

Company Registration Number: 07533271 (England & Wales)

SWIFT ACADEMIES
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



SWIFT ACADEMIES
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Chairman's Statement	3 - 13
Governance Statement	14 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Directors' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 23
Independent Reporting Accountant's Report on Regularity	24 - 26
Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account	27 - 28
Consolidated Balance Sheet	29 - 30
Academy trust Balance Sheet	31 - 32
Consolidated Statement of Cash Flows	33
Notes to the Financial Statements	34 - 65

SWIFT ACADEMIES
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Bell (appointed 13 May 2019)
J Buxton
I D Holme
I Lavelle
J E Marshall
T N Rees (resigned 31 March 2019)

Directors

D Bell, Chair²
S J Jameson, Chair (resigned 12 July 2019)
K D Bernstone, Vice Chair^{1,2}
T N Rees, Vice Chair (resigned 31 March 2019)
I Black¹
J Cornelius (appointed 1 September 2019)²
T Fisher (appointed 1 September 2019)²
S A Hargrove¹
D Judson, Accounting Officer^{1,2}
J E Marshall¹
R Rees (resigned 29 September 2019)^{1,2}

¹ Members of the Finance and Resources Committee

² Members of the Standards Committee

Company registered number

07533271

Company name

Swift Academies

Principal and registered office

Croft Road
Hurworth
Darlington
County Durham
DL2 2JG

Company secretary

WB Company Secretaries Limited

Chief Executive Officer

D Judson

SWIFT ACADEMIES
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Executive Leadership Team

D Judson, Chief Executive Officer
N Lindsay, Head of School; Longfield Academy
N Peaker, Head of School; Hurworth School
J Armitage, Head of School; The Rydal Academy
G Hart, Chief Finance Officer
A Hutton, Trust ICT Manager
S Jones, Trust Business Manager

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for period 1 September 2018 to 31 August 2019. The annual report serves the purpose of a Directors' report under company law.

The academy trust operates one primary (The Rydal Academy) and two secondary academies (Longfield Academy and Hurworth School). The three academies have a combined pupil capacity of 2,165 and had a roll of 2,204 in the census of Summer 2019.

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 of Swift Academies and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Swift Academies. The terms Trustees and Directors refer to the same body of people.

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 trust 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 13.

Method of recruitment and appointment or election of Directors

The academy trust has a set of rules and procedures setting out how it is run and how it conducts its business and meetings. These are known as the Articles of Association and set out the academy trust's charitable objects. The articles detail the constitution of the company and the rules for the appointment and removal of its Members and Governors. Members of the company form the first governing body and are made up of the academy trusts first ever Directors. They appoint a governing body to which they delegate their duties, in our case the academy trust's 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; and
- 2 co-opted Directors appointed under article 58.

L 8

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of Directors

Appointment of Directors

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 see fit (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 Officer 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 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

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 Chief Executive Officer. 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 training and induction provided for new Directors and Governors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Directors meet with the trust's Governance Partner and are provided with copies of the Articles of Association, Scheme of Delegation, schedule of meeting dates, Directors Code of Conduct and committee & organisational structure. All Directors and Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. As there are normally only one or two new Directors and Governors a year, induction tends to be done informally and is tailored specifically to the individual.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The academy trust's Chief Executive Officer is the Accounting Officer. His main task is to execute the policies agreed by the academy trust in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the academy trust's students.

The Chief Executive Officer advises the Directors on all matters relating to the trust 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 and Resources Committee and a Standards 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.

Arrangements for setting pay and remuneration of key management personnel

The pay policy for all staff, including key management personnel, is governed by the Pay Policy 2018-19 and Performance Appraisal Policy adopted by the trust. These policies include the trust's commitment that teachers are employed in accordance with the provisions of the School Teachers Pay and Conditions Document.

The Pay Review Committee deals with all pay and performance matters relating to staff including the Chief Executive Officer, Heads of Schools, Head Teachers and other members of key management personnel in accordance with the approved Pay Policy. At least three Directors are members of the committee none of whom are employees of the trust.

Trade union facility time

There were no trade union representatives during the year.

Related parties and co operation with other organisations

Longfield Trading Limited (LTL) is a 100% subsidiary company of Swift Academies. The principal activity of Longfield Trading Limited is to make available the hire of the sporting facility for use by the local community and sporting clubs. Further details on related party relationships are given in note 29 to the financial statements.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

In furtherance of the 'objects and aims' identified above the academy trust 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 trust;
- shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- to acquire, 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 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;
- 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 academy trust may think fit;
- to deposit or invest any funds of the academy trust 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;
 - 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 academy trust: 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.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities (continued)

- to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the academy trust; 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 gained approval to become a Multi-Academy Trust (MAT) on the 1st September 2017 following a successful application to the Secretary of State for Education to become a sponsor academy from the Governing Body of Hurworth School.

The aim of Swift Academies is to build, strengthen and expand our academy trust across the North of England, by incorporating good and outstanding schools into our family of academies and acting as a sponsor for other primary and secondary academies, aiming to help them improve their standards and performance.

The vision of Swift Academies Trust Board is that each child experiences excellence with care every day. The academy trust is founded on deeply held principles that every child has the right to a first-class education. In addition to the Trust Board, each academy has its own Local Governing Body who take a key role in driving forward achievement and progress within each academy.

The overall purpose of the academy trust is to strengthen provision across all academies within it; the academy trust will do this by providing strategic leadership for all academies through its inclusive ethos and vision and providing strong governance and high-quality teaching and learning to ensure students are ready to progress to the next stage of their education, employment or training.

Our Trust Aims

We believe in the widest possible horizons for learning and aim to achieve the finest 3-16 education for all of our students.

