

Company Registration No. 08622047 (England and Wales)

THE SWAN TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE SWAN TRUST

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THE SWAN TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Woods (Chair of Members)
B Hunwicks
D Pugh
T Nowell
I Girdler

Trustees

I Girdler (Chair of Trustees)
C Cheesman
E Cooper (Accounting Officer)
M Garner
Y Lawrence (Resigned 31 July 2020)
J Macdonald
C Prince
A Smith
Mr D Main (Appointed 12 March 2020)

Executive Team

- CEO E Cooper
- CFO S Hall
- Headteacher: The Oaktree School (retired 31/8/2020) G Alder
- Headteacher: Beaufort Primary School E Ferris
- Headteacher: The Hermitage School J Harrup
- Headteacher: The Horsell Village School J Reeve
- Headteacher: Barnsbury Primary School and Nursery C Spires
- Interim Headteacher: The Oaktree School (appointed 1/9/2020) L Sharkey

Company secretary

F Girdler

Company registration number

08622047 (England and Wales)

Principal address

Beaufort Primary School
Kirkland Avenue
Woking
Surrey
GU21 3RG

Registered office

The Horsell Village School
Church Hill
Horsell
Woking
Surrey
GU21 4QQ

THE SWAN TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Barnsbury Primary School and Nursery
Beaufort Primary School
The Hermitage School
The Horsell Village School
The Oaktree School

Location

Woking
Woking
Woking
Woking
Woking

Headteacher

C Spires
E Ferris
J Harrup
J Reeve
L Sharkey (appointed 1
September 2020)

Independent auditor

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Bankers

Lloyds Bank PLC
32 Commercial Way
Woking
Surrey
GU21 6ER

Virgin Money Plc
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

THE SWAN TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The academy passed a special resolution to change its name to The SWAN Trust, with the company number 08622047, on 3 July 2019. The certificate to change its name was issued on 17 July 2019. The academy converted from an individual academy trust to a Multi Academy Trust for pupils aged 2 to 11 serving a catchment area in Woking and the surrounding area on 1 September 2019. It has a pupil capacity of 1740 primary aged children with 127 nursery sessions a week, including 2 year old FEET funded children, across the Trust.

The Trust comprised of five academes as at 31 August 2020:

Barnsbury Primary School and Nursery (2-11 year olds)

Beaufort Primary School (2-11 year olds)

The Hermitage School (7-11 with a specialist SEND unit)

The Horsell Village School (4 – 7 year olds)

The Oaktree School (4-7 year olds, changed to 2 – 7 year olds on 1 January 2020)

On 1 October 2020, the Trustees were pleased to welcome a sixth school to the Trust:

Kingfield Primary School (3-11 year olds)

Structure, governance and management

Constitution

The SWAN Trust is a company limited by guarantee (Company registration number 08622047) and an exempt charity. The Trust's Articles of Association are the primary governing documents of The SWAN Trust. The Trustees are also the directors of the Trust for the purpose of company law, and as an exempt charity the Trust is not required to register with the Charity Commissioners.

The principal regulator of the Trust is the Department for Education (DfE). The Education and Skills Funding Agency (ESFA) carries out the role of the principal regulator on behalf of the DfE.

The Trustees of The SWAN Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The schools are part of the Education and Skills Funding Agency Risk Protection Arrangement whereby the academies have insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The limit of this indemnity is £10,000,000 per 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. When a vacancy on the Trustees Board becomes available, the Trustees consider the mix of skills that should be available to the board. There was one independent Trustees appointed this year. The Trustees recommended the appointment to the Members for their ratification. The Trustees use both local experts and Academy Ambassadors when recruiting.

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of Trustees

Trustees attend training courses organised by appropriate bodies. The training of Trustees, including new Trustees induction, depends on their knowledge and experience.

In the Autumn term 2019 all Trustees were invited to attend training run by the Trust, with the support of a National Governor, this followed on from a bespoke training session to ensure that Trustees had a clear understanding of their accountability and responsibilities.

During the year, where most training has happened virtually, training and updates run by Schools Alliance for Excellence (SAfE) and Successful Governance have been undertaken. These training sessions supported a consistent understanding of Governance within the Trust.

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 Local Governing Committees (LGC) 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 academies. (Though this was only twice in 2019 – 2020 due to Covid 19).

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 pay recommendations made by Surrey County Council.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period -

Full-time equivalent employee number -

Percentage of time spent on facility time

Percentage of time	Number of employees
--------------------	---------------------

0%	-
----	---

1%-50%	-
--------	---

51%-99%	-
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100%	-
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Percentage of pay bill spent on facility time

Total cost of facility time	-
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Total pay bill	-
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Percentage of the total pay bill spent on facility time	-
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Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 and NQT programme)
- George Abbot Teaching School (SCITT programme)
- Salesian College (NQT programme)
- SAfE (Schools Alliance for Excellence)
- 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
- Kingfield Primary School (The SWAN Trusts Associate Member)

No Trustees received any remuneration in respect of their services as a Trustees during the year, nor for any work undertaken on behalf of the Trust.

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

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

- that it has the same ethos, vision and core values which 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
- there is 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 that 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
- 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

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

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

The key activities for achieving these objectives are summarised below:

Regular board meetings with Trustees

Head's Executive Meetings

School Visits – learning from one another, to talk to members of staff or those in governance about life in a multi-academy Trust and 'maggie' ideas from one another.

