

**Company Registration Number: 07533271 (England & Wales)**

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

D Bell  
J Buxton (resigned 30 September 2021)  
I D Holme (resigned 11 November 2020)  
I Lavelle  
K D Bernstone  
L Job (appointed 12 November 2020)

**Directors**

D Bell, Chair<sup>2</sup>  
K D Bernstone (resigned 31 August 2021)<sup>1,2</sup>  
J Cornelius<sup>2</sup>  
T Fisher<sup>2</sup>  
M Garmston (appointed 28 September 2020)<sup>1</sup>  
S A Hargrove<sup>1</sup>  
S Hirst-Caraher<sup>2</sup>  
D Judson, Accounting Officer<sup>1,2</sup>  
G Liddle (appointed 2 November 2020)<sup>1,2</sup>

<sup>1</sup> Members of the Finance and Resources Committee

<sup>2</sup> Members of the Standards Committee

**Company registered number**

07533271

**Company name**

Swift Academies

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Principal and registered office**

Croft Road  
Hurworth  
Darlington  
County Durham  
DL2 2JG

**Company secretary**

WB Company Secretaries Limited

**Chief Executive Officer**

D Judson

**Executive Leadership Team**

D Judson, Chief Executive Officer  
N Lindsay, Head of School; Longfield Academy  
N Peaker, Former Head of School; Hurworth School (resigned 31st August 2021)  
J Armitage, Head of School; The Rydal Academy  
G Hart, Chief Finance Officer  
A Hutton, Trust ICT Manager (resigned 31st May 2021)  
S Jones, Trust Business Manager  
C Carr, Trust ICT Manager (appointed 1st September 2021)

**Independent auditors**

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

**Bankers**

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

**Solicitors**

Weightmans LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Directors' report and a directors' report under company law.

The academy trust operates one primary (The Rydal Academy) and two secondary academies (Longfield Academy and Hurworth School). The three academies have a combined pupil capacity of 2,165 and had a roll of 2,110 (excluding nursery and early years) in the census of Autumn 2021.

**Structure, governance and management**

**Constitution**

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

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

Details of the Directors who served 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.

**Directors' indemnities**

The academy trust has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 12.

**Method of recruitment and appointment or election of Directors**

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

As set out in the articles and funding agreement The Academy trust has the following Directors:

- 8 Directors, appointed under article 50 (see below);
- Chief Executive Officer appointed under article 57; and
- 2 co-opted Directors appointed under article 58.

**Appointment of Directors**

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

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, governance and management (continued)**

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

Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Director.

Co Opted Directors

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

Committees of the Board of Directors

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

Local Governing Body

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

The Local Governing Body will be made up of

- Head Teacher
- 5 Governors appointed by the Directors and Executive Board
- 2 Parent Governors
- 2 Teaching staff Governors
- 1 Support staff Governor
- 1 Representative from the Executive Leadership Team

Term of Office

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

**Policies adopted for the induction and training of Directors**

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, governance and management (continued)**

**Organisational structure**

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

The Chief Executive Officer advises the Directors on all matters relating to the academy trust and its development.

The Directors ensure good governance of the academy trust and set policies. They can also question implementation of policy where relevant. The Board of Directors has a Finance and Resources Committee and a Standards Committee with specific duties relating to their function. The committees have delegated powers so that action can be taken quickly whenever necessary. Further ad-hoc committees are set up from time to time to advise the Directors on very specific matters.

**Arrangements for setting pay and remuneration of key management personnel**

The pay policy for all staff, including key management personnel, is governed by the Pay Policy 2020- 2021 and Performance Appraisal Policy adopted by the academy trust. These policies include the academy trust's commitment that teachers are employed in accordance with the provisions of the School Teachers Pay and Conditions Document.

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, governance and management (continued)**

**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

  

Percentage of pay bill spent on facility time	£000
Total cost of facility time	4
Total pay bill	11,293
Percentage of total pay bill spent on facility time	0.04 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.00 %
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**Related parties and other connected charities and organisations**

Longfield Trading Limited (LTL) is a 100% subsidiary company of Swift Academies. The principal activity of Longfield Trading Limited is to make available the hire of the sporting facility for use by the local community and sporting clubs. Further details on related party relationships are given in note 27 to the financial statements.