The vision of SWIFT (Success, Will, Inspire, Future, Triumphs) Academies is that each child experiences excellence with care every day. The academy trust is founded on deeply held principles that every child has the right to a first class education and in order to achieve this: Swift Academies provide a broad, balanced and challenging curriculum that ignites pupils' love of learning and successfully unlocks the true potential of each individual.

1. We achieve this by providing a curriculum which:
 - Interests and motivates, both through its content and its range of teaching and learning styles;
 - Enables students to develop the knowledge, understanding and skills upon which they can build according to their interests and abilities;
 - Allows students to make progress at a challenging pace and which also provides for the development of special aptitudes; and
 - In addition to fulfilling national requirements, will also meet the broader needs of our children in an ever-changing world.
2. The provision and maintenance of an environment in which ALL students can achieve success, and where all students are valued and respected and extend the same value to others
3. The development of a concept of learning as a desirable, life-long and enjoyable process

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Our Trust Background

The multi-academy trust was formed on the 1st March 2018 and from the outset the aim of the Executive Leadership Team was to devise and develop a small, agile and responsive central team that provided Head Teachers/Heads of School with a high-quality central service provision and a transparent suite of robust support services to allow school leaders the freedom to focus on their individual school's priorities.

Our Key Principles

Academies within the academy trust are fully involved in the development of central services which is an ongoing process. In tendering services, academy requirements will be scoped and where appropriate recommendations and best practice sought. External services provision will be reviewed before contracts are renewed and feedback sought from academies as part of this process.

The academy trust has a purchasing policy that will ensure that money is spent in a way that is fair, open and good value for money. When looking at the contract value to determine appropriate tendering arrangements, the academy trust will need to determine how much is spent by academies across the trust, and over how many years to determine the overall contract value.

Academies will be expected to use the purchasing policy in procuring supplies and services at a local level according to the Scheme of Delegation. Services provided centrally will be flexible and responsive to the needs of the individual academies and the academy trust as a whole.

OUTCOMES

Outcome 1 – Our schools as centres of excellence

Our schools aim to be centres of excellence in teaching and learning where every child and young person makes outstanding progress and is ready for the next stage in their education and lives. Our staff feel valued and can access opportunities for professional and career development and to share their skills and expertise across the academy trust and with other schools.

Priorities for The Year Ahead:

- Improve the progress made by all pupils so that the standards reached are outstanding across the academy trust.
- Ensure that safeguarding practices across the academy trust are of an exemplary standard and are implemented accordingly.
- Embed a programme of external support and verification to ensure that all schools within the academy trust have systems and practices in place to ensure that they become centres of excellence.
- Develop and deliver a trust model that meets the professional development needs of all staff within the academy trust.

Outcome 2 – Collaboration Within the Trust

Our students feel they belong to a wider community and are supported to optimise their potential through access to extra-curricular activities and opportunities that promote their resilience and builds character.

Priorities for The Year Ahead:

- Develop opportunities for school to school support allowing staff to share expertise and skills across the academy trust.
- Develop a student entitlement for extra-curricular activities and opportunities that promote resilience and build character.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

OUTCOMES (continued)

Outcome 3 – Financial Stability, Quality of Learning Environment & Resources

Our schools provide safe, stimulating and aspirational environments where children and staff have access to the best resources.

Priorities for the Year Ahead:

- Develop and implement a trust-wide ICT strategy and programme of renewal bringing ICT hardware and software up to latest specifications and standards.
- Compliance with the Master Funding Agreement and Financial handbook.
- Investigate processes and options to improve financial efficiency of the academy trust.
- Investigate and take advantage of all funding opportunities where applicable.
- Produce and implement an Estates Strategy.
- Develop and implement a trust-wide Lockdown Strategy.

Outcome 4 – Leadership, Governance & Resources

Our accountability and decision-making frameworks maximise value for money for the benefit of children and their families.

Priorities for the Year Ahead:

- Develop and deliver a programme to meet the professional development needs of Governors and Directors.
- Ensure that trust arrangements for appraisal and school development planning result in clear lines of accountability and facilitates the raising of standards.
- Develop the schools and academy trust websites to incorporate statutory policies/policies under the Swift/School heading as appropriate.

Outcome 5 – MAT Stability and Future Growth

Priorities for the Year Ahead:

- Ensure that the academy trust has management capacity to deliver sustained improvement and potential growth.
- Further develop relationships with other schools/academies and multi academy trusts; the three schools that are currently within the academy trust build a strong platform to allow it to expand in the future.

Public benefit

The academy trust'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 trust should undertake.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT

Achievements and performance

Key performance indicators

The Rydal Academy

The Rydal Academy joined the academy trust on 1 March 2018 and is currently graded as Good by Ofsted following inspection in May 2015. Self Evaluation grades The Rydal Academy as a Good school.

Outcomes for pupils are on a 5 year upward trend. Key Stage 2 progress scores for 2019 were above the National Average (0) in Maths (+1.2), for the 4th year in a row, but below national average in Reading (-2.4) and Writing (-2.1).

Combined Attainment in Reading, Writing and Maths at Expectation+ (43%) was below National Averages (64%) and low against Rydal's 2018 outcomes (54%) but high against 2016 and 2017 (39%). Disadvantaged Pupils (40%) performed in-line with all pupils combined and outperformed all pupils in each individual subject at Expectation+. Pupil mobility had a significant impact on outcomes with 21% of pupils joining the cohort in the final 2 years and 36% joining during Key Stage 2. Pupils who had been on roll since Reception significantly outperformed All pupils at Expectation+ Combined (59%).

