
THE SWAN TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



THE SWAN TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023**



The SWAN Trust

Members: Mike Woods
Ian Girdler
Beryl Hunwicks
Tina Nowell
David Pugh

Trustees: Ian Girdler
Kate Charles
Carol Cheesman
Eliane Cooper
Margaret Garner
Dermot Main
Bruce Penson
Alistair Smith
Jo MacDonald (resigned 31st December 2022)

Company Secretary: Nicky Dicken

Senior Leadership Team:

- CEO	E Cooper
- CFO	S Hall
- Executive Headteacher: The Oaktree School and The Hermitage	C Spires
- Headteacher: Beaufort Primary School	E Ferris
- Headteacher: The Horsell Village School	J Reeve
- Headteacher: Barnsbury Primary School and Nursery	J Harrup
- Headteacher: Kingfield Primary School	D Jackson

Company Name: The SWAN Trust

Registered Office: The SWAN Trust, c/o Beaufort Primary School, Kirkland Avenue, Woking, Surrey, GU21 3RG

Company Registration Number: 08622047

Independent Auditor: BKL Audit LLP, 35 Ballards Lane, London, N3 1XW

Bankers: Lloyds Bank PLC, 32 Commercial Way, Woking, Surrey, GU21 6ER

Solicitors: Stone King, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

THE SWAN TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Multi Academy Trust operates academies for pupils aged 2 to 11 serving a catchment area in Woking. It has a pupil capacity of 2004 and had a roll of 2098 in the school census on 6th October 2023.

Structure, Governance and Management

Constitution

The SWAN Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of The SWAN Trust. The Trustees of The SWAN Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as The SWAN Trust.

Details of the Trustees who served during the year, and to the date these financial statements are approved are included in the Reference and Administrative Details on the preceding pages of this document.

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.

Trustees' Indemnities

Subject to the provisions of the Companies Act, every Trustee or other officer of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

Method of Recruitment and Appointment or Election of Trustees

The Trustees are appointed in accordance with the Articles of Association (please see the website). Trustees pay specific attention to the range and mix of skills and attributes brought by that individual Trustee. When a vacancy on the Trustee Board becomes available, the Trustees consider the mix of skills that should be available to the Board. The Trustees use both local experts and, previously, Academy Ambassadors when recruiting.

The term of office for any Trustee is four years. The CEO's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand in their role as Trustees and Directors of the Academy.

All Trustees and the Local Governor Committees (LGC) were given details to attend 12 training courses to ensure that Trustees and LGCs have a clear understanding of their accountability and responsibilities. Most training happens virtually, Trustees, LGCs and Headteacher also attended training and updates run by Schools Alliance for Excellence (SAfE). These training sessions supported a consistent understanding of governance within the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Trust. Day to day operational responsibility is delegated to the CEO in terms of the Trust and the Headteachers have operational responsibility for the individual schools, as per the Funding Agreement and the Scheme of Delegation.

The Trustees have agreed an overall framework for LGCs, and this determines membership, terms of reference and delegated powers. The Scheme of Delegation and LGC Handbook clearly identifies the delegated powers and responsibilities of each group. The CEO and CFO meet with the Headteachers and School Business Managers of the Trust, and the Chair of Trustees and CEO meet with the Chairs of the LGCs termly to ensure that there is good communication between the Trust and its schools.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the schools and the Trust by use of budgets and making major decisions about the direction of the schools, including capital expenditure and senior staff appointments.

The CEO assumes the Accounting Officer role.

Arrangements for setting Pay and Remuneration of Key Management Personnel

The Trust reviews the remuneration of key management personnel on an annual basis, taking into account the School Teachers Pay and Conditions document and reflects on pay recommendations made by Surrey County Council.

The Trustee Board also sets the bands of annual pay increases for all staff as guidelines for each of the schools pay committees. The Trust Scheme of Delegation sets out the responsibility for pay increases for all other staff to the LGC's Pay Committees.

Trade Union Facility Time

There is no time spent on Trade Union facilitation time.

Related Parties and other Connected Charities and Organisations

The SWAN Trust has strong links with

- The schools in the Woking Schools Learning Partnership (WSLP)
- The South Farnham Teaching School (SCITT programme)
- George Abbot Teaching School (SCITT programme)
- Xavier Teaching School Hub (ECT programme)
- Schools Alliance for Excellence (SAfE)
- A local junior school (where the children from one of our infant schools moves to)
- Surrey County Council Childcare and Early Years Services
- Each school has its own PTA or equivalent who support the school through fundraising.
- Bright Futures Learning Trust (BFLT)
- A local infant and junior school which is supported by the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Engagement with Employees (including disabled persons)

Employment policy adheres to all relevant laws and legislation. Employees are consulted and involved. Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by the leadership. The Trust carries out exit interviews and is developing procedures of upward feedback for the Senior Leadership and the Trustees.

The Trust has established fair employment practices in the recruitment, selection, retention and training of disabled staff in its Recruitment and Retention Policy which is available from the Trust Central Office.

Objectives and Activities

Objects and Aims

The principal object and activity of the Trust is the operation of The SWAN Trust to provide a broad and balanced education for children of all abilities in the Woking area. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust and its schools.

In accordance with the Articles of Association, the Trust has adopted a "Scheme of Delegation" approved by the Secretary of State for Education.

The Scheme of Delegation specifies, amongst other things, that the Trust will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting children to the Trust, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual children including children with Special Educational Needs and Disability (SEND).

Objectives, Strategies and Activities

The Trustees are proud and excited to be part of The SWAN Trust, a Multi Academy Trust (MAT), consisting of six local schools who believe that school to school support and collaboration will bring about improvements in the quality of learning for children in the area.

The Trust's vision is "to develop a successful partnership of schools that work together to celebrate success and to create opportunities for our children and staff that raise aspirations and inspire excellence for all".

The Trust aims.