**Objectives and activities**

**Objects and aims**

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

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



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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Objectives and activities (continued)**

**Objectives, strategies and activities**

In furtherance of the 'objects and aims' identified above the academy trust exercises the following powers:

- to draw. make. accept, endorse. discount, execute and issue promissory notes, bills, cheques and other instruments. and to operate bank accounts in the name of the company; to raise funds and to invite and receive contributions provided that in raising funds the academy trust; shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- to acquire. improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- to employ such staff, as are necessary for the proper pursuit of the object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependants; to establish or support, whether financially or otherwise, any charitable trusts, associations or institutions formed for all or any of the object;
- to co operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the object and to exchange information and advice with them to pay out of funds of the company the costs. charges and expenses of and incidental to the formation and registration of the company;
- to offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils;
- to provide educational facilities and services to students of all ages and the wider community for the public benefit;
- to carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the company and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce. other schools and the voluntary sector to the education of pupils in academies;
- subject to such consents as may be required by law and/or by any contract entered into by or on behalf of the company to borrow and raise money for the furtherance of the object in such manner and on such security as the academy trust may think fit;
- to deposit or invest any funds of the academy trust not immediately required for the furtherance of its object (but to invest only after obtaining such advice from a financial expert as the Directors consider necessary and having regard to the suitability of investments and the need for diversification); to delegate the management of investments to a financial expert, but only on terms that;
- the investment policy is set down in writing for the financial expert by the Directors;
- every transaction is reported promptly to the Directors;
- the performance of the investments is reviewed regularly with the Directors;
- the Directors are entitled to cancel the delegation arrangement at any time;
- the investment policy and the delegation arrangement are reviewed at least once a year;
- all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Director on receipt;
- the financial expert must not do anything outside the powers of the Directors to arrange for investments or other property of the company to be held in the name of a nominee company acting under the control of the Directors or of a financial expert acting under their instructions, and to pay any reasonable fee required;
- to provide indemnity insurance to cover the liability of Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the academy trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty which was committed by the Directors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors;
- to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Objectives and activities (continued)**

- academy trust; and
- to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the object.

Swift Academies gained approval to become a Multi-Academy Trust (MAT) on the 1st September 2017 following a successful application to the Secretary of State for Education to become a sponsor academy from the Governing Body of Hurworth School.

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

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

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

**Our Trust Aims**

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

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

We achieve this by providing a curriculum which:

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

**Our Trust Background**

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Objectives and activities (continued)**

**Our Key Principles**

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

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

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

**OUTCOMES**

**Outcome 1 – Our schools as centres of excellence**

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

**Priorities for The Year Ahead:**

- √ To improve the progress made by all pupils so that standards of pupils' performance at each of the schools within the Trust demonstrate improvement over time.
- √ Ensure that safeguarding practices across the Trust are of an exemplary standard and are implemented accordingly.
- √ Embed a programme of external support and verification to ensure that all schools within the Trust have systems and practices in place to ensure that they become centres of excellence.
- √ Develop and deliver a Trust model that meets the professional development needs of all staff within the Trust.

**Outcome 2 – Collaboration Within the Trust**

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

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Objectives and activities (continued)**

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

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

**Priorities for the Year Ahead:**

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

**Outcome 4 – Leadership, Governance & Resources**

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

**Priorities for the Year Ahead:**

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

**Outcome 5 – MAT Stability and Future Growth**

**Priorities for the Year Ahead:**

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

**Public benefit**

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Objectives and activities (continued)**

**Strategic report**

**Achievements and performance**

**Key performance indicators**

**The Rydal Academy**

The Rydal Academy joined the academy trust on 1 March 2018 and is currently graded as Good by Ofsted following inspection in December 2019. Self-Evaluation grades The Rydal Academy as a Good school.

No statutory testing or assessment took place during the 2020/21 academic year due to the partial closure of schools from January to March 2021 because of COVID-19.

Up to 2019 Key Stage 2 progress scores were above the National Average in Maths for the 4th year in a row, but variable in Reading and Writing over a 5-year period.

Up to 2019 Combined Attainment in Reading, Writing and Maths at Expectation+ was below National Averages. Disadvantaged Pupils performed in-line with all pupils combined and outperformed all pupils in each individual subject at Expectation+. Pupil mobility has a significant impact on outcomes. Pupils who had been on roll since Reception significantly outperformed All pupils at Expectation+ Combined.

Up to 2019 Combined Attainment in Reading, Writing and Maths for pupils reaching a Higher Level of Attainment was below National Averages. Disadvantaged Pupils outperform All pupils as did pupils who had been on roll since Reception.

**Longfield Academy**

Longfield Academy joined Swift Academies as sponsored academy on 1 March 2018 and as such it currently has no OFSTED grading.