Combined Attainment in Reading, Writing and Maths for pupils reaching a Higher Level of Attainment (2%) was below National Averages (11%). Disadvantaged Pupils (5%) outperformed All pupils as did pupils who had been on roll since Reception (6%).

Longfield Academy

Longfield Academy joined as a sponsor academy on 1 March 2018. It has no OFSTED grading.

Since becoming part of Swift Academies, Longfield Academy have significantly improved results of the pupils for the second year running - enabling the school to post its best set of results in a considerable period of time.

The current SEF rating is REQUIRES IMPROVEMENT and the 2 year improvement of Progress 8 projected to be +0.44 and a 1 year improvement of +0.56 provide us with a platform and impetus to push ahead with our Action Plan to get Longfield to 'flat zero' and beyond into the 2020s.

There are significant gaps in performance between gender and notable gaps between disadvantaged and non-disadvantaged pupils. A key area for improvement is regarding middle prior attainers.

The academy has an unvalidated progress score of -0.11, up from 2018 and Attainment 8 figure of 45.1 which is higher than 2018.

Performance in English and Maths continues to be good with 72.6% of students attaining grades 9 to 4 in English and 66.1% in Maths. In Progress 8 terms, students have made expected progress in Maths, however, progress in English at time of writing is currently -0.1 of the grade below expected.

Overall 61.3% of students attained at least a standard pass (9 4) in both English and Maths with 41.7% of students achieving a strong pass or higher (9 5) in both these. Progress score for SEN students (25 on roll) was -0.27.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators (continued)

Hurworth School

Hurworth School's unvalidated Progress 8 score of -0.27 was down on the 2018 figure, however the Attainment 8 figure of 48.2 is higher than the 2018 result.

Performance in English and in Maths continues to be outstanding, with 85.9% of students attaining grades 9 to 4 (equivalent to what was A* C) in English, and 81.5% attaining this in Maths, which are both well above national figures. 9 5 attainment has 57.6% in mathematics - nationally around half of students reached the new grade 5. In Progress 8 terms; students have made expected progress in Maths; however the progress in English at the time of writing is currently a quarter of a grade below expected – the school is in the process of pursuing an Ofqual complaint following issues with the marking of the English exams.

Overall, 75.6% of students attained at least a standard pass (9 4) in both English and Maths, with 45.9% of students achieving a strong pass or higher (9 5) in both these subjects. Whilst the uptake of the English Baccalaureate is low, where students have chosen to take it, their performance is in line with the national figures. The performance of students within the Science area of the EBacc remains a focus area for the school.

The Progress 8 score for disadvantaged pupils (35 on roll) was 0.53. This figure shows that the progress of these pupils is lower than expected and that the gap between disadvantaged and non disadvantaged students has increased from the previous year so this will be a focus area for the school in 2019-20. The progress of boys will also be a focus area as their Progress 8 score of 0.51 is significantly lower than the girls score of +0.06. The progress score for SEN students (11 on roll) was 0.49 which is higher than for the 2018 cohort.

Going concern

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

Most of the academy trust'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 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust 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 2019, total expenditure of £15,433,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers, LGPS pension adjustments and actuarial gains, and excluding restricted fixed asset funds) was £7,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the trust's objectives.

At 31 August 2019 the net book value of fixed assets was £30,353,000 and movements in tangible fixed assets are shown in note 14 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 £7,427,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2019 of £23,162,000 comprising £30,355,000 of restricted fixed asset funds, £(7,427,000) of pension deficit fund and £234,000 of unrestricted funds.

Reserves Policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds).

The level of reserves is reviewed by the Directors regularly throughout the year; this review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors are particularly mindful of the uncertainty in both revenue and capital funding in the future, and therefore think that it is appropriate to hold reserves of £250,000 to cover any unforeseen costs.

The academy trust's current level of free reserves are in surplus by £234,000, these reserves are considered sufficient to cover unexpected significant cost pressures, in particular with relation to:

- Emergency repairs
- Damage to property
- Business continuity Planning
- Sustainability of Associated School Transport Policy for Hurworth School

The Directors are currently in the process of looking at centralising some of the costs within the academy trust such as technology and energy to allow the academy trust to make some savings, cutting expenditure and therefore increasing reserves to the desired amount.

The Directors continue to review additional activities related to the academy trust's objectives which the reserves may be applied; central to this is the regular updating of the Trust Estate Strategy & Trust Development Plan that reviews and prioritises projects at all academy trust schools.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Investments policy

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

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 trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust balance sheet.

The Directors have assessed the major risks, to which the academy trust 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 trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

Risk management

The academy trust is mindful of further budget pressures with cuts from the Education and Skills Funding Agency, Darlington Borough Council and increases in pension costs. As a result, all SLA's, Contracts, Services etc. are subject to on going review across the academy trust to maximise savings where possible.

Plans for future periods

The academy trust currently includes 3 schools with the aim to expand to a minimum of 5 schools with above 3,000 pupils to enable it to attract the additional funding that this brings; discussions are currently on going with interested parties.

A review identifying the major risks, to which the academy trust 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 and Resources Committee on the 21 November 2019.

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 group'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 group's auditors are aware of that information.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 13 December 2019 and signed on its behalf by:

D Bell
Chair



SWIFT ACADEMIES
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 and the Secretary of State for Education. They are also responsible for reporting to the Board of 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 Board of Directors has formally met 6 times during the year.