RAG Day/Annual Standards Audit (July for initial meeting and then in November)

Challenge Days (day in the Autumn and half day in Spring term)

Improvement team activities may include:

- Scrutiny of school action / development plans
- Data scrutiny
- Work scrutiny
- Discussion with pupils and staff
- Observation of teaching and learning (Lesson Observations; learning walks)
- Seek agreement of the schools SEF

The success of these are measured and are reported to the Trustees in the form of the outcomes of the RAG Day/Annual Standards Audit (July for initial meeting and then in November).

Focus Groups

Joint year group moderation sessions for all year groups

Joint curriculum leader's moderation sessions for all curriculum areas

CPD and Training

Staff members are able to observe and participate in joint staff meetings and collaboration visits, held in different schools, which create a forum to share best practice. They aim to share staff meeting themes across the Trust, so staff can join relevant training sessions or INSET days in any of the schools which might also support individual CPD.

Public benefit

In setting the objectives and planning the 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

The Trustees are incredibly proud that after a year of planning The SWAN Trust, a Multi Academy Trust, came to fruition, this is no small feat and it is the hard work of the Headteachers and the individual Local Governing Committees commitment to the shared ethos that came through. The most significant challenge faced was establishing one way of working, as five single academy Trusts had all created their own systems for recording, meeting compliance and managing finance. While great strides have been made this year, in the appointment of the CFO and adoption of a finance system it is recognized that it is possible to become even more efficient and effective.

The Members, Trustee and Executive Teams are strong and work collaboratively. The Trustees also welcomed a new Associate Member into the Trust during 2019-20, who went on to become a full member from 1 October 2020.

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees are never satisfied with the quality of education and care 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, these are July 2019 as due to the unprecedented impact of Covid 19 pandemic there were no test taken in the Summer of 2020.

On 20 March 2020 our schools closed for the vast majority of children, this had a huge impact on the children's learning. The Trust and its schools were quick in responding to government guidance and risk assessments were put in place quickly to support those children and staff who were in school during lockdown. The schools made use of IT systems already used for children to access learning at home. Surveys and response to Teachers showed that a high proportion of child accessed the learning from home with 90%+ spending more than an hour a day on home learning. Those children who were eligible to attend schools were invited to attend, with approximately 75% of children who were eligible returning during partial opening. The Trusts attendance was consistently higher than the National Average during Lockdown.

There was significant financial implication for schools, particularly through the loss of lettings income which provides much needed revenue to support the school budgets. The financial impact was compounded by the halt of Breakfast and After School Clubs. The Trustees were unable to furlough the majority of staff as they were also being funded by DfE GAG for their time in school. It was estimated that this financially affected the Trust by £110,000 during Lockdown. Cleaning supplies, resources to enable social distancing and cleaners were increased, some of the cost was compensated for by DfE support packages, but not all.

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

These are in accordance with the monthly management accounts which are regularly reviewed by the Trustees.

Specific financial key performance indicators which the Trustees have also considered are as follows:

Key Performance Indicators	Barnsbury	Beaufort	Hermitage	Horsell	Oaktree	The Swan Trust	Consolidated
2019-2020							
Total Staff Costs (£)	1,721,506	1,962,057	1,366,450	906,400	1,260,759	181,228	7,398,400
Total Staff Costs to Total Income (%)	80%	80%	84%	72%	89%	70%	81%
Total Staff Costs as Proportion of Total Expense	78%	78%	80%	72%	75%	71%	77%
Ratio teaching staff to child	1:9.4	1:9.3	1:8.2	1:12.2	1:6.9	n/a	1:8.9
General annual grant per child (£)	3,460	3,260	3,956.8	3,691.47	3,681	n/a	3,560
Pupil attendance	N/A – due to Covid 19 this is not an accurate KPI for 2019-20						
Average teacher to pupil ratio X:XX	1:21.2	1:22	1:18	1:22.8	1:18.1	n/a	1:20.3

It is intended to use achievement and financial data to evaluate the performance across the academies and to benchmark with other similar sized academies.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustees continue to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

The comparative figures given throughout the Financial Review and Reserves Policy sections reflect the Trust's position as a Single Academy Trust to 31 August 2019.

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 2020 and the associated expenditure are 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.

As a result of four academies joining the Trust on 1 September 2019, their net assets have been recognised as income in the Statement of Financial Activities. Further detail of the £11,475,095 received is given in note 27.

Excluding this transfer and movements in the fixed asset fund and pension fund, the Trust made an operational surplus of £46,012 (2019: £89,410).

As at 31 August 2020 the net book value of fixed assets was £14,835,995 (2019: £965,595) as shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to students 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 £6,689,000 (2019: £786,000). The majority of the increase in liability is due to the existing liabilities of the four academies joining the Trust.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The Trustees have determined the appropriate level of free reserves to be £677,000, which approximates to one month of staff costs.

As at 31 August 2020, free reserves amounted to £1,103,168 (2019: £265,676), which comfortably exceeds the target level. The Trustees are considering how best to utilise the additional funds in the short to mid term.

In addition to the free reserves at 31 August 2020, the Trust held a fixed asset fund valued at £14,931,769 (2019: £965,595). This comprised the net book value of the Trust's tangible fixed assets plus unspent capital grants.