Since becoming part of Swift Academies, Longfield Academy have significantly improved results of the pupils for the first two years - enabling the school in 2019 to post its best set of results in a considerable period of time. It is not possible to provide a validated data summary as due to the partial closure of all schools from 23rd March 2020 Year 11 progress was ultimately determined by Centre Assessed Grades (CAGs) which were completed using a rigorous and robust evidence-based process within school to provide grades which were a fair reflection on the grades students would have achieved had they sat the exams and which were in line with prior school attainment. The figures below are from the CAGs however only 1, 277 schools uploaded their data onto SISRA therefore statistically the sample size is low and there was no external validation of the figures which school's submitted. In line with national guidance the school took part in the Teacher Assessed Grades (TAG) process in the Summer of 2021. No validated data is available for this, the school is very hopeful of a strong performance when hopefully exams return in Summer 2022.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic report (continued)**

**Achievements and performance (continued)**

- CAGs (All) Whole school P8 -0.02, English -0.1, Maths -0.07, EBacc -0.32, Open +0.34
- In English and Maths 82.7% of students were awarded graded 9 to 4 in English and 70.5% if students were awarded this grade in Maths. 9 to 5 attainment stood at 68.2% in English and 55.5% in Maths. Given the nature of how these grades were awarded it is not valid to compare these either to previous year's figures or to national averages.
- Disadvantaged (58 students, includes 3 educated off-site and 6 pupils with no KS2 data) P8 -0.42, English -0.5, Maths -0.49, EBacc -0.66, Open -0.12 The gap between Disadvantaged and All has widened from last years results and will be a focus for the school in the current academic year.
- SEN (26 pupils) P8 SEN gap 0.52, P8 SEN -0.46, English P8 -0.44, Maths P8 -0.33, EBacc P8 -0.71, Open P8 -0.41, This characteristic group is also a focus for the school in the current year.
- Science Combined Residual -0.61 SPI -0.32, Science Biology -0.34 SPI -0.53, Chemistry -0.68 SPI -0.76, Physics -0.36 SPI -0.46. The performance of students within the Science areas of the EBacc remains a key focus for the school.

The school is currently ranked average on DfE performance tables and the 2-year improvement of Progress 8 projected to be +0.56 and a 1-year improvement of +0.44 provide us with a platform and impetus to push ahead with our Action Plan to get Longfield to into positive progress scores and with strong curriculum design and welfare support into the 2020s.

**Hurworth School**

Due to the partial closure of all schools from January to April 2021 Year 11 progress was ultimately determined by Teacher Assessed Grades (TAGs) which were completed using a rigorous and robust evidence-based process within school to provide grades which were a fair reflection on the grades students would have achieved had they sat the exams and which were in line with prior school attainment. The figures below are from the TAGs however only 1, 213 schools uploaded their data onto SISRA therefore statistically the sample size is low and there was no external validation of the figures which schools submitted

- TAGs (All) Whole school P8 +0.29, English +0.33, Maths +0.34, EBacc 0.07, Open +0.42
- In English and Maths 92.1% of students were awarded graded 9 to 4 in English and 87.3% if students were awarded this grade in Maths. 9 to 5 attainment stood at 74.6% in English and 65.1% in Maths. Given the nature of how these grades were awarded it is not valid to compare these either to previous year's figures or to national averages.
- Disadvantaged (33 students) P8 -0.13, English -0.07, Maths -0.1, EBacc -0.38, Open 0.04. The gap between Disadvantaged and All is still too wide and will be a focus for the school in the current academic year.
- Science Combined Residual -0.49, Science Biology -0.75, Chemistry -0.37, Physics -0.33. Geography Residual -0.08. The performance of students within the EBacc areas of Science and to a lesser extent Geography remain a key focus for the school.

**Going concern**

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

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

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

During the year ended 31 August 2021, total expenditure of £15,518,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers, LGPS pension adjustments and actuarial gains, and excluding restricted fixed asset funds) was £1,501,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives. At 31 August 2021 the net book value of fixed assets was £30,083,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £9,652,000 recognised on the Balance Sheet.

The academy trust held fund balances at 31 August 2021 of £21,601,000 comprising £30,873,000 of restricted fixed asset funds, £(9,652,000) of pension deficit fund and £380,000 of unrestricted funds.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Reserves policy**

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

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

The academy trust's current level of free reserves are in surplus by £380,000, these reserves are considered sufficient to cover unexpected significant cost pressures, in particular with relation to:

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

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

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

**Investment policy**

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

**Principal risks and uncertainties**

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

The Directors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Directors have implemented a number of systems to assess risks that the each academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

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

**Risk management**

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



**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Plans for future periods**

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

A review identifying the major risks, to which the academy trust is exposed, as identified by the Directors, is undertaken annually, and systems or procedures established to manage those risks. The academy trust has conducted a review and updated the risk register which was discussed and approved by the Finance and Resources Committee on the 1 December 2021.