- the same ethos, vision and core values are shared by all schools within the Trust; each of the schools has its own distinct character and culture which is respectful of its community and context.
- all schools are committed to the Trust and to continuously improving the standards of education for all children within it.
- to have a curriculum, unique to each school, which suits the need of its children in their community. The curriculum is tailored to each school's unique requirements of its cohort.
- to ensure children are happy, healthy, respectful and well-rounded, achieving their highest potential and finding their unique talents.
- leaders at all levels, within the Trust, support and challenge one another to carry out effective self-evaluation, identifying priorities for improvement and providing resources and expertise to achieve these.
- staff liaise effectively, within the Trust, to moderate standards, share expertise and improve the quality of education and experiences for all children.
- children work together to celebrate achievement, engage in challenging experiences and develop skills which support them to become lifelong learners and successful citizens in the future.
- to maintain a shared ethos and values in which all staff and children can develop a growth mind-set, raise aspirations and thrive.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, Strategies and Activities (continued)

- to share policy and good practice across the schools in the Trust in order to keep children and staff safe, raise standards for all children within it
- to work with rigour and accountability in a trusting, yet challenging, environment of continuous school improvement in which all schools achieve good or better status, defined by the Ofsted criteria.
- to provide financial expertise, strength and resilience, driving probity and compliance, accessing funding streams, and achieving best value for all schools. Seeking to benefit from economies of scale across the Trust.
- to sustain good or better leadership by growing and supporting our own leaders within the Trust
- to grow our own teachers by creating opportunities within the Trust
- to create a safe environment for the schools

The objectives for which the Trust was established are set down in its governing document.

Public Benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit to advance the education of the pupils.

Strategic Report - Achievements and Performance

Key Performance Indicators

The SWAN Trust 2023 PROVISIONAL Data	EYs	KS1			KS2		
	EYs GLD	Reading	Writing	Maths	Reading	Writing	Maths
Barnsbury	65	62	58	61	83	63	70
Beaufort	87	82	68	80	78	68	75
Horsell	86	67	60	68			
Oaktree	75	63	44	65			
Hermitage					80	74	71
Kingfield	72	73	70	77	77	77	83
The SWAN Trust	77	69	60	70	80	71	75

The Trustees are incredibly proud that they can see the progress that has been made across the six schools. The most significant challenge has been the successful transfer of the Payroll processing functions to a new external company. It is recognised that it is possible to become even more efficient and effective in the future.

The Trust have supported other schools outside of the Trust for the benefit of the local community.

They have grown leaders throughout the Trust and been able to appoint internally as well as have some leaders leave and take up more senior positions outside the Trust.

The IT provider is creating a transformation plan for the Trust, this will lead to further collaboration and develop parity across the Trust.

Two of the schools received a 'Good' grade at their recent Ofsted inspection during the academic year.

There has been cross Trust support for subject leaders to develop one another.

Overall, an increase in outcomes of the children.

Portfolio groups have been developed, the Chairs and Safeguarding Portfolio group meet termly, other groups meet annually with the aim to increase this frequency.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report - Achievements and Performance (continued)

Key Performance Indicators (continued)

Supporting other schools to improve and collaboration across the schools.

The Members, Trustee and Executive Teams are strong and work collaboratively.

The Trustees are never satisfied with the quality of care and education each child receives in the year and always strive to improve the Trust and their schools, and therefore the learning opportunities for the children. End of Key Stage results can be found on the school's website.

Overall, The SWAN Trust Parent Survey results are as follows:	SWAN 2022			SWAN 2023		
	Agree	Disagree	*(**)	Agree	Disagree	*(**)
My child is happy at this school.	96%	4%		96%	3%	
My child feels safe at this school.	96%	4%		97%	3%	
The school makes sure its pupils are well behaved.	87%	8%		86%	10%	
My child has been bullied and the school dealt with the bullying quickly and effectively. *	18%	8%	59%	17%	6%	62%
The school makes me aware of what my child will be learning during the year.	87%	8%		88%	7%	
When I have raised concerns with the school, they have dealt with it properly. *	59%	10%	24%	49%	7%	32%
My child has SEND, and the school gives them the support they need to succeed. *	17%	3%	69%	13%	4%	75%
The school has high expectations for my child.	79%	9%		78%	10%	
My child does well at this school.	92%	4%		92%	5%	
The school lets me know how my child is doing	90%	9%		88%	11%	
There is a good range of subjects available to my child at this school.	89%	6%		88%	4%	
My child can take part in clubs and activities at this school.	92%	6%		86%	10%	
The school supports my child's wider personal development	84%	7%		80%	9%	
	Yes	No		Yes	No	
I would recommend this school to another parent.	94%	4%		91%	7%	

** Numbers do not necessarily add up to 100% because of rounding and also those parents who answered, 'I don't know'. There are also three questions which have additional statements which significantly changes the Agree/Disagree column, see below.

*Question 4 includes the answer 'my child has not been bullied'.

*Question 6 includes the statement 'I have not raised concerns'.

*Question 7 includes the statement 'My child doesn't have SEND'.

Going Concern

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

Promoting the Success of the Company

Having worked closely with Bright Futures Learning Trust over the last few years, and even closer in the last year a decision was taken to merge our Trusts. The was presented to the Regional Advisory Board in July 2023 and an agreement for the merger was granted. This is expected to be completed within the next six months.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report - Financial Review

Finance Review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities' (SORP 2019), 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.

Financial control of the Trust ensured that we came within our in-year budget for 2022/2023.

A significant risk which needs to be considered is the rise in cost of living, which includes energy bills and staff costs. The Trustees are aware that the recruitment of staff has become more difficult. Staff are term time only and many need to work full time hours, unfortunately the Trust cannot offer these hours. The schools are also aware of the difficulties our families are experiencing at home linked to the rise in cost of living which in turn is then affecting what our families are able to contribute to school.

As at 31 August 2023 the net book value of fixed assets was £15,975,233 as shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to children of the member schools.

The Trust's Support Staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme and consequently the Trust balance sheet shows a net liability of £879,000 (2022 £2,494,000). The majority of the decrease in liability is due to the discount rate and the fact corporate bond yield has risen over the period.

