swift Academies (Formerly Hurworth School Limited) for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 Directors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SWIFT
ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)**

Auditor's 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 Auditor's 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.

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. The description forms part of our Auditor's report.



Christopher Beaumont BA(Hons) FCA DChA

for and on behalf of

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

15 December 2017

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SWIFT
ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED) AND THE EDUCATION AND SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 March 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Swift Academies (Formerly Hurworth School Limited) during the year 1 September 2016 to 31 August 2017 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 Swift Academies (Formerly Hurworth School Limited) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Swift Academies (Formerly Hurworth School Limited) and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Swift Academies (Formerly Hurworth School Limited) and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Swift Academies (Formerly Hurworth School Limited)'s accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Swift Academies (Formerly Hurworth School Limited)'s funding agreement with the Secretary of State for Education dated 21 March 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SWIFT
ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED) AND THE EDUCATION AND SKILLS
FUNDING AGENCY (continued)**


Approach (continued)

The work undertaken to draw to our conclusion includes:

- Review of Board of Directors and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP

Reporting Accountants

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

15 December 2017

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
INCOME FROM:						
Donations and capital grants	2	6	-	93	99	79
Charitable activities	3	-	3,956	-	3,956	3,890
Other trading activities	4	509	-	-	509	465
Investments	5	1	-	-	1	1
TOTAL INCOME		<u>516</u>	<u>3,956</u>	<u>93</u>	<u>4,565</u>	<u>4,435</u>
EXPENDITURE ON:						
Charitable activities		<u>584</u>	<u>4,113</u>	<u>226</u>	<u>4,923</u>	<u>4,830</u>
TOTAL EXPENDITURE	7	<u>584</u>	<u>4,113</u>	<u>226</u>	<u>4,923</u>	<u>4,830</u>
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	16	(68) (16)	(157) -	(133) 16	(358) -	(395) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>(84)</u>	<u>(157)</u>	<u>(117)</u>	<u>(358)</u>	<u>(395)</u>
Actuarial gains/(losses) on defined benefit pension schemes	22	-	270	-	270	(816)
NET MOVEMENT IN FUNDS		<u>(84)</u>	<u>113</u>	<u>(117)</u>	<u>(88)</u>	<u>(1,211)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		270	(1,452)	9,219	8,037	9,248
TOTAL FUNDS CARRIED FORWARD		<u>186</u>	<u>(1,339)</u>	<u>9,102</u>	<u>7,949</u>	<u>8,037</u>

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07533271 (ENGLAND AND WALES)

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 £000
FIXED ASSETS				
Tangible assets	12		9,041	9,219
CURRENT ASSETS				
Stocks	13	19		20
Debtors	14	109		68
Cash at bank and in hand		473		511
		<u>601</u>		<u>599</u>
CREDITORS: amounts falling due within one year	15	(319)		(320)
NET CURRENT ASSETS			<u>282</u>	<u>279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,323</u>	<u>9,498</u>
Defined benefit pension scheme liability	22		(1,374)	(1,461)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>7,949</u></u>	<u><u>8,037</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	16	35		9
Restricted fixed asset funds	16	9,102		9,219
Restricted income funds excluding pension liability		9,137		9,228
Pension reserve		(1,374)		(1,461)
Total restricted income funds			<u>7,763</u>	<u>7,767</u>
Unrestricted income funds	16		<u>186</u>	<u>270</u>
TOTAL FUNDS			<u><u>7,949</u></u>	<u><u>8,037</u></u>

The financial statements on pages 24 to 46 were approved by the Directors, and authorised for issue, on 15 December 2017 and are signed on their behalf, by:



S Jameson
Chair

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash used in operating activities	18	(83)	(338)
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	1
Purchase of tangible fixed assets		(48)	(266)
Capital grants from DfE/ESFA		93	56
Net cash provided by/(used in) investing activities		45	(209)
Change in cash and cash equivalents in the year		(38)	(547)
Cash and cash equivalents brought forward		511	1,058
Cash and cash equivalents carried forward	19	473	511

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 have been prepared under the historical 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 financial statements 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Swift Academies (Formerly Hurworth School Limited) meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

1.2 GOING CONCERN

The Directors 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 to continue as a going concern. The Directors 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

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 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, including catering income, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

1.4 EXPENDITURE

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% reducing balance
ICT equipment	-	33% straight line

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

1.6 OPERATING LEASES

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

1.7 LIABILITIES AND PROVISIONS

Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.8 STOCKS

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.9 TAXATION

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

1.10 PENSIONS

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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 is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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1. ACCOUNTING POLICIES (continued)

1.11 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 costs as detailed in note 15. 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 instruments.