**Disclosure of information to auditors**

Insofar as the Directors are aware:

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

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 10 December 2021 and signed on its behalf by:



**D Bell**  
Chair

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Swift Academies and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 5 times during the year. To maintain effective oversight of all financial matter the Finance and Resources Committee which is a sub committee formally meets an additional 3 times to oversee the academy trust financial affairs.

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

Director	Meetings attended	Out of a possible
D Bell, Chair	5	5
K D Bernstone, (resigned 31 August 2021)	3	5
J Cornelius	5	5
T Fisher	3	5
M Garmston, (appointed 28 September 2020)	3	5
S A Hargrove	5	5
S Hirst-Caraher	4	5
D Judson, Accounting Officer	5	5
G Liddle (appointed 2 November 2020)	4	4

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

Attendance during the year at meetings was as follows:

Committee members	Meetings attended	Out of a possible
K D Bernstone	3	3
G Liddle (appointed 2nd November 2020)	3	3
S A Hargrove	3	3
D Judson (Accounting Officer)	3	3
M Garmston (appointed 28th September 2020)	3	3

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

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

- **Reviewing contracts:** all contracts are constantly being reviewed to ensure value for money is achieved.
- **Income Generation:** Despite the impact of closure due to COVID- 19 the trading arm of the academy trust continued to be a success during the period of operation. The company predominately hires the sporting facilities to the local community, with the profit being gift aided back to the academy trust.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Swift Academies for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

**The risk and control framework**

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

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

The Board of Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed ~~Glive Owen LLP, the external reviewer,~~ to perform additional checks. *Anderson Barnwell*

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

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

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

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

**Review of effectiveness**

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

- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Directors on 10 December 2021 and signed on their behalf by:



**D Bell**  
Chair



**D Judson**  
Accounting Officer

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**D Judson**

Accounting Officer

Date: 10 December 2021

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

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

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

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

Approved by order of the members of the Board of Directors on 10 December 2021 and signed on its behalf by:



**D Bell**  
Chair

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Group and the parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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



**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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

**Responsibilities of Directors**

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

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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

**Use of our report**

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



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

for and on behalf of

**Clive Owen LLP**

Chartered Accountants and Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date: 15 December 2021

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Swift Academies during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Swift Academies and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Swift Academies and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Swift Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Swift Academies's funding agreement with the Secretary of State for Education dated 21 March 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

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

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

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

**Conclusion**

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



**Clive Owen LLP**  
Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date: 16 December 2021

**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Income from:</b>						
Donations and capital grants	3	2	-	967	969	1,203
Charitable activities	4	318	13,326	-	13,644	13,118
Other trading activities:	5					
Trading subsidiary		113	-	-	113	123
Other trading activities		232	-	-	232	358
Investments	6	-	-	-	-	1
<b>Total income</b>		<b>665</b>	<b>13,326</b>	<b>967</b>	<b>14,958</b>	<b>14,803</b>
<b>Expenditure on:</b>						
Charitable activities:	7,8					
Academy trust educational operations		318	14,283	825	15,426	14,977
Trading subsidiary		92	-	-	92	101
<b>Total expenditure</b>		<b>604</b>	<b>14,052</b>	<b>862</b>	<b>15,518</b>	<b>15,078</b>
<b>Net income/ (expenditure)</b>		<b>61</b>	<b>(726)</b>	<b>105</b>	<b>(560)</b>	<b>(275)</b>
Transfers between funds	20	-	(110)	110	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>61</b>	<b>(836)</b>	<b>215</b>	<b>(560)</b>	<b>(275)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	273	-	273	(999)
<b>Net movement in funds</b>		<b>61</b>	<b>(563)</b>	<b>215</b>	<b>(287)</b>	<b>(1,274)</b>

**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Reconciliation of funds:</b>					
Total funds brought forward	319	(9,089)	30,658	21,888	23,162
Net movement in funds	61	(563)	215	(287)	(1,274)
<b>Total funds carried forward</b>	<u>380</u>	<u>(9,652)</u>	<u>30,873</u>	<u>21,601</u>	<u>21,888</u>