Key Performance Indicators 2022-2023	Barnsbury	Beaufort	Hermitage	Horsell	Oaktree	Kingfield	Central	Total
Total Staff Costs	1,795,399	2,177,399	1,397,063	1,040,530	1,254,637	1,221,682	419,987	9,306,696
Total Income (excl. CIF)	2,553,780	2,877,292	1,963,695	1,536,823	1,721,396	1,705,422	565,067	12,923,474
Final Expenditure (excl. CIF)	2,568,400	2,924,559	1,979,061	1,432,972	1,736,612	1,680,759	574,331	12,896,694
Staff Costs to Total Income	70%	76%	71%	68%	73%	72%	74%	72%
Staff Costs as a proportion of Total Expenditure	70%	74%	71%	73%	72%	73%	73%	72%
Ratio Staff to Child	01:08.7	01:07.3	01:08.8	01:11.1	01:07.4	01:06.3	n/a	01:08.1
General Annual Grant per Child	4,281	4,195	4,969	4,416	4,341	5,250	n/a	4,507
Average teacher to pupil Ratio	01:24.6	01:22.0	01:22.2	01:26.2	01:22.8	01:20.8	n/a	01:23.3

Reserves Policy

Total reserves at the end of the period 31 August 2023 amounted to £1,601,227 (2022 (£292,874)). This balance includes unrestricted funds (free reserves) of £1,978,429 (2022 £1,745,678), which are considered appropriate for The SWAN Trust, and restricted funds of £501,798 (2022 £455,448) and a pension deficit of £879,000 (2022 £2,494,000).

The Trustees have determined that the appropriate level of free reserves should be a sum equivalent to two month's payroll, approximately £1,500,000.

As at 31 August 2023, free reserves amounted to £1,978,429 (2022 £1,745,678), which comfortably exceeds the target level. The Trustees are considering how best to utilise the additional funds in the short to mid-term.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Reserves Policy (continued)

In addition to the free reserves at 31 August 2023, the Trust held a fixed asset fund valued at £17,306,832 (2022 £17,228,156). This comprised the net book value of the Trust's tangible fixed assets plus unspent capital grants.

Other restricted fund balances were £501,798 in surplus at 31 August 2023 in addition to the Local Government Pension Scheme fund reflecting the deficit of £879,000. This deficit does not impact on the Trust's objectives or its ability to operate as a going concern.

Please note that included within the Fixed Assets Reserve fund are Capital Grant funding relating to CIF projects across schools within the Trust, total Capital CIF funding at 31 August 23 amounts to £1,550,176 (2022 £947,373) of which £1,238,992 (2022 £683,664) remains unspent and is carried forward to the next financial year.

Capital Commitments with regards to the CIF projects at 31 August 23 £1,459,383 (2022 £928,089).

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totalling to £879,000 (2022: £2,494,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

Investment Policy

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2023, the Trust had £1,148,596 in a high interest account.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including cash flow and liquidity. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trust's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g., in relation to teaching, Health and Safety, safeguarding) and in relation to the control of finance. The Trust continues to use systems, including operational procedures (e.g., vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls, and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the Health and Safety regulations, pertaining to both staff and children.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Principal Risks and Uncertainties (continued)

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2023. 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Fundraising

The Trust engages in limited fundraising activities throughout the academic year, both for specific projects and to augment the annual education budget.

Due consideration is given at all times to ensuring that no fundraising practices are unreasonably intrusive or apply undue pressure especially with regard to vulnerable persons.

Plans for Future Periods

The Trustees intend to continue The SWAN Trust's objectives and hope to grow by inviting schools into the Trust. This growth will come about from merging with Bright Futures Learning Trust. The Trustees will reconsider the strategic direction of the Trust following this merger. The Trustees consider past financial and educational performance and take this into account if relevant for future plans, having worked closely with Bright Futures Learning Trust over the last few years, and even closer in the last year a decision was taken to merge our Trusts. This was presented to the Regional Advisory Board in July and an agreement for the merger was granted. This is expected to be completed within the next six months.

The curriculum has been structured to secure a strong focus in the schools on English, Maths and the wider full curriculum with no narrowing. All schools are providing a full and balanced curriculum, to ensure learning in all areas.

The centralisation of key services will continue to be a focus for the Trust to ensure parity and compliance.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and / or its Trustees did not act as custodian Trustee during the current or previous period.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 30 November 2023 and signed on the Board's behalf by:



Kate Charles
Vice Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 The SWAN Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met seven times during the year.

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

Trustee	Meetings attended	Out of a possible
I Girdler	7	7
C Cheesman	7	7
C Charles (nee Prince)	5	7
E Cooper (Accounting Officer)	7	7
M Garner	7	7
J Macdonald (resigned 31 December 2022)	2	2
D Main	7	7
B Penson (co-opted)	7	7
A Smith*	3	7

*Due to pre agreed work arrangement it was recognised that Alistair Smith attendance would be low this year.

The Trustees carried out an audit to identify their training needs, they then attended courses relevant and bespoke for the Trust. The Board continued to work on our three-year strategic overview for the following year, within this there are three pillars for the Trustees to work within. The three groups are:

Our children, their learning and development

Our people and partnerships

Our operations and their effectiveness

The Trustees received termly data on attendance, safeguarding and suspensions/exclusions. During the year they had an overview of curriculum, assessment, including data and Teaching and Learning to have a shared vision across the Trust, and have begun to develop this with the Executive Team.

An IT strategic review led to the appointment of a Managed IT service provider to implement a way forward for the Trust.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- staff cost saving from reallocation of roles with natural staff wastage.
- generating efficiencies through the evolving of the Central Team to deliver services across the Trust.
- making comparisons with other/similar schools using data provided by the Local Authority and the Government, e.g., analysing school performance, quality of teaching and learning, levels of expenditure.
- challenging proposals, examining them for effectiveness, efficiency, and cost, e.g., setting of annual pupil achievement targets
- investment in the Finance System
- requiring suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g., provision of computers, redecoration.
- consulting individuals and organisations on the quality/suitability of service provided to parents and children, and services received from providers, e.g., pupil records of achievement, OFSTED, gas and electricity, internet
- collaborating and sharing of best practice across the Trust

A future area of focus is to invest in IT operational strategy across the Trust, this is a five-year project, we are currently at the beginning of year two. The Trust also continue to look at cost and quality within the procurement process.