Other restricted fund balances were £133,140 in surplus at 31 August 2020 (2019: £27,228 surplus), in addition to the Local Government Pension Scheme fund reflecting the deficit of £6,689,000 (2019: £786,000). This deficit does not impact on the Trust's objectives or its ability to operate as a going concern.

Investment policy

The Trust's position is to strive to invest surplus funds in short term cash deposits.

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

The SWAN Trust has a robust attitude to risk. There is a fully implemented Health and Safety Policy for each school, and Risk Assessments are undertaken for all Trust educational visits. The recognised risks and arrangements for managing are recorded in the individual schools risk register.

The main financial risks for the Trust is the reliance on continued government funding through the ESFA and the likelihood of further austerity in education exasperated by Covid. When setting the budget for 2020-21 the Trustees included lettings income for only 66% of the year, therefore should there be another Lockdown the budget shouldn't experience such a loss.

With regard to financial risk management, the Trust follows procedures to segregate responsibility and authorisation. These procedures are documented in the finance policy. The pension liability remains the Trust's largest financial risk, see the financial statements (note 21) for further details.

Fundraising

The Trustees and LGC implement fundraising activities on behalf of the Trust. The Trustees do not use any external parties in this activity, and all fundraising is monitored by the responsible officer's.

Plans for future periods

The Trustees intend to continue The SWAN Trust's objectives, and hope to grow by inviting another school into our Trust. The Trustees consider past financial and educational performance and take this into account if relevant for future plans. The Trustees met seven times in the accounting period.

The curriculum has been structured in the schools to focus on English, Maths and wellbeing, then the wider full curriculum, to ensure that children's priorities are being met when we reopen fully in September 2020. It is recognised that some areas and some children will have been disadvantaged during this time, early identification will enable us to spend the catch up funding where it is most needed.

Our biggest area for concern is covering staff cost for Covid related absence, which is not covered by our insurance. To mitigate this there is very little movement between bubbles to keep any outbreaks as limited as possible, we recognise that within the Trust each school will have its 'tipping point'.

Employee consultation and disabled employees

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 MAT 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.

THE SWAN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

Wise and Co resigned as auditor to the charitable company. Azets Audit Services was appointed auditor and a resolution put to Members for one year.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 November 2020 and signed on its behalf by:

I Girdler

Chair of Trustees

THE SWAN TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 Trustees have delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the academy and the Secretary of State for Education. They are also responsible for reporting to the 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. The Trustees consider that the number of meetings adequately reviewed all financial matters arising in the year. The Board fulfill the remit of the Audit Committee; there is a working group which looks at the monthly management accounts and the finance in depth before the full board meet.

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

Trustees	Meetings attended	Out of possible
I Girdler (Chair of Trustees)	7	7
C Cheesman	7	7
E Cooper (Accounting Officer)	7	7
M Garner	7	7
Y Lawrence (Resigned 31 July 2020)	2	7
J Macdonald	7	7
C Prince	7	7
A Smith	4	7
Mr D Main (Appointed 12 March 2020)	3	3

THE SWAN TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In addition the Trust conducts an annual review which led to the introduction of a strategic day in September 2020. The next Governance review will be in July 2021. The most recent review showed that all appropriate monitoring had been carried out up until Covid 19 when monitoring in the schools changed dramatically and focused much more on Safeguarding, learning from home and Health and Safety of all children and staff.

The monitoring included:

1. In-house monitoring by the CEO and Headteacher and all leaders where appropriate e.g. classroom practice, work sampling
2. Termly target setting meetings in each academy
3. Annual Performance Management
4. Annual Budget Planning
5. CEO and Headteacher's monthly financial review
6. Analysis of school pupil performance data, e.g. SATs results, against all schools, LA schools,
7. Analysis of DfE pupil performance data, e.g. Analysing School Performance
8. Local Governor Committee (LGC) meetings
9. Trustees' Annual Finance Review
10. Trustees' Strategic Development Meeting

The Trust Board recognise that communication is key, systems and structures to communicate with Headteachers and Local Governing Committees have been implemented, changed and reviewed. This is an area we would like to develop further.

Review of value for money

The Trustees accept that the Accounting Officer, the Chief Executive Officer has responsibility for ensuring that The Swan Trust delivers good value in the use of public resources. The Accounting Officer understands that the value for money statements published by the Education and Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Trust Board is accountable for the way in which the Trust and school's resources are allocated to meet the objectives set out in the Trust and school's development plan. Trustees need to secure the best possible outcome for children, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the Trust and school's achievements and outcomes for the children.

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
- made 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
- challenged proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets
- Investment in the Finance System
- required suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computers, redecoration
- consulted 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
- collaboration and sharing of best practice across the Trust.

THE SWAN TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The SWAN Trust considers the risks and uncertainties which can arise, for example, financial performance in the future and laws and regulations. In order to meet such risks and uncertainties, the Trust's system of internal financial and administrative 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. Such risks and uncertainties are identified from the following procedures in place:

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

The Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees' have appointed S Hall as Chief Financial Officer and C Cheesman, a Trustee, as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

On a termly basis, C Cheesman reports to the board of Trustees, on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

No such material control issues arose in the accounting period.

Review of effectiveness

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

- the work of the Chief Financial Officer;
- the work of the external auditor;
- the work of the School Business Manager's within each school who has responsibility for the development and maintenance of the internal control framework.

THE SWAN TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

As result of the above, no significant improvements were deemed necessary, however the Trust would like to consider the restructuring of the finance team as it intends to expand in the coming year.