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

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	14	30,083	29,494
		<u>30,083</u>	<u>29,494</u>
<b>Current assets</b>			
Stocks	16	6	9
Debtors	17	1,645	1,553
Cash at bank and in hand		776	590
		<u>2,427</u>	<u>2,152</u>
Creditors: amounts falling due within one year	18	(1,128)	(633)
<b>Net current assets</b>		<u>1,299</u>	<u>1,519</u>
<b>Total assets less current liabilities</b>		<u>31,382</u>	<u>31,013</u>
Creditors: amounts falling due after more than one year	19	(129)	(36)
<b>Net assets excluding pension liability</b>		<u>31,253</u>	<u>30,977</u>
Defined benefit pension scheme liability	27	(9,652)	(9,089)
<b>Total net assets</b>		<u><u>21,601</u></u>	<u><u>21,888</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	30,873	30,658
Restricted funds excluding pension asset	20	30,873	30,658
Pension reserve	20	(9,652)	(9,089)
<b>Total restricted funds</b>	20	<u>21,221</u>	<u>21,569</u>
<b>Unrestricted income funds</b>	20	380	319
<b>Total funds</b>		<u><u>21,601</u></u>	<u><u>21,888</u></u>

The financial statements on pages 28 to 62 were approved by the Directors, and authorised for issue on 10 December 2021 and are signed on their behalf, by:

  
**D Bell**  
Chair



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

**ACADEMY TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	14	30,082	29,493
		<u>30,082</u>	<u>29,493</u>
<b>Current assets</b>			
Stocks	16	6	9
Debtors	17	1,629	1,547
Cash at bank and in hand		760	569
		<u>2,395</u>	<u>2,125</u>
Creditors: amounts falling due within one year	18	(1,116)	(627)
<b>Net current assets</b>		<u>1,279</u>	<u>1,498</u>
<b>Total assets less current liabilities</b>		<u>31,361</u>	<u>30,991</u>
Creditors: amounts falling due after more than one year	19	(129)	(36)
<b>Net assets excluding pension liability</b>		<u>31,232</u>	<u>30,955</u>
Defined benefit pension scheme liability	27	(9,652)	(9,089)
<b>Total net assets</b>		<u><u>21,580</u></u>	<u><u>21,866</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	30,873	30,658
Pension reserve	20	(9,652)	(9,089)
<b>Total restricted funds</b>	20	<u>21,221</u>	<u>21,569</u>
<b>Unrestricted income funds</b>	20	359	297
<b>Total funds</b>		<u><u>21,580</u></u>	<u><u>21,866</u></u>

The financial statements on pages 28 to 62 were approved by the Directors, and authorised for issue on 10 December 2021 and are signed on their behalf, by:



**D Bell**  
Chair

**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	9	240
<b>Cash flows from investing activities</b>			
Cash flows from investing activities	24	84	(21)
<b>Cash flows from financing activities</b>			
Cash flows from financing activities	23	93	(4)
<b>Change in cash and cash equivalents in the year</b>		186	215
Cash and cash equivalents at the beginning of the year		590	375
<b>Cash and cash equivalents at the end of the year</b>	25, 26	776	590

The notes on pages 33 to 62 form part of these financial statements

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

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

The group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**1.2 Going concern**

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the group has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the group's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

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

**Grants**

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

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

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

**Donations**

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

**Other income**

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

**Donated fixed assets (excluding transfers on conversion or into the Group)**

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

**1.4 Expenditure**

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

**Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Basis of Consolidation**

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

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

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

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

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

Freehold property	- 2% straight line
Leasehold property	- 2% straight line
Leasehold land	- 125 years straight line
Fixtures and fittings and equipment	- 14-33% straight line
Motor Vehicle	- 14-25% straight line

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

**1.7 Investments**

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

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

**1.8 Operating leases**

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

**1.9 Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the group 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.

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.10 Provisions**

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

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

**1.11 Stocks**

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

**1.12 Taxation**

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

**1.13 Pensions**

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

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

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

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

**SWIFT ACADEMIES**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.14 Fund accounting**

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

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

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

**1.15 Financial instruments**

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

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

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

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

**SWIFT ACADEMIES**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation — Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £945,000.

Critical areas of judgment:

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

**3. Income from donations and capital grants**

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	2	53	55	4
Capital Grants	-	914	914	1,199
	<u>2</u>	<u>967</u>	<u>969</u>	<u>1,203</u>
Total 2020	<u>4</u>	<u>1,199</u>	<u>1,203</u>	