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 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 The SWAN Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating, and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Trustees of reports which indicate financial performance against the forecasts and of

THE SWAN TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided:

- not to appoint an auditor for this purpose. However, the Trustees have appointed Carol Cheesman FCA, a Trustee, to carry out a programme of internal checks.

The Internal Auditor's role includes giving advice on financial and other matters and performs a range of checks on the Trust's financial and other systems. In particular, the checks carried out in the current period included ensuring that:

- correct financial procedures have been followed, e.g., bank reconciliations have been carried out, financial monitoring has taken place and income has been banked correctly.
- payroll entries correctly authorised.
- purchases are supported by appropriate orders.
- payments are appropriately authorised.
- expense claims are supported by appropriate documentation and authorised.
- tendering procedures have been followed.
- Scheme of Delegation has been followed.

On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the Board outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the Executive Team within the 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 and a plan to improve and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 30 November 2023 and signed on their behalf by:

I M Girdler

Ian Girdler
Chair of Trustees

ECG

Elaine Cooper
Accounting Officer

THE SWAN TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Swan Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estate safety and management.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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



Elaine Cooper
Accounting Officer
Date: 30 November 2023

THE SWAN TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 30 November 2023 and signed on its behalf by:

I M Girdler

Ian Girdler
Chair of Trustees

THE SWAN TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SWAN TRUST

Opinion

We have audited the financial statements of The Swan Trust (the 'trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE SWAN TRUST (CONTINUED)

Other information

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

In connection with our audit of the accounts, Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SWAN TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SWAN TRUST (CONTINUED)**

Use of our report

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

Carly Pinkus

Carly Pinkus (Senior statutory auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

30 November 2023

THE SWAN TRUST
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SWAN TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Swan Trust during the year 1 September 2022 to 31 August 2023 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 The Swan Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Swan Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Swan Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Swan Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Swan Trust's funding agreement with the Secretary of State for Education dated 10 July 2019 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BKL Audit LLP

Reporting Accountant

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 30 November 2023

THE SWAN TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Restated Total funds 2022 £
Income from:						
Donations and capital grants	3	88,827	-	1,696,552	1,785,379	1,086,755
Other trading activities	5	739,968	355,146	-	1,095,114	891,029
Investments	6	5,500	-	-	5,500	410
Charitable Activities – Funding for educational operations	4	4,207	11,026,179	-	11,030,386	10,583,316
Total income		838,502	11,381,325	1,696,552	13,916,379	12,561,510
Expenditure on:						
Raising funds		-	12,367	-	12,367	10,247
Charitable Activities – Funding for educational operations	8	490,908	11,730,235	1,658,092	13,879,235	13,114,831
Total expenditure		490,908	11,742,602	1,658,092	13,891,602	13,125,078
Net income/(expenditure)		347,594	(361,277)	38,460	24,777	(563,568)
Transfers between funds	18	(114,843)	74,627	40,216	-	-
Net movement in funds before other recognised gains		232,751	(286,650)	78,676	24,777	(563,568)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	1,948,000	-	1,948,000	8,713,000
Net movement in funds		232,751	1,661,350	78,676	1,972,777	8,149,432
Reconciliation of funds:						
Total funds brought forward		1,745,678	(2,038,552)	17,228,156	16,935,282	8,785,850
Net movement in funds		232,751	1,661,350	78,676	1,972,777	8,149,432
Total funds carried forward		1,978,429	(377,202)	17,306,832	18,908,059	16,935,282

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

The notes on pages 24 to 53 form part of these financial statements.

THE SWAN TRUST
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REGISTERED NUMBER: 08622047

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	Restated 2022 £
Fixed assets			
Tangible assets	14	15,975,233	16,297,420
		<u>15,975,233</u>	<u>16,297,420</u>
Current assets			
Stocks	15	6,641	7,200
Debtors	16	1,953,884	1,400,218
Cash at bank and in hand	23	3,524,656	2,771,500
		<u>5,485,181</u>	<u>4,178,918</u>
Creditors: amounts falling due within one year	17	(1,673,355)	(1,047,056)
Net current assets		<u>3,811,826</u>	<u>3,131,862</u>
Total assets less current liabilities		<u>19,787,059</u>	<u>19,429,282</u>
Net assets excluding pension liability		<u>19,787,059</u>	<u>19,429,282</u>
Defined benefit pension scheme liability	26	(879,000)	(2,494,000)
Total net assets		<u><u>18,908,059</u></u>	<u><u>16,935,282</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	17,306,832	17,228,156
Restricted income funds	18	501,798	455,448
Pension reserve	18	(879,000)	(2,494,000)
Total restricted funds	18	<u>16,929,630</u>	<u>15,189,604</u>
Unrestricted income funds	18	<u>1,978,429</u>	<u>1,745,678</u>
Total funds		<u><u>18,908,059</u></u>	<u><u>16,935,282</u></u>

The financial statements on pages 21 to 53 were approved by the Trustees, and authorised for issue on 30 November 2023 and are signed on their behalf, by:

IM Girdler

Ian Girdler
Chair of Trustees

The notes on pages 24 to 53 form part of these financial statements.

THE SWAN TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	Restated 2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	(844,803)	(598,310)
Cash flows from investing activities	22	1,600,498	925,300
Cash flows from financing activities	21	(2,539)	(5,076)
Change in cash and cash equivalents in the year		753,156	321,914
Cash and cash equivalents at the beginning of the year		2,771,500	2,449,586
Cash and cash equivalents at the end of the year	23, 24	<u><u>3,524,656</u></u>	<u><u>2,771,500</u></u>

The notes on pages 24 to 53 form part of these financial statements

THE SWAN TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

The SWAN Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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

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

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

• **Donations**

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Donated fixed assets**

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

Where assets and liabilities are received on the transfer of a school under local authority into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

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.