Approved by order of the Board of Trustees on 26 November 2020 and signed on its behalf by:

I Girdler
Chair of Trustees

E Cooper
Accounting Officer

THE SWAN TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2020*

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 received by the academy trust, 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 Academies Financial Handbook 2019.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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.

E Cooper
Accounting Officer

26 November 2020

THE SWAN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of The SWAN Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 26 November 2020 and signed on its behalf by:

I Girdler
Chair of Trustees

THE SWAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SWAN TRUST FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of The SWAN Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE SWAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SWAN TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 incorporated 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 accounts 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 are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SWAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SWAN TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Walmsley (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

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Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

THE SWAN TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 25 November 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The SWAN Trust during the period 1 September 2019 to 31 August 2020 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 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 Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

THE SWAN TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Dated:

THE SWAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	71,093	-	70,574	141,667	42,528
Donations - Transfer of existing academies into the Trust	27	1,045,089	(3,861,943)	14,291,949	11,475,095	-
Charitable activities:						
- Funding for educational operations	4	72,605	8,516,138	-	8,588,743	1,267,648
Other trading activities	5	440,505	-	-	440,505	70,348
Investments	6	2,138	-	-	2,138	1,252
Total		<u>1,631,430</u>	<u>4,654,195</u>	<u>14,362,523</u>	<u>20,648,148</u>	<u>1,381,776</u>
Expenditure on:						
Raising funds	7	16,110	-	-	16,110	-
Charitable activities:						
- Educational operations	9	81,650	9,768,707	579,103	10,429,460	1,385,135
Total	7	<u>97,760</u>	<u>9,768,707</u>	<u>579,103</u>	<u>10,445,570</u>	<u>1,385,135</u>
Net income/(expenditure)		1,533,670	(5,114,512)	13,783,420	10,202,578	(3,359)
Transfers between funds	19	(696,178)	513,424	182,754	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(1,196,000)	-	(1,196,000)	(225,000)
Net movement in funds		837,492	(5,797,088)	13,966,174	9,006,578	(228,359)
Reconciliation of funds						
Total funds brought forward		265,676	(758,772)	965,595	472,499	700,858
Total funds carried forward		<u>1,103,168</u>	<u>(6,555,860)</u>	<u>14,931,769</u>	<u>9,479,077</u>	<u>472,499</u>

The General Restricted fund includes all movements relating to the defined benefit pension scheme.

THE SWAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2019
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	42,528	-	-	42,528
Charitable activities:					
- Funding for educational operations	4	-	1,267,648	-	1,267,648
Other trading activities	5	40,924	29,424	-	70,348
Investments	6	1,252	-	-	1,252
Total		<u>84,704</u>	<u>1,297,072</u>	<u>-</u>	<u>1,381,776</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	1,372,366	12,769	1,385,135
Total	7	<u>-</u>	<u>1,372,366</u>	<u>12,769</u>	<u>1,385,135</u>
Net income/(expenditure)		84,704	(75,294)	(12,769)	(3,359)
Transfers between funds	19	(18,233)	18,233	-	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(225,000)	-	(225,000)
Net movement in funds		66,471	(282,061)	(12,769)	(228,359)
Reconciliation of funds					
Total funds brought forward		199,205	(476,711)	978,364	700,858
Total funds carried forward		<u>265,676</u>	<u>(758,772)</u>	<u>965,595</u>	<u>472,499</u>

THE SWAN TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		14,835,995		965,595
Current assets					
Stocks	14	4,625		-	
Debtors	15	254,668		38,117	
Cash at bank and in hand		1,861,112		396,903	
		<u>2,120,405</u>		<u>435,020</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(780,708)		(142,116)	
Net current assets			1,339,697		292,904
Total assets less current liabilities			<u>16,175,692</u>		<u>1,258,499</u>
Creditors: amounts falling due after more than one year	17		(7,615)		-
Net assets before defined benefit pension scheme liability			<u>16,168,077</u>		<u>1,258,499</u>
Defined benefit pension scheme liability	21		(6,689,000)		(786,000)
Total net assets			<u>9,479,077</u>		<u>472,499</u>
Funds of the Trust:					
Restricted funds	19				
- Fixed asset funds			14,931,769		965,595
- Restricted income funds			133,140		27,228
- Pension reserve			(6,689,000)		(786,000)
Total restricted funds			<u>8,375,909</u>		<u>206,823</u>
Unrestricted income funds	19		1,103,168		265,676
Total funds			<u>9,479,077</u>		<u>472,499</u>

The accounts on pages 24 to 52 were approved by the Trustees and authorised for issue on 26 November 2020 and are signed on their behalf by:

I Girdler
Chair of Trustees

Company Number 08622047

THE SWAN TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22	159,621		45,229	
Cash funds transferred on conversion		1,451,285		-	
		<u>1,610,906</u>		<u>45,229</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		2,138		1,252	
Capital grants from DfE Group		39,889		-	
Capital funding received from sponsors and others		30,685		18,682	
Purchase of tangible fixed assets		(214,334)		-	
		<u>(141,622)</u>		<u>19,934</u>	
Net cash (used in)/provided by investing activities			(141,622)		19,934
Cash flows from financing activities					
Repayment of long term bank loan		(5,075)		-	
		<u>(5,075)</u>		<u>-</u>	
Net cash used in financing activities			(5,075)		-
Net increase in cash and cash equivalents in the reporting period		1,464,209		65,163	
Cash and cash equivalents at beginning of the year		396,903		331,740	
Cash and cash equivalents at end of the year		<u>1,861,112</u>		<u>396,903</u>	

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2019 to 2020 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts 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 accounts.