**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	10,612	10,612	10,505
<b>Other DfE/ESFA grants</b>				
Pupil Premium	-	870	870	872
PE and Sport Premium	-	21	21	21
UIFSM	-	37	37	52
Rates	-	49	49	47
Year 7 Catch Up	-	-	-	15
Teachers' pay grant	-	138	138	139
Teachers' pension grant	-	387	387	392
Other DfE Group grants	-	79	79	9
	-	12,193	12,193	12,052
<b>Other Government grants</b>				
SEN	-	528	528	341
Early Years Funding	-	28	28	161
Local Authority grants	-	247	247	194
Other Government grants	-	53	53	-
	-	856	856	696
<b>Other income from the academy trust's academy's educational operations</b>	318	-	318	370
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	183	183	-
Other DfE/ESFA COVID-19 funding	-	94	94	-
	-	277	277	-
	318	13,326	13,644	13,118
<b>Total 2020</b>	370	12,748	13,118	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the group's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**5. Income from other trading activities**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from facilities and services	31	-	31	19
Non student catering income	1	-	1	2
Rental and lettings income	-	-	-	4
RPA Claims	-	-	-	37
Other	200	-	200	296
Trading subsidiary	113	-	113	123
<b>Total 2021</b>	<b>345</b>	<b>-</b>	<b>345</b>	<b>481</b>
<b>Total 2020</b>	<b>453</b>	<b>28</b>	<b>481</b>	

**SWIFT ACADEMIES**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**6. Investment income**

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Investment income	-	-	1
	<u>          </u>	<u>          </u>	<u>          </u>
Total 2020	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>	

**7. Expenditure**

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy trust's educational operations:					
Direct costs	10,200	-	561	10,761	10,487
Allocated support costs	1,958	1,466	1,242	4,666	4,490
Trading subsidiary:					
Allocated support costs	80	-	11	91	101
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>
Total 2020	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>	

In 2021, of the total expenditure £604,000 (2020 - £743,000) was to unrestricted funds, £14,052,000 (2020 - £13,391,000) was to restricted funds and £862,000 (2020 - £944,000) was to restricted fixed asset funds.

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

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

There were £6,315 ex-gratia payments in the year.

**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy trust's educational operations	10,761	4,666	15,427	14,977
Trading subsidiary	-	91	91	101
	<u>10,761</u>	<u>4,757</u>	<u>15,518</u>	<u>15,078</u>
Total 2020	<u>10,487</u>	<u>4,591</u>	<u>15,078</u>	

**Analysis of direct costs**

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	10,200	9,818
Educational supplies	433	414
Examination fees	84	103
Staff development	22	32
Staff expenses	2	9
Other costs	20	111
	<u>10,761</u>	<u>10,487</u>

**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2021 £000	Total funds 2020 £000
Net interest on pension scheme	150	136
Staff costs	2,038	2,069
Depreciation	825	945
Technology costs	164	181
Transport	143	92
Maintenance of premises	202	144
Cleaning	10	12
Other premises costs	116	110
Energy	222	195
Rent & rates	49	48
Insurance	53	54
Operating lease rentals	37	66
Catering	257	239
Legal costs - other	9	3
Other costs	452	268
Governance costs	30	29
	4,757	4,591

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	55	66
Depreciation of tangible fixed assets	825	945
Fees paid to auditors for:		
- audit	11	13
- other services	4	4
	895	1,028

**SWIFT ACADEMIES**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Wages and salaries	8,630	8,526	8,560	8,447
Social security costs	890	858	880	855
Pension costs	2,539	2,330	2,539	2,325
	<u>12,059</u>	<u>11,714</u>	<u>11,979</u>	<u>11,627</u>
Agency staff costs	160	165	160	165
Staff restructuring costs	19	8	19	8
	<u><u>12,238</u></u>	<u><u>11,887</u></u>	<u><u>12,158</u></u>	<u><u>11,800</u></u>

Included in operating costs of defined benefit pension schemes is a debit of £686,000 (2020: £527,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Severance payments	19	8	19	8
	<u>19</u>	<u>8</u>	<u>19</u>	<u>8</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,000 (2020: £nil).

**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**10. Staff (continued)**

**c. Staff numbers**

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

	Group 2021 No.	Group 2020 No.	Academy Trust 2021 No.	Academy Trust 2020 No.
Teachers	121	120	121	120
Administration and support	175	219	175	201
Management	22	23	22	23
	<u>318</u>	<u>362</u>	<u>318</u>	<u>344</u>

**d. Higher paid staff**

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	8	-
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	1
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-
	<u>1</u>	<u>4</u>

**e. Key management personnel**

The key management personnel of the group comprise the Directors and the Executive Leadership 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 group was £749,000 (2020: £706,000).

**SWIFT ACADEMIES**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**11. Directors' remuneration and expenses**

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2021 £000	2020 £000
D Judson, Chief Executive Officer	Remuneration	150 - 155	140 - 145
	Pension contributions paid	35 - 40	30 - 35

During the year ended 31 August 2021, no Director expenses have been incurred (2020 - £NIL).