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

Director	Meetings attended	Out of a possible
D Bell, Chair	6	6
S J Jameson, Chair (resigned 12 July 2019)	6	6
K D Bernstone, Vice Chair	5	6
T N Rees (resigned 31 March 2019)	5	5
I Black	4	6
J Cornelius (appointed 1 September 2019)	0	0
T Fisher (appointed 1 September 2019)	0	0
S A Hargrove	4	6
D Judson, Accounting Officer	6	6
J E Marshall	4	6
R Rees (resigned 30 September 2019)	5	6

The Finance and Resources Committee is a sub committee of the main Board of Directors. The committee has formally met 3 times during the year. Its purpose is to oversee the academy trust's financial affairs and assist the decision making of the Board of Directors. Attendance at meeting in the year is as follows:

Attendance during the year at meetings was as follows:

Committee members	Meetings attended	Out of a possible
K D Bernstone	3	3
I Black	2	3
S A Hargrove	3	3
D Judson, Accounting Officer	3	3
J E Marshall	1	3
T N Rees (resigned 31st March 2019)	2	2
R Rees (resigned 30th September 2019)	3	3

SWIFT ACADEMIES
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Reviewing contracts: all contracts are constantly being reviewed to ensure value for money is achieved.
- Income Generation: The trading arm of the trust continues to be a success. The company predominately hires the sporting facilities to the local community, with the profit being gift aided back to the trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Swift Academies for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of 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 Clive Owen LLP, the external auditors, to perform additional checks.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of regularity procedures
- Review of any updates to the Financial Procedures Manual
- Review of meeting minutes
- Review of income recording procedures
- Review of Director appointments/resignations and declarations of interest
- Review of VAT recording procedures
- Testing of expenses and petty cash systems
- Review of Fixed Asset recording procedures
- Review of IT systems

On a termly basis, the reviewers report to the Board of Directors through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The external auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

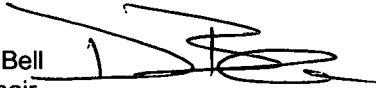
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

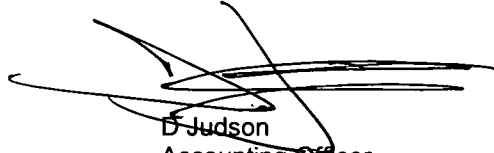
GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Directors on 13 December 2019 and signed on their behalf by:

D Bell
Chair

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

D Judson
Accounting Officer

A handwritten signature in black ink, featuring a large, stylized 'D' followed by several horizontal strokes.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Swift Academies I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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.



D Judson
Accounting Officer
Date: 13 December 2019

SWIFT ACADEMIES
(A Company Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Directors (who 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 Academies Accounts Direction published by the Education & 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 Group and the charitable company and of their incoming resources and application of resources, including their 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

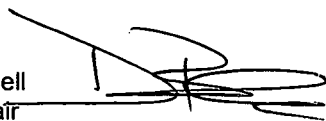
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 13 December 2019 and signed on its behalf by:

D Bell
Chair



SWIFT ACADEMIES
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SWIFT ACADEMIES

Opinion

We have audited the financial statements of Swift Academies (the 'parent academy trust') and its subsidiaries (the 'Group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy trust Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent academy trust's affairs as at 31 August 2019 and of the Group's 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent academy trust'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.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SWIFT ACADEMIES (CONTINUED)

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Directors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 the financial year 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 Group and the parent academy trust 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:

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SWIFT
ACADEMIES (CONTINUED)**

Responsibilities of Directors

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

Auditors' responsibilities for the audit of the financial statements

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

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SWIFT
ACADEMIES (CONTINUED)**

Use of our report

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



Christopher Beaumont BA(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

13 December 2019

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SWIFT
ACADEMIES AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Swift Academies during the year 1 September 2018 to 31 August 2019 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 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 and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Swift Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Swift Academies's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Swift Academies's funding agreement with the Secretary of State for Education dated 21 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters 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;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen LLP

Clive Owen LLP
Reporting Accountant
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 13 December 2019

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer in from academy trust		-	-	-	-	18,169
Other donations and capital grants		7	-	150	157	879
Charitable activities:						
Funding of the academy trust		452	12,471	-	12,923	8,345
Trading subsidiary		138	-	-	138	77
Other trading activities		538	-	-	538	414
Investments	6	1	-	-	1	2
Total income		1,136	12,471	150	13,757	27,886
Expenditure on:						
Charitable activities:						
Academy trust educational operations		1,034	13,191	1,099	15,324	10,051
Trading subsidiary		109	-	-	109	47
Total expenditure		1,143	13,191	1,099	15,433	10,098
Net income / (expenditure)		(7)	(720)	(949)	(1,676)	17,788
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(1,828)	-	(1,828)	929
Net movement in funds		(7)	(2,548)	(949)	(3,504)	18,717

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
Reconciliation of funds:					
Total funds brought forward	241	(4,879)	31,304	26,666	7,949
Net movement in funds	(7)	(2,548)	(949)	(3,504)	18,717
Total funds carried forward	<u>234</u>	<u>(7,427)</u>	<u>30,355</u>	<u>23,162</u>	<u>26,666</u>

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

The notes on pages 34 to 65 form part of these financial statements.

SWIFT ACADEMIES
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07533271

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	14	30,353	31,003
		<u>30,353</u>	<u>31,003</u>
Current assets			
Stocks	16	22	28
Debtors	17	590	729
Cash at bank and in hand		375	556
		<u>987</u>	<u>1,313</u>
Creditors: amounts falling due within one year	18	(711)	(728)
Net current assets		<u>276</u>	<u>585</u>
Total assets less current liabilities		<u>30,629</u>	<u>31,588</u>
Creditors: amounts falling due after more than one year	19	(40)	(43)
Net assets excluding pension liability		<u>30,589</u>	<u>31,545</u>
Defined benefit pension scheme liability	27	(7,427)	(4,879)
Total net assets		<u><u>23,162</u></u>	<u><u>26,666</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	20	30,355	31,304
Pension reserve	20	(7,427)	(4,879)
Total restricted funds	20	<u>22,928</u>	<u>26,425</u>
Unrestricted income funds	20	234	241
Total funds		<u><u>23,162</u></u>	<u><u>26,666</u></u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 27 to 65 were approved by the Directors, and authorised for issue on 13 December 2019 and are signed on their behalf, by:

D Bell
Chair

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the bottom.