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations 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.

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy 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 are 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.

1.5 Tangible fixed assets and depreciation

Assets costing £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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

Leasehold Land	The shorter of 125 years and the term of the lease
Leasehold Buildings	The shorter of 50 years and the term of the lease
Assets under construction	Not depreciated
Computer equipment	3 years
Fixtures, fittings & equipment	5 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.

1.6 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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 and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

(Continued)

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 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	39,889	39,889	-
Other donations	71,093	30,685	101,778	42,528
	<u>71,093</u>	<u>70,574</u>	<u>141,667</u>	<u>42,528</u>

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,438,046	6,438,046	966,454
Other DfE group grants	-	1,078,605	1,078,605	167,210
	-	7,516,651	7,516,651	1,133,664
Other government grants				
Local authority grants	-	930,869	930,869	36,380
Special educational projects	-	-	-	97,604
	-	930,869	930,869	133,984
Exceptional government funding				
Coronavirus job retention scheme grant	-	23,541	23,541	-
Other Coronavirus funding	-	18,474	18,474	-
	-	42,015	42,015	-
Other funding				
Other incoming resources	72,605	26,603	99,208	-
Total funding	72,605	8,516,138	8,588,743	1,267,648

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £18,474 of additional premises and free school meal costs. These costs are included in notes 7 and 9 below as appropriate.

The academy trust furloughed some of its Nursery staff under the government's Job Retention Scheme. The funding received of £23,541 relates to staff costs which are included within note 10 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	38,270	-	38,270	18,192
Other income	402,235	-	402,235	52,156
	440,505	-	440,505	70,348

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	2,138	-	2,138	1,252

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2020 £	Total 2019 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	16,110	16,110	-
Academy's educational operations					
- Direct costs	6,102,949	-	482,480	6,585,429	887,179
- Allocated support costs	2,021,564	1,103,509	718,958	3,844,031	497,956
	<u>8,124,513</u>	<u>1,103,509</u>	<u>1,217,548</u>	<u>10,445,570</u>	<u>1,385,135</u>

Net income/(expenditure) for the year includes:	2020 £	2019 £
Fees payable to auditor for:		
- Audit	11,850	5,700
- Other services	3,000	1,525
Operating lease rentals	53,584	747
Depreciation of tangible fixed assets	579,103	12,769
Net interest on defined benefit pension liability	93,000	14,000

Included within expenditure are the following transactions:

	2020 £
Unrecoverable debts - total	<u>105</u>

8 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; and
- statutory audit.

The Trust charges for these services on the following basis:

- 4% of GAG funding received.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2020 £	2019 £
Barnsbury Primary School and Nursery	62,733	-
Beaufort Primary School	65,553	-
The Hermitage School	47,825	-
The Horsell Village School	37,266	-
The Oaktree School	37,544	-
	<u>250,921</u>	<u>-</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	80,902	6,504,527	6,585,429	887,179
Support costs				
Educational operations	748	3,843,283	3,844,031	497,956
	<u>81,650</u>	<u>10,347,810</u>	<u>10,429,460</u>	<u>1,385,135</u>

Analysis of costs

	2020 £	2019 £
Direct costs		
Teaching and educational support staff costs	6,150,823	824,579
Staff development	44,161	12,171
Technology costs	42,131	3,577
Educational supplies and services	157,551	23,335
Educational consultancy	129,454	-
Other direct costs	61,309	23,517
	<u>6,585,429</u>	<u>887,179</u>
Support costs		
Support staff costs (excludes LGPS actuarial adjustments)	1,340,579	176,166
LGPS actuarial adjustments	717,000	60,000
Depreciation	579,103	12,769
Technology costs	124,638	46,569
Recruitment and support	2,675	1,236
Maintenance of premises and equipment	122,900	37,172
Cleaning	136,821	9,010
Energy costs	98,590	14,084
Rent, rates and other occupancy costs	126,569	6,029
Insurance	33,334	15,430
Security and transport	6,192	-
Catering	320,878	94,127

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities	(Continued)	
Finance costs	93,000	14,000
Legal costs	29,173	-
Other support costs	45,949	4,139
Governance costs	66,630	7,225
	<u>3,844,031</u>	<u>497,956</u>

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	5,677,490	804,174
Social security costs	441,185	57,759
Pension costs	1,906,981	197,577
Staff costs - employees	<u>8,025,656</u>	<u>1,059,510</u>
Agency staff costs	93,857	1,235
Staff severance payments	5,000	-
	<u>8,124,513</u>	<u>1,060,745</u>
Staff development and other staff costs	128,050	12,171
Total staff expenditure	<u><u>8,252,563</u></u>	<u><u>1,072,916</u></u>

Staff restructuring costs comprise:

Severance payments	<u>5,000</u>	<u>-</u>
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Non statutory/non-contractual staff severance payments

Included in staff costs is a non-statutory severance payment totalling £5,000 (2019 - £Nil).