**12. Central services**

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

- Legal services
- Human resources
- Financial services

The Group charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Hurworth School	252	164
Longfield Academy	328	350
The Rydal Academy	222	245
<b>Total</b>	802	759

**13. Directors' and Officers' insurance**

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



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**14. Tangible fixed assets**

**Group**

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>						
At 1 September 2020	10,764	21,450	1,155	2	26	33,397
Additions	735	548	131	-	-	1,414
At 31 August 2021	<u>11,499</u>	<u>21,998</u>	<u>1,286</u>	<u>2</u>	<u>26</u>	<u>34,811</u>
<b>Depreciation</b>						
At 1 September 2020	1,826	1,128	922	1	26	3,903
Charge for the year	220	466	139	-	-	825
At 31 August 2021	<u>2,046</u>	<u>1,594</u>	<u>1,061</u>	<u>1</u>	<u>26</u>	<u>4,728</u>
<b>Net book value</b>						
At 31 August 2021	<u><u>9,453</u></u>	<u><u>20,404</u></u>	<u><u>225</u></u>	<u><u>1</u></u>	<u><u>-</u></u>	<u><u>30,083</u></u>
At 31 August 2020	<u><u>8,938</u></u>	<u><u>20,322</u></u>	<u><u>233</u></u>	<u><u>1</u></u>	<u><u>-</u></u>	<u><u>29,494</u></u>

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**14. Tangible fixed assets (continued)**

**Academy Trust**

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2020	10,764	21,450	1,155	26	33,395
Additions	735	548	131	-	1,414
At 31 August 2021	<u>11,499</u>	<u>21,998</u>	<u>1,286</u>	<u>26</u>	<u>34,809</u>
<b>Depreciation</b>					
At 1 September 2020	1,826	1,128	922	26	3,902
Charge for the year	220	466	139	-	825
At 31 August 2021	<u>2,046</u>	<u>1,594</u>	<u>1,061</u>	<u>26</u>	<u>4,727</u>
<b>Net book value</b>					
At 31 August 2021	<u>9,453</u>	<u>20,404</u>	<u>225</u>	<u>-</u>	<u>30,082</u>
At 31 August 2020	<u>8,938</u>	<u>20,322</u>	<u>233</u>	<u>-</u>	<u>29,493</u>

**15. Fixed asset investments**

Swift Academies owns one trading subsidiary 100% owned.

**16. Stocks**

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
School uniform	-	4	-	4
Catering stock	6	5	6	5
	<u>6</u>	<u>9</u>	<u>6</u>	<u>9</u>

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**17. Debtors**

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
<b>Due within one year</b>				
Trade debtors	33	34	33	34
Other debtors	61	47	61	54
Prepayments and accrued income	1,467	1,450	1,451	1,437
VAT recoverable	84	22	84	22
	<u>1,645</u>	<u>1,553</u>	<u>1,629</u>	<u>1,547</u>

**18. Creditors: Amounts falling due within one year**

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Other loans	6	6	6	6
Trade creditors	300	65	299	65
Amounts owed to group undertakings	12	-	6	-
Other taxation and social security	216	202	214	199
Other creditors	214	203	214	203
Accruals and deferred income	380	157	377	154
	<u>1,128</u>	<u>633</u>	<u>1,116</u>	<u>627</u>

  

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Deferred income at 1 September 2020	107	109	107	109
Resources deferred during the year	47	107	47	107
Amounts released from previous periods	(107)	(109)	(107)	(109)
	<u>47</u>	<u>107</u>	<u>47</u>	<u>107</u>

As at the Balance Sheet date the group was holding £10,000 (2020 : £14,000) in relation to school games organising fund, £nil (2020 : £29,000) in relation to rates relief, £27,000 (2020: £31,000) in relation to UIFSM, £10,000 (2020 : £23,000) in relation to transport paid in advance and £nil (2020 : £10,000) in relation other income received in advance

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

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Other loans	129	36	129	36

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Repayable by instalments	-	11	-	11

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Fund	194	665	(604)	-	-	255
Sinking Fund	125	-	-	-	-	125
	<u>319</u>	<u>665</u>	<u>(604)</u>	<u>-</u>	<u>-</u>	<u>380</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	10,612	(10,502)	(110)	-	-
Pupil Premium	-	870	(870)	-	-	-
Other DfE/ESFA Grants	-	711	(711)	-	-	-
SEN	-	528	(528)	-	-	-
Other government grants	-	328	(328)	-	-	-
Covid-19 funding	-	277	(277)	-	-	-
Pension reserve	(9,089)	-	(836)	-	273	(9,652)
	<u>(9,089)</u>	<u>13,326</u>	<u>(14,052)</u>	<u>(110)</u>	<u>273</u>	<u>(9,652)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	5,818	44	(224)	-	-	5,638
Inherited funds	21,645	-	(513)	-	-	21,132
Capital expenditure from GAG	1,197	-	(72)	110	-	1,235
Capital expenditure from unrestricted funds	33	-	(1)	-	-	32
14-19	455	-	(13)	-	-	442