SWIFT ACADEMIES
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07533271

ACADEMY TRUST STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	14	30,351	31,001
		<u>30,351</u>	<u>31,001</u>
Current assets			
Stocks	16	22	28
Debtors	17	582	816
Cash at bank and in hand		353	467
		<u>957</u>	<u>1,311</u>
Creditors: amounts falling due within one year	18	(706)	(724)
		<u>251</u>	<u>587</u>
Net current assets			
		<u>30,602</u>	<u>31,588</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(40)	(43)
		<u>30,562</u>	<u>31,545</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(7,427)	(4,879)
		<u>23,135</u>	<u>26,666</u>
Total net assets			
		<u>23,135</u>	<u>26,666</u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	20	30,355	31,304
Pension reserve	20	(7,427)	(4,879)
		<u>22,928</u>	<u>26,425</u>
Total restricted funds	20		
Unrestricted income funds	20	207	241
		<u>23,135</u>	<u>26,666</u>
Total funds			
		<u>23,135</u>	<u>26,666</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

ACADEMY TRUST STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 27 to 65 were approved by the Directors, and authorised for issue on 13 December 2019 and are signed on their behalf, by:

D Bell
Chair 

SWIFT ACADEMIES
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	30	(691)
Cash flows from investing activities	24	(208)	774
Cash flows from financing activities	23	(3)	-
Change in cash and cash equivalents in the year		(181)	83
Cash and cash equivalents at the beginning of the year		556	473
Cash and cash equivalents at the end of the year	25	<u>375</u>	<u>556</u>

The notes on pages 34 to 65 form part of these financial statements

SWIFT ACADEMIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Swift Academies meets the definition of a public benefit entity under 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 trust 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.

1.3 Income

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

• **Grants**

Grants are included in the Consolidated 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 Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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 allocated on the portion of the asset's use.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Basis of Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the academy trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The academy trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

1.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated 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 Consolidated 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.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Freehold property	- 2% straight line
Leasehold property	- 2% straight line
Leasehold land	- 125 years reducing balance
Fixtures and fittings and equipment	- 20% straight line and 33% straight line
Motor Vehicle	- 25% 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 Consolidated Statement of Financial Activities.

1.7 Investments

The academy trust's shareholding in the wholly owned subsidiary, Longfield Trading Limited, is included in the academy trust's balance sheet at the cost of the share capital less impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Operating leases

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

1.9 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.

1.10 Provisions

Provisions are recognised when the Group 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.

1.11 Stocks

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Taxation

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

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

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2019. 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.

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 £1,099,000.

Critical areas of judgment:

LGPS Pension - There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £352,000 as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £50,000 which has been assessed to be immaterial to the financial statements.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

Land – Land is held under a 125 year lease from Darlington Borough Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

The land is valued in accordance with information provided by Darlington Brough Council. The buildings are included in accordance with adjusted insurance values. The ESFA has undertaken a desktop valuation of the schools which indicates that the values may be circa £11million overstated. As the Directors have had no input into how these valuations were prepared and no site surveys have been undertaken the Directors will continue to use the historic values.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted funds - class ii 2019 £000	Total funds 2019 £000
Donations				
Transfer in from academy trusts	-	-	-	-
Donation	7	-	-	7
	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
Capital Grants	-	-	150	150
Subtotal	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</u>
Total 2019	<u>7</u>	<u>-</u>	<u>150</u>	<u>157</u>

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted funds - class ii 2018 £000	Total funds 2018 £000
Donations	298	(3,942)	21,818	18,174
Capital Grants	-	-	874	874
	<u>298</u>	<u>(3,942)</u>	<u>22,692</u>	<u>19,048</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the academy trust's academy's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	10,432	10,432
Pupil Premium	-	974	974
UFSM	-	55	55
Rates	-	44	44
Year 7 Catch Up	-	15	15
Other DfE Group grants	-	230	230
	-	11,750	11,750
Other Government grants			
SEN	-	483	483
Other Government grants	-	238	238
	-	721	721
Other funding			
Student Trips	140	-	140
Student Catering	450	-	450
Total 2019	590	12,471	13,061

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	3	3	2
Non student catering income	3	3	1
Receipts from Supply Teacher Insurance claims	-	-	17
Other	394	394	317
Trading subsidiary	138	138	77
	538	538	414

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Investment income	1	1	2

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Academy's educational operations:				
Direct costs	9,512	-	764	10,276
Allocated support costs	2,000	1,465	1,583	5,048
Trading subsidiary:				
Allocated support costs	89	-	20	109
Total 2019	11,601	1,465	2,367	15,433

In 2019, of the total expenditure £1,143,000 (2018 - £1,141,000) was to unrestricted funds, £13,191,000 (2018 - £8,430,000) was to restricted funds and £1,099,000 (2018 - £527,000) was to restricted fixed asset funds.