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £226,000.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	6	-	-	6	23
Grants	-	-	93	93	56
	<u>6</u>	<u>-</u>	<u>93</u>	<u>99</u>	<u>79</u>
<i>Total 2016</i>	<u>19</u>	<u>4</u>	<u>56</u>	<u>79</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,407	3,407	3,467
Pupil Premium	-	157	157	127
Sponsor Capacity Grant	-	100	100	-
Other DfE/ESFA Grants	-	19	19	20
	<u>-</u>	<u>3,683</u>	<u>3,683</u>	<u>3,614</u>
Other government grants				
SEN	-	222	222	232
Other Government Grants	-	51	51	44
	<u>-</u>	<u>273</u>	<u>273</u>	<u>276</u>
	<u>-</u>	<u>3,956</u>	<u>3,956</u>	<u>3,890</u>
<i>Total 2016</i>	<u>-</u>	<u>3,890</u>	<u>3,890</u>	

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Transport income	114	-	114	78
Catering income	236	-	236	226
Uniform income	4	-	4	16
School Trips	129	-	129	140
Other income	25	-	25	4
Lettings	1	-	1	1
Total 2017	509	-	509	465
Total 2016	465	-	465	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Investment income	1	-	1	1
Total 2016	1	-	1	

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NOTES TO THE FINANCIAL STATEMENTS
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6. CHARITABLE ACTIVITIES

	2017 £000	2016 £000
DIRECT COSTS		
Wages and salaries	2,300	2,247
National insurance	232	194
Pension cost	492	334
Educational supplies	191	240
Examination fees	45	54
Staff development	21	23
Travel and subsistence	4	4
Other direct costs	121	152
	<hr/> 3,406 <hr/>	<hr/> 3,248 <hr/>
SUPPORT COSTS		
Wages and salaries	512	494
National insurance	34	29
Pension costs	71	63
Net interest cost on pension scheme	29	21
Depreciation	226	233
Technology costs	68	92
Recruitment and support	6	11
Maintenance of premises and equipment	50	80
Rates	25	31
Energy	74	78
Insurance	15	20
Security	5	3
Transport	112	82
Catering	150	130
Occupancy costs	28	29
Bank interest and charges	17	14
Other support costs	58	141
Governance costs	37	31
	<hr/> 1,517 <hr/>	<hr/> 1,582 <hr/>
	<hr/> 4,923 <hr/>	<hr/> 4,830 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	3,024	-	382	3,406	3,248
Support costs	617	397	503	1,517	1,582
	<u>3,641</u>	<u>397</u>	<u>885</u>	<u>4,923</u>	<u>4,830</u>
<i>Total 2016</i>	<u>3,361</u>	<u>647</u>	<u>822</u>	<u>4,830</u>	

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charity	226	233
Auditors' remuneration - audit	10	12
Auditors' remuneration - other services	1	3
Operating lease rentals	<u>10</u>	<u>7</u>

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9. STAFF COSTS

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	2,655	2,580
Social security costs	266	223
Operating costs of defined benefit pension schemes	563	397
	<u>3,484</u>	<u>3,200</u>
Supply staff costs	151	161
Staff restructuring costs	6	-
	<u>3,641</u>	<u>3,361</u>

Staff restructuring costs comprise:

Severance payments	<u>6</u>	<u>-</u>
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Included within the operating costs of defined benefit pension schemes is £154,000 (2016: £37,000) in respect of movements in the LGPS pension deficit.

Included in staff restructuring costs is an individual non-statutory/non-contractual severance payment of £6,000 (2016: £nil).

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

	2017 No.	2016 No.
Teachers	39	39
Administration and support	45	43
Management	7	7
Invigilators and supply	7	6
	<u>98</u>	<u>95</u>

Higher paid staff

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

	2017 No.	2016 No.
In the band £120,001 - £130,000	1	1

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £601,000 (2016: £583,000).

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10. DIRECTORS' REMUNERATION AND EXPENSES

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

		2017 £000	2016 £000
D Judson	Remuneration	120-125	120-125
	Pension contributions paid	20-25	20-25
N Gawthorpe	Remuneration	55-60	55-60
	Pension contributions paid	5-10	5-10
S Bradnam	Remuneration	25-30	-
	Pension contributions paid	0-5	-
E M Donlan	Remuneration	0-5	0-5
	Pension contributions paid	0-5	0-5
S Johnson	Remuneration	-	35-40
	Pension contributions paid	-	5-10

During the year, no Directors received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, travel and subsistence expenses totalling £539 were reimbursed to 1 Director (2016 - £458 to 1 Director).