Staff numbers

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

	2020 Number	2019 Number
Teachers	89	16
Administration and support	245	26
Management	21	-
	<u>355</u>	<u>42</u>

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2020 Number	2019 Number
Teachers	71	13
Administration and support	130	16
Management	20	-
	<u>221</u>	<u>29</u>

Higher paid staff

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

	2020 Number	2019 Number
£70,001 - £80,000	3	1
£60,001 - £70,000	2	-
	<u>5</u>	<u>1</u>

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £597,149 (2019: £317,083).

11 Trustees' remuneration and expenses

One or more of the 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 £75,000 - £80,000 (2019: £70,000 - £75,000)

Employer's pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000)

During the year ended 31 August 2020, expenses incurred in course of their employment totalling £174 (2019: £nil) were reimbursed or paid directly to the CEO. No such amounts were reimbursed or paid to other trustees.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Insurance for Trustees and officers

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.

13 Tangible fixed assets

	Leasehold Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2019	1,043,444	-	-	24,000	-	1,067,444
Transfers in for academies joining the Trust	15,058,458	31,245	430,078	1,139,867	29,331	16,688,979
Additions	163,443	2,330	16,716	31,845	-	214,334
At 31 August 2020	16,265,345	33,575	446,794	1,195,712	29,331	17,970,757
Depreciation						
At 1 September 2019	77,849	-	-	24,000	-	101,849
Transfers in for academies joining the Trust	1,572,099	-	323,126	548,507	10,078	2,453,810
Charge for the year	260,175	-	61,134	219,119	5,100	545,528
Impairment	-	33,575	-	-	-	33,575
At 31 August 2020	1,910,123	33,575	384,260	791,626	15,178	3,134,762
Net book value						
At 31 August 2020	14,355,222	-	62,534	404,086	14,153	14,835,995
At 31 August 2019	965,595	-	-	-	-	965,595

The net book value of land and buildings comprises:

	2020 £	2019 £
Long leaseholds (over 50 years)	14,355,222	965,595

The sites of the five schools have been leased by the Trust from Surrey County Council. The lease period for all five 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.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Stocks

2020
£

2019
£

School uniform

4,625

-

15 Debtors

2020
£

2019
£

Trade debtors

11,839

-

VAT recoverable

17,792

18,572

Other debtors

11,475

4,708

Prepayments and accrued income

213,562

14,837

254,668

38,117

16 Creditors: amounts falling due within one year

2020
£

2019
£

Government loans

5,076

-

Trade creditors

119,126

-

Other taxation and social security

232,832

13,789

Other creditors

-

45,665

Accruals and deferred income

423,674

82,662

780,708

142,116

17 Creditors: amounts falling due after more than one year

2020
£

2019
£

Government loans

7,615

-

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Creditors: amounts falling due after more than one year (Continued)

	2020	2019
	£	£
Analysis of loans		
Wholly repayable within five years	12,691	-
Less: included in current liabilities	(5,076)	-
	<u>7,615</u>	<u>-</u>
Amounts included above	<u><u>7,615</u></u>	<u><u>-</u></u>
Loan maturity		
Debt due in one year or less	5,076	-
Due in more than one year but not more than two years	5,076	-
Due in more than two years but not more than five years	2,539	-
	<u>12,691</u>	<u>-</u>
	<u><u>12,691</u></u>	<u><u>-</u></u>

The Government loans were provided by Salix in 2014, in connection with two energy projects. The loans are interest free.

18 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	258,264	68,750
	<u>258,264</u>	<u>68,750</u>
Deferred income at 1 September 2019	68,750	81,302
Released from previous years	(68,750)	(81,302)
Deferred in the year	258,264	68,750
	<u>258,264</u>	<u>68,750</u>
Deferred income at 31 August	<u><u>258,264</u></u>	<u><u>68,750</u></u>

Deferred income represents grant funding for the 2020-21 financial year received in advance.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	6,433,658	(6,435,547)	1,889	-
Other DfE / ESFA grants	7,426	1,100,301	(974,587)	-	133,140
Other government grants	19,802	990,633	(1,521,970)	511,535	-
Other restricted funds	-	26,603	(26,603)	-	-
Pension reserve	(786,000)	(3,897,000)	(810,000)	(1,196,000)	(6,689,000)
	<u>(758,772)</u>	<u>4,654,195</u>	<u>(9,768,707)</u>	<u>(682,576)</u>	<u>(6,555,860)</u>
Restricted fixed asset funds					
Tangible fixed assets	965,595	14,305,742	(579,103)	143,759	14,835,993
Capital funds held	-	56,781	-	38,995	95,776
	<u>965,595</u>	<u>14,362,523</u>	<u>(579,103)</u>	<u>182,754</u>	<u>14,931,769</u>
Total restricted funds	<u>206,823</u>	<u>19,016,718</u>	<u>(10,347,810)</u>	<u>(499,822)</u>	<u>8,375,909</u>
Unrestricted funds					
General funds	<u>265,676</u>	<u>1,631,430</u>	<u>(97,760)</u>	<u>(696,178)</u>	<u>1,103,168</u>
Total funds	<u>472,499</u>	<u>20,648,148</u>	<u>(10,445,570)</u>	<u>(1,196,000)</u>	<u>9,479,077</u>

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 2020.

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 £182,754 were used to purchase fixed assets. A fund transfer has been reflected above.