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

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

There were no ex-gratia payments in the year.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Academy's educational operations	10,276	5,048	15,324
Trading subsidiary	-	109	109
Total 2019	10,276	5,157	15,433

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total funds 2018 £000
Academy's educational operations	6,865	3,229	10,094
Teaching schools	-	4	4
	6,865	3,233	10,098

Analysis of direct costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	9,512	6,212
Educational supplies	404	360
Examination fees	125	94
Staff development	54	25
Staff expenses	23	12
Supply insurance	-	26
Other costs	158	136
	10,276	6,865

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £000	Total funds 2018 £000
Net interest cost on pension scheme	130	127
Staff costs	2,089	1,276
Depreciation	1,099	527
Technology costs	203	157
Transport	182	208
Maintenance of premises	168	109
Cleaning	13	5
Other premises costs	115	74
Energy	254	129
Rent & rates	44	33
Catering	347	235
Other insurance premiums	57	36
Operating lease rentals	30	24
Other costs	390	217
Governance costs	36	76
	5,157	3,233

9. Net expenditure

Net expenditure for the year includes:

	2019 £000	2018 £000
Operating lease rentals	30	24
Depreciation of tangible fixed assets	1,099	527
Fees paid to auditors for:		
- audit	14	14
- other services	7	1
	14	14

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Wages and salaries	8,521	5,426	8,439	5,426
Social security costs	854	537	852	537
Pension costs	1,959	1,241	1,954	1,241
	<u>11,334</u>	<u>7,204</u>	<u>11,245</u>	<u>7,204</u>
Agency staff costs	219	251	219	251
Staff restructuring costs	48	33	48	33
	<u>11,601</u>	<u>7,488</u>	<u>11,512</u>	<u>7,488</u>

Included in operating costs of defined benefit pension schemes is a debit of £590,000 (2018: £206,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Redundancy payments	34	29	34	29
Severance payments	14	4	14	4
	<u>48</u>	<u>33</u>	<u>48</u>	<u>33</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £14,000 (2018: £4,000). Individually the payments were £14,000.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Staff numbers

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

	Group 2019 No.	Group 2018 No.	Academy Trust 2019 No.	Academy Trust 2018 No.
Teachers	122	88	122	88
Administration and support	215	134	212	134
Management	25	13	25	13
	<u>362</u>	<u>235</u>	<u>359</u>	<u>235</u>

d. Higher paid staff

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

	Group 2019 No.	Group 2018 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	3	1
In the band £130,001 - £140,000	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the academy trust comprise Directors and the Executive Leadership 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 £646,000 (2018: £500,000).

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. 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 Chief Executive Officer and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2019 £000	2018 £000
D Judson, Chief Executive Officer	Remuneration	135 - 140	130 - 135
	Pension contributions paid	20 - 25	20 - 25

During the year, no Directors received any benefits in kind (2018 - £NIL).

During the year ended 31 August 2019, travel and subsistence expenses totalling £475 were reimbursed (2018 - £Nil) .

12. Central services

The academy trust has provided the following central services to its academies during the year:

- Legal services
- Human resources
- Financial services

The Group charges for these services on the following basis:

Charges have been made based on the amount of pupils at each academy, and support and services each academy requires.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Hurworth School	190	34
Longfield Academy	256	93
The Rydal Academy	106	93
Total	<u>552</u>	<u>220</u>

13. 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 Directors 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.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2018	10,662	21,157	1,017	26	32,862
Additions	102	263	84	-	449
At 31 August 2019	10,764	21,420	1,101	26	33,311
Depreciation					
At 1 September 2018	1,396	212	231	20	1,859
Charge for the year	215	457	425	2	1,099
At 31 August 2019	1,611	669	656	22	2,958
Net book value					
At 31 August 2019	9,153	20,751	445	4	30,353
At 31 August 2018	9,266	20,945	786	6	31,003

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. Tangible fixed assets (continued)

Academy Trust

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2018	10,662	21,157	1,015	26	32,860
Additions	102	263	84	-	449
At 31 August 2019	10,764	21,420	1,099	26	33,309
Depreciation					
At 1 September 2018	1,396	212	231	20	1,859
Charge for the year	215	457	425	2	1,099
At 31 August 2019	1,611	669	656	22	2,958
Net book value					
At 31 August 2019	9,153	20,751	443	4	30,351
At 31 August 2018	9,266	20,945	784	6	31,001

15. Fixed asset investments

16. Stocks

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
School uniform	16	22	16	22
Catering stock	6	6	6	6
	22	28	22	28

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Debtors

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Due within one year				
Trade debtors	23	20	23	20
Other debtors	34	19	36	106
Prepayments and accrued income	425	594	415	594
VAT recoverable	108	96	108	96
	<u>590</u>	<u>729</u>	<u>582</u>	<u>816</u>

18. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Other loans	6	6	6	6
Trade creditors	149	238	147	238
Other taxation and social security	213	202	212	200
Other creditors	174	166	174	166
Accruals and deferred income	169	116	167	114
	<u>711</u>	<u>728</u>	<u>706</u>	<u>724</u>

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Deferred income at 1 September 2018	78	69	78	69
Resources deferred during the year	109	78	109	78
Amounts released from previous periods	(78)	(69)	(78)	(69)
	<u>109</u>	<u>78</u>	<u>109</u>	<u>78</u>

Deferred income relates to UIFSM income, Ski trip income, catering income, trips income and school games funding.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Other loans	40	43	40	43
	<u>40</u>	<u>43</u>	<u>40</u>	<u>43</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Repayable by instalments	15	19	15	19
	<u>15</u>	<u>19</u>	<u>15</u>	<u>19</u>

Included in other creditors are three loans from Salix which is provided on the following terms:

- Interest free loan of £21,000 repayable through GAG in bi-annual installments of £1,330 from September 2018
- Interest free loan of £9,000 repayable through GAG in bi-annual installments of £540 from March 2019
- Interest free loan of £19,000 repayable through GAG in bi-annual installments of £1,185 from September 2019