All resources expended are inclusive of irrecoverable VAT.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

The 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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more, or groups of assets costing £2,500 or more, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Leasehold Land and buildings	- The shorter of 125 years and the term of the lease
Leasehold Buildings	- The shorter of 50 years and the term of the lease
Fixtures, fittings and equipment	- 5 years
Computer equipment	- 3 years
Motor vehicles	- 5 years

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

1.7 Stocks

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical area of judgement

No judgements have been made in arriving at the figures disclosed in the Trust's financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Capital grants	-	1,696,552	1,696,552
Other donations	88,827	-	88,827
	<u>88,827</u>	<u>1,696,552</u>	<u>1,785,379</u>

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Restated Total funds 2022 £
Donated fixed assets	-	8,059	8,059
Capital grants	-	993,766	993,766
Other donations	75,500	9,430	84,930
	<u>75,500</u>	<u>1,011,255</u>	<u>1,086,755</u>

4. Funding for the Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants			
General annual grant (GAG)	-	8,320,726	8,320,726
Other DfE/ESFA grants			
Pupil premium	-	464,362	464,362
UIFSM	-	324,636	324,636
Teachers pension grants	-	13,015	13,015
Others	-	659,164	659,164
	<u>-</u>	<u>9,781,903</u>	<u>9,781,903</u>
Other Government grants			
Local authority grants	-	1,229,010	1,229,010
	<u>-</u>	<u>1,229,010</u>	<u>1,229,010</u>
Other income from the Trust's charitable activities	4,207	15,266	19,473
	<u>4,207</u>	<u>11,026,179</u>	<u>11,030,386</u>
	<u>4,207</u>	<u>11,026,179</u>	<u>11,030,386</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restated Total Funds 2022 £
DfE/ESFA grants			
General annual grant (GAG)	-	8,289,893	8,289,893
Other DfE/ESFA grants			
Pupil premium	-	429,152	429,152
UIFSM	-	318,543	318,543
Teachers pension grants	-	20,396	20,396
Others	-	325,357	325,357
	-	9,383,341	9,383,341
Other Government grants			
Local authority grants	-	1,115,313	1,115,313
	-	1,115,313	1,115,313
Other income from the Trust's charitable activities	6,820	33,441	40,261
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	44,401	44,401
	-	44,401	44,401
	6,820	10,576,496	10,583,316
	6,820	10,576,496	10,583,316

5. Other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Hire of facilities	91,177	-	91,177
Other income	480,790	355,146	835,936
Trip income	168,001	-	168,001
	739,968	355,146	1,095,114

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Other trading activities (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restated Total Funds 2022 £
Hire of facilities	83,211	-	83,211
Other income	526,901	125,889	652,790
Trip income	155,028	-	155,028
	<u>765,140</u>	<u>125,889</u>	<u>891,029</u>

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Short term deposits	5,500	5,500
	<u>5,500</u>	<u>5,500</u>
	Unrestricted funds 2022 £	Total funds 2022 £
Short term deposits	410	410
	<u>410</u>	<u>410</u>

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Expenditure on raising voluntary income:				
Direct costs	-	-	12,367	12,367
Academy's educational operations:				
Direct costs	7,816,861	-	680,782	8,497,643
Allocated support costs	1,918,680	2,457,090	1,005,822	5,381,592
	<u>9,735,541</u>	<u>2,457,090</u>	<u>1,698,971</u>	<u>13,891,602</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Expenditure (continued)

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on raising voluntary income:				
Direct costs	-	-	10,247	10,247
Charitable activities:				
Direct costs	7,177,278	-	686,436	7,863,714
Allocated support costs	2,873,999	1,313,501	1,063,617	5,251,117
	<u>10,051,277</u>	<u>1,313,501</u>	<u>1,760,300</u>	<u>13,125,078</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Academy's educational operations	<u>8,497,643</u>	<u>5,381,592</u>	<u>13,879,235</u>

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Academy's educational operations	<u>7,863,714</u>	<u>5,251,117</u>	<u>13,114,831</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2023 £	Total funds 2023 £
Staff costs	7,612,606	7,612,606
Staff development	50,607	50,607
Technology costs	83,136	83,136
Educational consultancy	89,437	89,437
Educational supplies and services	256,605	256,605
Other direct costs	198,330	198,330
Other staff costs	2,667	2,667
Teaching supply costs	204,255	204,255
	<u>8,497,643</u>	<u>8,497,643</u>
	Charitable activities 2022 £	Total funds 2022 £
Staff costs	7,115,385	7,115,385
Staff development	37,082	37,082
Technology costs	82,490	82,490
Educational consultancy	92,735	92,735
Educational supplies and services	262,844	262,844
Other direct costs	161,973	161,973
Other staff costs	49,312	49,312
Teaching supply costs	61,893	61,893
	<u>7,863,714</u>	<u>7,863,714</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2023 £	Total funds 2023 £
Pension finance costs	111,000	111,000
Staff costs	1,694,090	1,694,090
Depreciation	423,741	423,741
Technology costs	193,399	193,399
Non cash pension costs	222,000	222,000
Recruitment and support	14,263	14,263
Maintenance of premises and equipment	1,412,699	1,412,699
Cleaning	188,247	188,247
Energy costs	236,694	236,694
Rent, rates and other occupancy costs	145,565	145,565
Insurance	44,074	44,074
Security and transport	6,070	6,070
Catering	492,632	492,632
Legal costs	638	638
Other support costs	67,880	67,880
Governance costs	73,638	73,638
Other staff costs	52,372	52,372
Support staff supply costs	2,590	2,590
	<u>5,381,592</u>	<u>5,381,592</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Charitable activities 2022 £	Total funds 2022 £
Pension finance costs	172,000	172,000
Staff costs	1,748,719	1,748,719
Depreciation	494,958	494,958
Technology costs	152,671	152,671
Non cash pension costs	1,120,000	1,120,000
Recruitment and support	29,621	29,621
Maintenance of premises and equipment	315,135	315,135
Cleaning	180,000	180,000
Energy costs	125,276	125,276
Rent, rates and other occupancy costs	151,274	151,274
Insurance	40,033	40,033
Security and transport	6,826	6,826
Catering	483,857	483,857
Legal costs	590	590
Other support costs	80,461	80,461
Governance costs	81,327	81,327
Other staff costs	63,089	63,089
Support staff supply costs	5,280	5,280
	<u>5,251,117</u>	<u>5,251,117</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	33,267	42,024
Depreciation of tangible fixed assets	423,741	494,958
Net interest on defined benefit pension liability	111,000	172,000
Fees paid to auditors for:		
- audit	13,100	14,020
- other services	3,600	4,930
	<u>550,608</u>	<u>717,932</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Central services

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

- Executive team support;
- financial services;
- administrative support services;
- central finance system;
- statutory audit
- central HR system; and
- payroll processing

The Trust charges for these services on the following basis:

6.5% (2022: 6.14%) of GAG funding received.