A further transfer of £513,424 was made from unrestricted funds to meet restricted revenue expenditure.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	676	966,454	(1,014,787)	47,657	-
Other DfE / ESFA grants	3,613	167,210	(163,397)	-	7,426
Other government grants	-	133,984	(114,182)	-	19,802
Other restricted funds	-	29,424	-	(29,424)	-
Pension reserve	(481,000)	-	(80,000)	(225,000)	(786,000)
	<u>(476,711)</u>	<u>1,297,072</u>	<u>(1,372,366)</u>	<u>(206,767)</u>	<u>(758,772)</u>
Restricted fixed asset funds					
DfE group capital grants	978,364	-	(12,769)	-	965,595
	<u>978,364</u>	<u>-</u>	<u>(12,769)</u>	<u>-</u>	<u>965,595</u>
Total restricted funds	<u>501,653</u>	<u>1,297,072</u>	<u>(1,385,135)</u>	<u>(206,767)</u>	<u>206,823</u>
Unrestricted funds					
General funds	199,205	84,704	-	(18,233)	265,676
	<u>199,205</u>	<u>84,704</u>	<u>-</u>	<u>(18,233)</u>	<u>265,676</u>
Total funds	<u>700,858</u>	<u>1,381,776</u>	<u>(1,385,135)</u>	<u>(225,000)</u>	<u>472,499</u>

Total funds analysis by academy

	2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:		
Barnsbury Primary School and Nursery	112,797	-
Beaufort Primary School	415,936	-
The Hermitage School	329,557	-
The Horsell Village School	302,604	292,904
The Oaktree School	69,980	-
Central services	5,434	-
	<u>1,236,308</u>	<u>292,904</u>
Total before fixed assets fund and pension reserve	1,236,308	292,904
Restricted fixed asset fund	14,931,769	965,595
Pension reserve	(6,689,000)	(786,000)
	<u>14,931,769</u>	<u>965,595</u>
Total funds	<u>9,479,077</u>	<u>472,499</u>

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Barnsbury Primary School and Nursery	1,510,431	408,790	97,364	256,194	2,272,779	-
Beaufort Primary School	1,492,819	694,010	141,476	258,511	2,586,816	-
The Hermitage School	1,277,946	208,218	64,766	145,432	1,696,362	-
The Horsell Village School	869,393	215,910	47,946	186,888	1,320,137	1,372,366
The Oaktree School	1,041,138	396,675	38,327	214,405	1,690,545	-
SWAN Trust - Central Services	3,256	226,976	550	69,046	299,828	-
	<u>6,194,983</u>	<u>2,150,579</u>	<u>390,429</u>	<u>1,130,476</u>	<u>9,866,467</u>	<u>1,372,366</u>

Included in Other support staff costs is the LGPS Service Cost uplift of £717,000. Included in Other costs is the LGPS Net Interest charge of £93,000.

The above cost analysis per academy excludes all recharges between member schools and the Central Trust.

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	14,835,995	14,835,995
Current assets	1,179,866	844,765	95,774	2,120,405
Creditors falling due within one year	(76,698)	(704,010)	-	(780,708)
Creditors falling due after one year	-	(7,615)	-	(7,615)
Defined benefit pension liability	-	(6,689,000)	-	(6,689,000)
Total net assets	<u>1,103,168</u>	<u>(6,555,860)</u>	<u>14,931,769</u>	<u>9,479,077</u>

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	965,595	965,595
Current assets	265,676	169,344	-	435,020
Creditors falling due within one year	-	(142,116)	-	(142,116)
Defined benefit pension liability	-	(786,000)	-	(786,000)
Total net assets	<u>265,676</u>	<u>(758,772)</u>	<u>965,595</u>	<u>472,499</u>

21 Pension and similar obligations

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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £130,729 were payable to the schemes at 31 August 2020 (2019: £nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £757,551 (2019: £80,229).

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

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.3% for employers and 5.5% - 6.8% for employees.

The increase in the LGPS liability as at 31 August 2020 includes the transfer in of existing scheme liabilities for the four academies that joined the trust on 1 September 2019 (see note 28).

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.

Total contributions made	2020	2019
	£	£
Employer's contributions	430,000	56,000
Employees' contributions	132,000	17,000
Total contributions	<u>562,000</u>	<u>73,000</u>

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.1	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	<u>2.2</u>	<u>2.3</u>

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

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

	2020	2019
	Years	Years
Retiring today		
- Males	22.1	21.6
- Females	24.3	23.6
Retiring in 20 years		
- Males	22.9	22.5
- Females	25.7	25.0

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020	2019
	£	£
Discount rate + 0.1%	315,600	43,000
Discount rate - 0.1%	(315,600)	(43,000)
CPI rate + 0.1%	289,600	34,600
CPI rate - 0.1%	(289,600)	(34,600)

Defined benefit pension scheme net liability

Scheme assets	5,532,000	783,000
Scheme obligations	(12,221,000)	(1,569,000)
Net liability	(6,689,000)	(786,000)

The Trust's share of the assets in the scheme

	2020	2019
	Fair value	Fair value
	£	£
Equities	3,983,040	555,930
Bonds	940,440	140,940
Cash	165,960	23,490
Property	442,560	62,640
Total market value of assets	5,532,000	783,000

The actual return on scheme assets was £128,000 (2019: £45,000).