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General Fund	116	1,136	(1,143)	-	109
Sinking Fund	125	-	-	-	125
	<u>241</u>	<u>1,136</u>	<u>(1,143)</u>	<u>-</u>	<u>234</u>
Restricted general funds					
General Annual Grant (GAG)	-	10,432	(10,432)	-	-
Pupil Premium	-	974	(974)	-	-
Other DfE/ESFA Grants	-	344	(344)	-	-
SEN	-	483	(483)	-	-
Other Government grants	-	238	(238)	-	-
Pension reserve	(4,879)	-	(720)	(1,828)	(7,427)
	<u>(4,879)</u>	<u>12,471</u>	<u>(13,191)</u>	<u>(1,828)</u>	<u>(7,427)</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Restricted fixed asset funds					
DfE/ESFA capital grants	5,994	150	(168)	-	5,976
Inherited funds	22,872	-	(637)	-	22,235
Capital expenditure from GAG	1,509	-	(220)	-	1,289
Capital expenditure from unrestricted funds	34	-	-	-	34
14-19	515	-	(52)	-	463
Darlington Education Trust	5	-	(2)	-	3
Donations	33	-	(11)	-	22
Big Lottery	10	-	-	-	10
Sport England	78	-	(1)	-	77
Playing pitches	30	-	(1)	-	29
ECB	132	-	(3)	-	129
DBC	1	-	(1)	-	-
Nursery funding	72	-	(2)	-	70
Other Capital	19	-	(1)	-	18
	<u>31,304</u>	<u>150</u>	<u>(1,099)</u>	<u>-</u>	<u>30,355</u>
Total Restricted funds	<u>26,425</u>	<u>12,621</u>	<u>(14,290)</u>	<u>(1,828)</u>	<u>22,928</u>
Total funds	<u>26,666</u>	<u>13,757</u>	<u>(15,433)</u>	<u>(1,828)</u>	<u>23,162</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA grants include universal infant free school meals, rates relief, year 7 catch up grant, teacher pay grant and supplementary free school meals.

SEN funding was provided to cover the costs of supporting students with additional learning requirements.

Other Government grants includes nursery funding and transport grants.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 26.

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

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Hurworth School	20	87
Longfield Academy	115	63
The Rydal Academy	70	63
Longfield Trading Limited	29	28
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	234	241
Restricted fixed asset fund	30,355	31,304
Pension reserve	(7,427)	(4,879)
	<hr/>	<hr/>
Total	23,162	26,666
	<hr/> <hr/>	<hr/> <hr/>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000
Hurworth School	3,128	615	134	469	4,346
Longfield Academy	3,768	766	222	1,226	5,982
The Rydal Academy	2,439	398	48	460	3,345
Longfield Trading Limited	-	89	-	20	109
Central services	177	221	-	154	552
	<u>9,512</u>	<u>2,089</u>	<u>404</u>	<u>2,329</u>	<u>14,334</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Fund	186	1,071	(1,141)	-	-	116
Sinking Fund	-	125	-	-	-	125
	<u>186</u>	<u>1,196</u>	<u>(1,141)</u>	<u>-</u>	<u>-</u>	<u>241</u>
Restricted general funds						
General Annual Grant (GAG)	-	6,806	(6,775)	(31)	-	-
Pupil Premium	-	559	(559)	-	-	-
Other DfE/ESFA Grants	-	78	(78)	-	-	-
Sponsor capacity	35	-	(35)	-	-	-
SEN	-	309	(309)	-	-	-
Other Government grants	-	180	(180)	-	-	-
Other grants	-	3	(3)	-	-	-
Pension reserve	(1,374)	(3,943)	(491)	-	929	(4,879)
	<u>(1,339)</u>	<u>3,992</u>	<u>(8,430)</u>	<u>(31)</u>	<u>929</u>	<u>(4,879)</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Restricted fixed asset funds						
DfE/ESFA capital grants	2,070	4,027	(103)	-	-	5,994
Inherited funds	6,705	16,506	(339)	-	-	22,872
Capital expenditure from GAG	292	1,253	(67)	31	-	1,509
Capital expenditure from unrestricted funds	35	-	(1)	-	-	34
14-19	-	526	(11)	-	-	515
Darlington Education Trust	-	5	-	-	-	5
Donations	-	36	(3)	-	-	33
Big Lottery	-	10	-	-	-	10
Sport England	-	79	(1)	-	-	78
Playing pitches	-	30	-	-	-	30
ECB	-	133	(1)	-	-	132
DBC	-	1	-	-	-	1
Nursery funding	-	73	(1)	-	-	72
Other Capital	-	19	-	-	-	19
	<u>9,102</u>	<u>22,698</u>	<u>(527)</u>	<u>31</u>	<u>-</u>	<u>31,304</u>
Total Restricted funds	<u>7,763</u>	<u>26,690</u>	<u>(8,957)</u>	<u>-</u>	<u>929</u>	<u>26,425</u>
Total funds	<u><u>7,949</u></u>	<u><u>27,886</u></u>	<u><u>(10,098)</u></u>	<u><u>-</u></u>	<u><u>929</u></u>	<u><u>26,666</u></u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	30,353	30,353
Current assets	311	628	48	987
Creditors due within one year	(77)	(628)	(7)	(712)
Creditors due in more than one year	-	-	(39)	(39)
Provisions for liabilities and charges	-	(7,427)	-	(7,427)
Total	234	(7,427)	30,355	23,162