2% of this percentage is in regards to school costs such as SLA's which are paid for centrally.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Barnsbury Primary School and Nursery	121,033	108,735
Beaufort Primary School	119,891	113,913
The Hermitage School	90,356	81,855
The Horsell Village School	79,810	70,837
The Oaktree School	71,227	67,247
Kingfield Primary School	74,965	66,855
Total	557,282	509,442

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	7,176,936	6,835,926
Social security costs	606,598	573,822
Pension costs	1,523,162	1,454,356
	<u>9,306,696</u>	<u>8,864,104</u>
Teaching supply costs	204,255	61,893
Support staff supply costs	2,590	5,280
Non cash pension costs	222,000	1,120,000
	<u>9,735,541</u>	<u>10,051,277</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	96	99
Administration and support	242	245
Management	16	16
	<u>354</u>	<u>360</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	80	80
Administration and support	140	156
Management	16	15
	<u>236</u>	<u>251</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff (continued)

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

d. Key management personnel

The key management personnel within the Management staff above comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £719,032 (2022 - £646,844).

12. Trustees' remuneration and expenses

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

E Cooper (Chief Executive Officer)

Remuneration £100,000 - £105,000 (2022: £80,000 - £85,000)

Employer's pension contributions £20,000 - £25,000 (2022: £15,000 - £20,000)

During the year ended 31 August 2023, expenses incurred in the course of their employment totalling £311 (mainly for Survey Monkey Subscription) (2022: £484- these expenses primarily related to the purchase of laptops for staff) were reimbursed or paid directly to the CEO. No such amounts were reimbursed or paid to other trustees.

13. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. Tangible fixed assets

	Leasehold Land and buildings £	Furnitures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	18,577,721	1,424,987	655,816	29,331	20,687,855
Additions	-	65,468	36,086	-	101,554
At 31 August 2023	18,577,721	1,490,455	691,902	29,331	20,789,409
Depreciation					
At 1 September 2022	2,502,205	1,290,008	572,844	25,378	4,390,435
Charge for the year	297,117	69,711	52,960	3,953	423,741
At 31 August 2023	2,799,322	1,359,719	625,804	29,331	4,814,176
Net book value					
At 31 August 2023	15,778,399	130,736	66,098	-	15,975,233
At 31 August 2022	16,075,516	134,979	82,972	3,953	16,297,420

The net book value of land and buildings comprises:

	2023 £	2022 £
Long leaseholds (over 50 years)	15,778,399	16,075,516

The sites of the six schools have been leased by the Trust from Surrey County Council. The lease period for all six sites is 125 years at a peppercorn rent.

For the purpose of these financial statements, the land and buildings have been valued using the valuations provided by the ESFA.

15. Stocks

	2023 £	2022 £
School uniforms	6,641	7,200

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

	2023 £	Restated 2022 £
Due within one year		
Trade debtors	20,230	31,492
VAT recoverable	185,330	73,830
Other debtors	-	643
Prepayments and accrued income	1,748,324	1,294,253
	<u>1,953,884</u>	<u>1,400,218</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Government loans	-	2,539
Trade creditors	639,761	304,263
Other taxation and social security	257,823	135,888
Other creditors	11,689	166,485
Accruals and deferred income	764,082	437,881
	<u>1,673,355</u>	<u>1,047,056</u>

	2023 £	2022 £
Deferred income at 1 September 2022	263,163	261,155
Resources deferred during the year	287,223	263,163
Amounts released from previous periods	(263,163)	(261,155)
	<u>287,223</u>	<u>263,163</u>

At the balance sheet date the academy trust was holding grant funding in advance for the financial year 2023/24.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	1,745,678	838,502	(490,908)	(114,843)	-	1,978,429
Restricted general funds						
General Annual Grant (GAG)	267,344	8,320,725	(8,303,877)	81,752	-	365,944
UIFSM	-	324,636	(324,636)	-	-	-
Pupil premium	8,997	464,362	(450,124)	(23,235)	-	-
Teachers pension grants	-	13,015	(13,015)	-	-	-
Other DfE/ ESFA grants	32,271	608,802	(668,348)	33,341	-	6,066
Other government grants	429	1,229,009	(1,229,438)	-	-	-
Recovery premium	1,742	50,360	(51,026)	1,808	-	2,884
Other restricted funds	144,665	370,416	(369,138)	(19,039)	-	126,904
Pension reserve	(2,494,000)	-	(333,000)	-	1,948,000	(879,000)
	<u>(2,038,552)</u>	<u>11,381,325</u>	<u>(11,742,602)</u>	<u>74,627</u>	<u>1,948,000</u>	<u>(377,202)</u>
Restricted fixed asset funds						
Tangible Fixed Assets	16,297,420	1,295,689	(1,658,092)	40,216	-	15,975,233
Capital funds held	930,736	400,863	-	-	-	1,331,599
	<u>17,228,156</u>	<u>1,696,552</u>	<u>(1,658,092)</u>	<u>40,216</u>	<u>-</u>	<u>17,306,832</u>
Total Restricted funds	<u>15,189,604</u>	<u>13,077,877</u>	<u>(13,400,694)</u>	<u>114,843</u>	<u>1,948,000</u>	<u>16,929,630</u>
Total funds	<u><u>16,935,282</u></u>	<u><u>13,916,379</u></u>	<u><u>(13,891,602)</u></u>	<u><u>-</u></u>	<u><u>1,948,000</u></u>	<u><u>18,908,059</u></u>

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

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other DFE/ESFA grants: This includes all other funding received from the ESFA and DFE, excluding capital grants.