11. DIRECTORS' AND OFFICERS' INSURANCE

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

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12. TANGIBLE FIXED ASSETS

	Freehold property £000	Fixtures and fittings and equipment £000	Motor vehicles £000	Total £000
COST				
At 1 September 2016	10,108	197	20	10,325
Additions	48	-	-	48
At 31 August 2017	10,156	197	20	10,373
DEPRECIATION				
At 1 September 2016	984	102	20	1,106
Charge for the year	202	24	-	226
At 31 August 2017	1,186	126	20	1,332
NET BOOK VALUE				
At 31 August 2017	8,970	71	-	9,041
At 31 August 2016	9,124	95	-	9,219

13. STOCKS

	2017 £000	2016 £000
School uniform	14	14
Catering stock	5	6
	19	20

14. DEBTORS

	2017 £000	2016 £000
Trade debtors	6	-
VAT repayable	11	19
Prepayments and accrued income	92	49
	109	68

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000	2016 £000
Trade creditors	97	81
Other taxation and social security	66	67
Other creditors	60	63
Accruals and deferred income	96	109
	<u>319</u>	<u>320</u>
	2017 £000	2016 £000
DEFERRED INCOME		
Deferred income at 1 September 2016	58	62
Resources deferred during the year	69	58
Amounts released from previous years	(58)	(62)
	<u>69</u>	<u>58</u>
Deferred income at 31 August 2017	69	58

At the balance sheet date the academy trust was holding funds received in advance in relation to SEN funding, rate rebates and bus pass income.

16. STATEMENT OF FUNDS

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
UNRESTRICTED FUNDS	270	516	(584)	(16)	-	186
RESTRICTED FUNDS						
General Annual Grant (GAG)	9	3,407	(3,416)	-	-	-
Other DfE/ESFA Grants	-	176	(176)	-	-	-
Sponsor Capacity	-	100	(65)	-	-	35
Other Government Grants	-	273	(273)	-	-	-
Pension reserve	(1,461)	-	(183)	-	270	(1,374)
	<u>(1,452)</u>	<u>3,956</u>	<u>(4,113)</u>	<u>-</u>	<u>270</u>	<u>(1,339)</u>

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16. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

DfE/ESFA capital grants	2,036	93	(59)	-	-	2,070
Inherited funds	6,860	-	(155)	-	-	6,705
Capital expenditure from GAG	303	-	(11)	-	-	292
Capital expenditure from unrestricted funds	20	-	(1)	16	-	35
	<u>9,219</u>	<u>93</u>	<u>(226)</u>	<u>16</u>	<u>-</u>	<u>9,102</u>
Total restricted funds	<u>7,767</u>	<u>4,049</u>	<u>(4,339)</u>	<u>16</u>	<u>270</u>	<u>7,763</u>
Total of funds	<u>8,037</u>	<u>4,565</u>	<u>(4,923)</u>	<u>-</u>	<u>270</u>	<u>7,949</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
UNRESTRICTED FUNDS						
	266	485	(481)	-	-	270
	<u>266</u>	<u>485</u>	<u>(481)</u>	<u>-</u>	<u>-</u>	<u>270</u>

RESTRICTED FUNDS

General Annual Grant (GAG)	209	3,467	(3,631)	(36)	-	9
Other DfE/ESFA grants	-	147	(147)	-	-	-
Other government grants	-	276	(276)	-	-	-
Other restricted funds	-	4	(4)	-	-	-
Pension reserve	(587)	-	(58)	-	(816)	(1,461)
	<u>(378)</u>	<u>3,894</u>	<u>(4,116)</u>	<u>(36)</u>	<u>(816)</u>	<u>(1,452)</u>

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16. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

DfE/ESFA capital grants	2,032	56	(52)	-	-	2,036
Inherited funds	7,033	-	(173)	-	-	6,860
Capital expenditure from GAG	274	-	(7)	36	-	303
Capital expenditure from unrestricted funds	21	-	(1)	-	-	20
	<u>9,360</u>	<u>56</u>	<u>(233)</u>	<u>36</u>	<u>-</u>	<u>9,219</u>
Total restricted funds	<u>8,982</u>	<u>3,950</u>	<u>(4,349)</u>	<u>-</u>	<u>(816)</u>	<u>7,767</u>
Total of funds	<u>9,248</u>	<u>4,435</u>	<u>(4,830)</u>	<u>-</u>	<u>(816)</u>	<u>8,037</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. The funding agreement does not include a limit of the GAG available to carry forward.