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	31,003	31,003
Current assets	675	288	350	1,313
Creditors due within one year	(434)	(288)	(6)	(728)
Creditors due in more than one year	-	-	(43)	(43)
Provisions for liabilities and charges	-	(4,879)	-	(4,879)
Total	241	(4,879)	31,304	26,666

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

22. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £000	2018 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,676)	17,788
Adjustments for:		
Depreciation	1,099	527
Dividends, interest and rents from investments	(1)	(2)
Capital grants from DfE and other capital income	(150)	(874)
Defined benefit pension scheme obligation inherited on conversion	-	3,943
Defined benefit pension scheme cost less contributions payable	590	364
Defined benefit pension scheme finance cost	130	127
(Increase)/decrease in stocks	6	(9)
(Increase)/decrease in debtors	49	(620)
(Increase)/decrease in creditors	(17)	452
Fixed assets transferred on conversion	-	(21,816)
Cash on conversion	-	(478)
Cash on acquisition of subsidiary	-	(91)
Fixed assets transferred from subsidiary	-	(2)
Net cash provided by/(used in) operating activities	30	(691)

23. Cash flows from financing activities

	Group 2019 £000	Group 2018 £000
Salix loan repayments	(3)	-
Net cash (used in)/provided by financing activities	(3)	-

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Cash flows from investing activities

	Group 2019 £000	Group 2018 £000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(449)	(671)
Capital grants from DfE Group	240	874
Cash on conversion	-	478
Cash inherited from subsidiary	-	91
Net cash (used in)/provided by investing activities	(208)	774

25. Analysis of cash and cash equivalents

	Group 2019 £000	Group 2018 £000
Cash in hand	375	556
Total cash and cash equivalents	375	556

26. Capital commitments

	Group 2019 £000	Group 2018 £000
Contracted for but not provided in these financial statements		
Acquisition of intangible assets	-	189

27. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 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 £173,000 were payable to the schemes at 31 August 2019 (2018 - £166,000) and are included within creditors.

SWIFT ACADEMIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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 (amended) 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £166,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £894,000 (2018 - £586,000).

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.asbx).

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

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £617,000 (2018 - £552,000), of which employer's contributions totalled £455,000 (2018 - £449,000) and employees' contributions totalled £ 162,000 (2018 - £103,000). 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

	2019 %	2018 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.00	2.00
Commutation of pensions to lump sums	80.00	80.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.3	23.3
Females	23.8	25.0
<i>Retiring in 20 years</i>		
Males	24.0	25.5
Females	25.7	27.3

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	16,224	12,401
Discount rate -0.1%	17,069	13,055
Mortality assumption - 1 year increase	16,086	12,360
Mortality assumption - 1 year decrease	17,204	13,090
CPI rate +0.1%	16,903	12,927
CPI rate -0.1%	16,384	12,524

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	4,644	3,805
Government bonds	2,368	1,961
Corporate bonds	1,078	1,028
Property	663	533
Cash	461	518
Total market value of assets	<u>9,214</u>	<u>7,845</u>

The actual return on scheme assets was £862,000 (2018 - £300,000).

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

	2019 £000	2018 £000
Current service cost	(693)	(813)
Past service cost	(352)	-
Interest income	227	182
Interest cost	(357)	(309)
Total amount recognised in the Consolidated Statement of Financial Activities	<u>(1,175)</u>	<u>(940)</u>

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

	2019 £000	2018 £000
At 1 September	12,724	2,930
Inherited on conversion	-	9,371
Current service cost	693	813
Interest cost	357	309
Employee contributions	162	163
Actuarial losses/(gains)	2,463	(811)
Benefits paid	(110)	(51)
Past service costs	352	-
At 31 August	<u>16,641</u>	<u>12,724</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. Pension commitments (continued)

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

	2019 £000	2018 £000
At 1 September	7,845	1,556
Inherited on conversion	-	5,428
Interest income	227	182
Actuarial gains	635	118
Employer contributions	455	449
Employee contributions	162	163
Benefits paid	(110)	(51)
At 31 August	<u>9,214</u>	<u>7,845</u>

28. Operating lease commitments

At 31 August 2019 the Group and the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	Group 2018 £000
GROUP Amount Payable		
Within 1 year	27	37
Between 1 and 5 years	37	68
	<u>64</u>	<u>105</u>

29. Net interest cost on pension scheme

	2019 £000	2018 £000
Interest income on pension scheme assets	227	182
Interest on pension scheme liabilities	(357)	(309)
	<u>(130)</u>	<u>(127)</u>

SWIFT ACADEMIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

30. Related party transactions

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

Expenditure Related Party Transactions

C Jameson, daughter of S J Jameson, a former Director, is employed by the academy trust as an exams officer. C Jameson's appointment was made in open competition and S J Jameson was not involved in the decision making process regarding appointment. C Jameson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Director.

J Jameson, spouse of S J Jameson, a former Director, is employed by the academy trust as an invigilator. J Jameson's appointment was made in open competition and S J Jameson was not involved in the decision making process regarding appointment. J Jameson is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a Director.

C Judson, wife of D Judson, a Director, was employed by the academy trust as a teacher. C Judson's appointment was made in open competition and D Judson was not involved in the decision making process regarding appointment. C Judson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Director.

Directors' remuneration and expenses are already disclosed in note 11.

31. Principal subsidiaries

The following was a subsidiary undertaking of the academy trust:

Name	Company number	Registered office or principal place of business	Principal activity
Longfield Trading Limited	09259824	c/o Longfield Academy, Longfield Road, Darlington, Co. Durham, DL3 0HT	Letting of premises and sport facilities
Class of shares	Holding	Included in consolidation	
Ordinary	100%	Yes	

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the year £000	Net assets £000
Longfield Trading Limited	138	109	29	29