Other government grants: This includes all funding received from Surrey County Council and grants from other government bodies.

Other restricted funds: This includes all non-grant restricted income.

During the year, Revenue funds of £40,216 were used to purchase fixed assets or fund major repairs. Fund transfer has been reflected above.

For the year ended 31 August 2023 the Total Net Movement in Funds is a surplus of £1,972,777. There has been some significant items which have contributed to this surplus in order to make this comparable to the prior year please see below for the details regarding the Trading Surplus/(Deficit). The current year trading deficit is in line with the Budget for 22/23 and includes the spend of unspent reserves from the prior year.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	1,434,512	847,870	(536,704)	-	-	1,745,678

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	268,230	8,289,893	(8,225,488)	(65,291)	-	267,344
Conversion grant	3,173	-	(3,173)	-	-	-
UIFSM	-	318,544	(318,544)	-	-	-
Pupil premium	72,512	429,152	(492,667)	-	-	8,997
Teachers pension grants	-	20,396	(20,396)	-	-	-
Other DfE/ ESFA grants	39,847	325,357	(339,594)	6,661	-	32,271
Other government grants	1,289	1,115,312	(1,116,172)	-	-	429
Recovery premium	34,569	-	(34,569)	-	-	-
Other DfE/ESFA COVID-19 funding	-	44,401	(42,659)	-	-	1,742
Other restricted funds	49,967	159,330	(64,632)	-	-	144,665
Pension reserve	(9,915,000)	-	(1,292,000)	-	8,713,000	(2,494,000)
	<u>(9,445,413)</u>	<u>10,702,385</u>	<u>(11,949,894)</u>	<u>(58,630)</u>	<u>8,713,000</u>	<u>(2,038,552)</u>
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Restated Balance at 31 August 2022 £
Restricted fixed asset funds						
Tangible Fixed Assets	16,706,011	213,438	(638,480)	16,451	-	16,297,420
Capital funds held (Restated)	90,740	797,817	-	42,179	-	930,736
	<u>16,796,751</u>	<u>1,011,255</u>	<u>(638,480)</u>	<u>58,630</u>	<u>-</u>	<u>17,228,156</u>
Total Restricted funds	<u>7,351,338</u>	<u>11,713,640</u>	<u>(12,588,374)</u>	<u>-</u>	<u>8,713,000</u>	<u>15,189,604</u>

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18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Total funds	8,785,850	12,561,510	(13,125,078)	-	8,713,000	16,935,282

Prior year adjustment:-

The prior year has been restated to reflect the accrued capital income for two CIF projects totalling £797,817 which were omitted from last years financial statements. The resulting effect is an increase in the restricted fixed asset fund balance at 1 September 2022 by the amount of £797,817.

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	Restated 2022 £
Barnsbury Primary School and Nursery	413,711	354,888
Beaufort Primary School	516,896	503,767
The Hermitage School	402,085	359,896
The Horsell Village School	586,012	515,334
The Oaktree School	233,421	222,112
Kingfield Primary School	279,121	203,964
Central services	48,981	41,165
Total before fixed asset funds and pension reserve	2,480,227	2,201,126
Restricted fixed asset fund	17,306,832	17,228,156
Pension reserve	(879,000)	(2,494,000)
Total	18,908,059	16,935,282

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18. 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 £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
Barnsbury Primary School and Nursery	1,651,937	222,160	121,365	522,967	2,518,429
Beaufort Primary School	1,784,237	393,294	176,514	691,375	3,045,420
The Hermitage School	1,368,058	113,955	117,002	502,004	2,101,019
The Horsell Village School	912,026	128,503	59,245	228,279	1,328,053
The Oaktree School	1,070,313	217,849	59,177	347,267	1,694,606
Kingfield Primary School	1,024,807	206,416	80,883	561,043	1,873,149
Central services	5,483	414,503	13,322	140,877	574,185
Local Government Pension Scheme costs	-	222,000	-	111,000	333,000
	<u>7,816,861</u>	<u>1,918,680</u>	<u>627,508</u>	<u>3,104,812</u>	<u>13,467,861</u>

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Barnsbury Primary School and Nursery	1,543,947	232,079	96,260	317,577	2,189,863
Beaufort Primary School	1,567,104	508,012	171,495	375,331	2,621,942
The Hermitage School	1,285,881	88,366	112,566	243,186	1,729,999
The Horsell Village School	867,052	121,100	60,376	231,308	1,279,836
The Oaktree School	1,038,667	201,556	60,327	231,133	1,531,683
Kingfield Primary School	874,627	242,518	76,873	251,240	1,445,258
Central services	-	360,368	22,145	157,026	539,539
Local Government Pension Scheme costs	-	1,120,000	-	172,000	1,292,000
Trust	<u>7,177,278</u>	<u>2,873,999</u>	<u>600,042</u>	<u>1,978,801</u>	<u>12,630,120</u>

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19 Statement of funds (continued)

	2023 £	2022 £
Total Net Movement in Funds		
Total as per SoFA	1,972,777	8,149,432
less: Exceptional items	-	-
FRS 102 Pension Adjustment- Actuarial (gains)/losses	(1,948,000)	(8,713,000)
FRS 102 Pension Adjustment- Pension Finance Costs	111,000	172,000
FRS 102 Pension Adjustment- Non Cash Pension Costs	222,000	1,120,000
Transfer on Conversion - Kingfield Primary School	-	-
CIF Funding- Unspent	(1,238,992)	(110,179)
Trading Surplus/(Deficit)	(881,215)	618,253

The total Restricted general funds (excluding Pension) and Unrestricted funds of £2,480,227 amounts to 20.3% of the total annual revenue income.