Other DfE/ESFA grants includes Pupil Premium, Rates Relief and Year 7 Catch Up .

Sponsor Capacity Grant is a one off grant to expand the academy into a Multi-Academy Trust.

Other government grants includes SEN and other local authority grants received. SEN funding was provided to cover the costs of supporting students with additional learning requirements.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 22.

The restricted fixed asset funds represent monies recieved to purchase fixed assets. Depreciation is charged against each fund over the useful life of the associated assets.

Transfers between funds represent fixed assets financed from Unrestricted funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	9,041	9,041
Current assets	216	324	61	601
Creditors due within one year	(30)	(289)	-	(319)
Deferred benefit pension liability	-	(1,374)	-	(1,374)
	<u>186</u>	<u>(1,339)</u>	<u>9,102</u>	<u>7,949</u>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £000	2016 £000	2016 £000	2016 £000
Tangible fixed assets	-	-	9,219	9,219
Current assets	270	329	-	599
Creditors due within one year	-	(320)	-	(320)
Provisions for liabilities and charges	-	(1,461)	-	(1,461)
	<u>270</u>	<u>(1,452)</u>	<u>9,219</u>	<u>8,037</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(358)	(395)
Adjustment for:		
Depreciation charges	226	233
Dividends, interest and rents from investments	-	(1)
Decrease in stocks	1	2
(Increase)/decrease in debtors	(41)	27
Decrease in creditors	(1)	(206)
Capital grants from DfE and other capital income	(93)	(56)
Defined benefit pension scheme cost less contributions payable	154	37
Defined benefit pension scheme finance cost	29	21
Net cash used in operating activities	<u>(83)</u>	<u>(338)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash in hand	473	511
Total	<u>473</u>	<u>511</u>

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20. NET INTEREST COST ON PENSION SCHEME

	2017 £000	2016 £000
Interest income on pension scheme assets	27	40
Interest on pension scheme liabilities	(56)	(61)
	<u>(29)</u>	<u>(21)</u>

21. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £000	2016 £000
Contracted for but not provided in these financial statements	496,000	-

22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £56,000 were payable to the schemes at 31 August 2017 (2016 - £51,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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22. PENSION COMMITMENTS (continued)

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £301,000 (2016 - £267,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £144,000 (2016 - £135,000), of which employer's contributions totalled £99,000 (2016 - £93,000) and employees' contributions totalled £45,000 (2016 - £42,000). The agreed contribution rates for future years are 17.3% for employers and 5.5% - 12.5% 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	1.90 %	1.90 %
Inflation assumption (CPI)	1.90 %	1.90 %
Commutation of pensions to lump sums	80.00 %	80.00 %

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22. PENSION COMMITMENTS (continued)

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

	2017	2016
Retiring today		
Males	23.2	22.7
Females	24.9	25.2
Retiring in 20 years		
Males	25.4	24.9
Females	27.2	27.5

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	2,854	2,687
Discount rate -0.1%	3,008	2,843
Mortality assumption - 1 year increase	2,843	2,677
Mortality assumption - 1 year decrease	3,017	2,852
CPI rate +0.1%	2,975	2,809
CPI rate -0.1%	2,886	2,720

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	755	570
Government bonds	479	422
Corporate bonds	132	111
Property	110	104
Cash	80	96
Total market value of assets	1,556	1,303

The actual return on scheme assets was £115,000 (2016 - £181,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(253)	(130)
Interest income	27	40
Interest cost	(56)	(61)
Total	(282)	(151)

SWIFT ACADEMIES (FORMERLY HURWORTH SCHOOL LIMITED)
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

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

	2017 £000	2016 £000
Opening defined benefit obligation	2,764	1,580
Current service cost	253	130
Interest cost	56	61
Employee contributions	45	42
Actuarial (gains)/losses	(182)	957
Benefits paid	(6)	(6)
	<hr/>	<hr/>
Closing defined benefit obligation	2,930	2,764
	<hr/>	<hr/>

Movements in the fair value of the academy's share of scheme assets:

	2017 £000	2016 £000
Opening fair value of scheme assets	1,303	993
Interest income	27	40
Actuarial gains/(losses)	88	141
Employer contributions	99	93
Employee contributions	45	42
Benefits paid	(6)	(6)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,556	1,303
	<hr/>	<hr/>

23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
AMOUNTS PAYABLE:		
Within 1 year	12	7
Between 1 and 5 years	34	6
	<hr/>	<hr/>
Total	46	13
	<hr/>	<hr/>

24. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain Directors' remuneration and expenses already disclosed in note 10.