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	1,147,000	116,000
Past service cost	-	6,000
Interest income	(96,000)	(20,000)
Interest cost	189,000	34,000
	<u>1,240,000</u>	<u>136,000</u>

Changes in the present value of defined benefit obligations

	2020 £	2019 £
At 1 September 2019	1,569,000	1,147,000
Transferred in on existing academies joining the Trust	8,022,000	-
Current service cost	1,147,000	116,000
Interest cost	189,000	34,000
Employee contributions	132,000	17,000
Actuarial loss	1,228,000	250,000
Benefits paid	(66,000)	(1,000)
Past service cost	-	6,000
	<u>12,221,000</u>	<u>1,569,000</u>

Changes in the fair value of the Trust's share of scheme assets

	2020 £	2019 £
At 1 September 2019	783,000	666,000
Transferred in on existing academies joining the Trust	4,125,000	-
Interest income	96,000	20,000
Actuarial gain	32,000	25,000
Employer contributions	430,000	56,000
Employee contributions	132,000	17,000
Benefits paid	(66,000)	(1,000)
	<u>5,532,000</u>	<u>783,000</u>

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	10,202,578	(3,359)
Adjusted for:		
Net surplus on transfer of academy in the trust	(11,475,095)	-
Capital grants from DfE and other capital income	(70,574)	(18,682)
Investment income receivable	(2,138)	(1,252)
Defined benefit pension costs less contributions payable	717,000	66,000
Defined benefit pension scheme finance cost	93,000	14,000
Depreciation of tangible fixed assets	579,103	12,769
(Increase) in stocks	(4,625)	-
(Increase) in debtors	(216,551)	(10,831)
Increase/(decrease) in creditors	633,516	(13,416)
Stocks, debtors and creditors transferred on conversion	(296,593)	-
Net cash provided by operating activities	159,621	45,229

23 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	396,903	1,464,209	1,861,112
Loans falling due within one year	-	(5,076)	(5,076)
Loans falling due after more than one year	-	(7,615)	(7,615)
	396,903	1,451,518	1,848,421

24 Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	9,263	747
Amounts due in two and five years	20,547	1,120
	29,810	1,867

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 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 Academies Financial Handbook 2019, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Mrs F Girdler is Company Secretary to the Trust and employed as a School Business Manager. Mrs Girdler is the spouse of Mr I Girdler, Chair of Trustees.

In her role as School Business Manager, Mrs Girdler received remuneration totalling £39,191 (including employer pension contributions and employers national insurance contributions).

To mitigate potential conflicts arising from this connection:

- Meetings are not attended together, unless Mrs F Girdler is supporting the Headteacher of The Horsell Village School in her role as School Business Manager.
- 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 the consolidated budgets. Authorisation for any payments uses one of the other bank mandate signatories or the CEO/CFOs authority.

26 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

27 Transfer of existing academies into the Trust

Barnsbury Primary School and Nursery

On 1 September 2019, Barnsbury Primary School and Nursery joined the Trust. Barnsbury Primary School and Nursery had previously transferred out of Local Authority control in 2014 to become an Academy Trust (Company Registration Number 08798425).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Transfer of existing academies into the Trust

(Continued)

	Transfer in recognised £
Net assets acquired	
Leasehold land and buildings	2,408,939
Other tangible fixed assets	558,261
Stock	5,268
Debtors	105,212
Creditors	(173,724)
Cash and cash equivalents	216,639
Pension scheme	(773,000)
Total net assets	<u>2,347,595</u>

There were no fair value adjustments required to the values reported by the transferring trust.

Beaufort Primary School

On 1 September 2019, Beaufort Primary School joined the Trust. Beaufort Primary School had previously transferred out of Local Authority control in 2014 to become an Academy Trust (Company Registration Number 08749901).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

	Transfer in recognised £
Net assets acquired	
Leasehold land and buildings	4,722,817
Other tangible fixed assets	87,266
Debtors	74,852
Creditors	(167,360)
Cash and cash equivalents	510,666
Pension scheme	(847,000)
Total net assets	<u>4,381,241</u>

There were no fair value adjustments required to the values reported by the transferring trust.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

27 Transfer of existing academies into the Trust

(Continued)

The Hermitage School

On 1 September 2019, The Hermitage School joined the Trust. The Hermitage School had previously transferred out of Local Authority control in 2014 to become an Academy Trust (Company Registration Number 08811135).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

	Transfer in recognised £
Net assets acquired	
Leasehold land and buildings	3,481,371
Other tangible fixed assets	159,148
Debtors	98,713
Creditors	(166,957)
Cash and cash equivalents	448,478
Pension scheme	(1,187,000)
Total net assets	<u>2,833,753</u>

There were no fair value adjustments required to the values reported by the transferring trust.

The Oaktree School

On 1 September 2019, The Oaktree School joined the Trust. The Oaktree School had previously transferred out of Local Authority control in 2014 to become an Academy Trust (Company Registration Number 08638766).

The transfer to the Trust (for £nil consideration) has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred have been recognised under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the assets and liabilities transferred.

	Transfer in recognised £
Net assets acquired	
Leasehold land and buildings	2,518,849
Other tangible fixed assets	298,518
Debtors	67,846
Creditors	(158,209)
Cash and cash equivalents	275,502
Pension scheme	(1,090,000)
Total net assets	<u>1,912,506</u>

There were no fair value adjustments required to the values reported by the transferring trust.

THE SWAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

28 Post balance sheet events

After the year end, Kingfield Primary School and Nursery in Woking converted to academy trust status and joined The SWAN Trust.