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	15,975,233	15,975,233
Current assets	1,978,429	2,175,153	1,331,599	5,485,181
Creditors due within one year	-	(1,673,355)	-	(1,673,355)
Provisions for liabilities and charges	-	(879,000)	-	(879,000)
Total	1,978,429	(377,202)	17,306,832	18,908,059

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Restated Total Funds 2022 £
Tangible fixed assets	-	-	16,297,420	16,297,420
Current assets	2,792,734	455,448	930,736	4,178,918
Creditors due within one year	(1,047,056)	-	-	(1,047,056)
Provisions for liabilities and charges	-	(2,494,000)	-	(2,494,000)
Total	1,745,678	(2,038,552)	17,228,156	16,935,282

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

	2023 £	Restated 2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	24,777	(563,568)
Adjustments for:		
Capital grants from DfE and other capital income	(1,696,552)	(1,011,255)
Interest income receivable	(5,500)	(410)
Defined benefit pension scheme cost less contributions payable	222,000	1,120,000
Depreciation of tangible fixed assets	423,741	494,958
Defined benefit pension scheme finance cost	111,000	172,000
Decrease/(increase) in stocks	559	(1,600)
Increase in debtors	(553,666)	(967,470)
Increase in creditors	628,838	159,035
Net cash used in operating activities	(844,803)	(598,310)

21. Cash flows from financing activities

	2023 £	2022 £
Repayment of Salix loan	(2,539)	(5,076)
Net cash used in financing activities	(2,539)	(5,076)

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22. Cash flows from investing activities

	2023 £	Restated 2022 £
Dividends, interest and rents from investments	5,500	410
Purchase of tangible fixed assets	(101,554)	(86,365)
Capital grants from DfE Group	1,696,552	993,766
Capital funding received from sponsors and others	-	17,489
Net cash provided by investing activities	1,600,498	925,300

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	3,524,656	2,771,500
Total cash and cash equivalents	3,524,656	2,771,500

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,771,500	753,156	3,524,656
Debt due within 1 year	(2,539)	2,539	-
	2,768,961	755,695	3,524,656

25. Capital commitments

	2023 £	Restated 2022 £
Contracted for but not provided in these financial statements		
Fire safety and roofing works	1,459,383	928,089

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26. Pension commitments

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

The latest valuation of the TPS related to the period ended 31 March 2020 and the latest triennial valuation for LGPS related to the period ended 31 March 2022. The Trust has received an actuarial report relating to the valuation of the LGPS as at 31 August 2023.

Contributions amounting to £110,963 were payable to the schemes at 31 August 2023 (2022 - £166,330) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £707,069 (2022 - £874,462).

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

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

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26. 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.

Total contributions made	2023	2022
	£	£
Employer's contributions	589,000	579,000
Employees' contributions	168,000	161,000
Total contributions	757,000	740,000

The agreed contribution rates for future years are 19 per cent for employers and between 5.5 - 12.5 per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

Surrey Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	3.95	3.95
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	2.95	3.05

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26. Pension commitments (continued)

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

	2023 Years	2022 Years
Retiring today		
Males	19.8	22.1
Females	24.8	24.5
Retiring in 20 years		
Males	21.3	23.1
Females	26.0	26.2

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	6,993,520	6,362,720
Corporate bonds	1,104,240	1,172,080
Property	736,160	669,760
Cash and other liquid assets	368,080	167,440
Total market value of assets	9,202,000	8,372,000

The actual return on scheme assets was £290,000 (2022 - £(418,000)).

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

	2023 £	2022 £
Current service cost	(811,000)	(1,699,000)
Interest income	368,000	140,000
Interest cost	(479,000)	(312,000)
Total amount recognised in the Statement of financial activities	(922,000)	(1,871,000)

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26. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	10,866,000	18,063,000
Current service cost	811,000	1,699,000
Interest cost	479,000	312,000
Employee contributions	168,000	161,000
Actuarial gains	(2,091,000)	(9,271,000)
Benefits paid	(152,000)	(98,000)
At 31 August	10,081,000	10,866,000

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

	2023 £	2022 £
At 1 September	8,372,000	8,148,000
Interest income	368,000	140,000
Actuarial losses	(143,000)	(558,000)
Employer contributions	589,000	579,000
Employee contributions	168,000	161,000
Benefits paid	(152,000)	(98,000)
At 31 August	9,202,000	8,372,000

27. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	14,740	16,246
Later than 1 year and not later than 5 years	15,957	29,441
	30,697	45,687

28. Members' liability

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

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29. Related party transactions

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

Mrs F Girdler was School Business Manager for The Horsell Village School up to December 2020 and Finance Assistant for the Central Office from January 2021. Mrs Girdler is the spouse of Mr I Girdler, Chair of Trustees. In the year to 31 August 2023 she received remuneration totalling £13,590 (including employer pension contributions and employer's national insurance contributions (2022: £8,575).

To mitigate potential conflicts arising from this connection:

- Mr I Girdler declares his related party at every meeting to ensure all Members and Trustees are clear on this at each meeting
- Mr I Girdler is removed from the individual schools controls, having sight of the management reports and overview of all schools and consolidated budgets. Authorisation for any payments uses one of the other bank mandate signatories or the CEO/CFO's authority.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

30. Post balance sheet events

The supreme court ruling on Harpur vs Brazel (2022) has upheld the ruling impacting holiday pay for part time workers. Employers will now be required to revisit their historical holiday calculations to retrospectively apply this ruling. Whilst this will create a liability for the trust, the government are yet to produce guidance as to the specifics of the calculation required, and hence no accurate provision can currently be made.

The Swan Trust will be merging with another Trust (Bright Futures Learning Trust), this has been approved by the Regional Commissioner and is expected to take place early January 2024.

31. Prior year adjustment

The prior year has been restated to reflect the accrued income for two CIF projects:

- Hermitage- Fire Safety and
- Beaufort- Fire Safety

The accrued income amounts to £797,817.

These CIF bids were granted in the prior year, the Total Funding request amounted to £947,373, Funding actually received was £149,556 leaving £797,817 yet to be received.

Despite discussions regarding the CIF projects we were not made aware that this should have been accrued for. During the current year ended 31 August 2023 an explanatory confirmation was received from the ESFA explaining the treatment and definition of unconditional entitlement -which is based on when the CIF bid is granted and not on the Project stage of completion- hence the correction made to the prior year.