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Darlington Education Trust	2	-	(1)	-	-	1
Donations	11	53	(11)	-	-	53
Big Lottery	10	-	-	-	-	10
Sport England	75	-	(2)	-	-	73
Playing pitches	28	-	(1)	-	-	27
ECB	126	-	(3)	-	-	123
Nursery funding	69	-	(1)	-	-	68
Other Capital	36	-	(10)	-	-	26
Condition improvement fund	1,153	870	(10)	-	-	2,013
	<u>30,658</u>	<u>967</u>	<u>(862)</u>	<u>110</u>	<u>-</u>	<u>30,873</u>
<b>Total Restricted funds</b>	<u>21,569</u>	<u>14,293</u>	<u>(14,914)</u>	<u>-</u>	<u>273</u>	<u>21,221</u>
<b>Total funds</b>	<u><u>21,888</u></u>	<u><u>14,958</u></u>	<u><u>(15,518)</u></u>	<u><u>-</u></u>	<u><u>273</u></u>	<u><u>21,601</u></u>

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

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

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

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

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

Other Local Authority grants includes nursery funding and transport grants.

COVID funding received to aid the catch up of education due to the pandemic.

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

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

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

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**20. Statement of funds (continued)**

The group have a designated sinking fund to fund the cost of replacing the 3G pitch when it is required.

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

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

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Unrestricted funds</b>						
General Fund	109	828	(743)	-	-	194
Sinking Fund	125	-	-	-	-	125
	<u>234</u>	<u>828</u>	<u>(743)</u>	<u>-</u>	<u>-</u>	<u>319</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	10,505	(10,485)	(20)	-	-
Pupil Premium	-	872	(872)	-	-	-
Other DfE/ESFA Grants	-	675	(675)	-	-	-
SEN	-	341	(341)	-	-	-
Other government grants	-	355	(355)	-	-	-
Pension reserve	(7,427)	-	(663)	-	(999)	(9,089)
	<u>(7,427)</u>	<u>12,748</u>	<u>(13,391)</u>	<u>(20)</u>	<u>(999)</u>	<u>(9,089)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	5,976	1,199	(204)	-	-	6,971
Inherited funds	22,235	-	(590)	-	-	21,645
Capital expenditure from GAG	1,289	-	(112)	20	-	1,197
Capital expenditure from unrestricted funds	34	-	(1)	-	-	33
14-19	463	-	(8)	-	-	455
Darlington Education Trust	3	-	(1)	-	-	2



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**20. Statement of funds (continued)**

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Donations	22	-	(11)	-	-	11
Big Lottery	10	-	-	-	-	10
Sport England	77	-	(2)	-	-	75
Playing pitches	29	-	(1)	-	-	28
ECB	129	-	(3)	-	-	126
Nursery funding	70	-	(1)	-	-	69
Other Capital	18	28	(10)	-	-	36
	<u>30,355</u>	<u>1,227</u>	<u>(944)</u>	<u>20</u>	<u>-</u>	<u>30,658</u>
<b>Total Restricted funds</b>	<u>22,928</u>	<u>13,975</u>	<u>(14,335)</u>	<u>-</u>	<u>(999)</u>	<u>21,569</u>
<b>Total funds</b>	<u><u>23,162</u></u>	<u><u>14,803</u></u>	<u><u>(15,078)</u></u>	<u><u>-</u></u>	<u><u>(999)</u></u>	<u><u>21,888</u></u>

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Hurworth School	31	55
Longfield Academy	140	165
The Rydal Academy	187	77
Longfield Trading Limited	22	22
	<u>380</u>	<u>319</u>
Total before fixed asset funds and pension reserve	380	319
Restricted fixed asset fund	30,873	30,658
Pension reserve	(9,652)	(9,089)
<b>Total</b>	<u><u>21,601</u></u>	<u><u>21,888</u></u>

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**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Hurworth School	3,148	443	157	622	4,370	4,564
Longfield Academy	4,028	484	199	691	5,402	5,412
The Rydal Academy	2,508	238	77	372	3,195	3,297
Longfield Trading Limited	-	80	-	11	91	101
Central services	915	398	1	321	1,635	759
	10,599	1,643	434	2,017	14,693	14,133
	10,599	1,643	434	2,017	14,693	14,133

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	279	-	29,804	30,083
Current assets	40	795	1,592	2,427
Creditors due within one year	(12)	(666)	(450)	(1,128)
Creditors due in more than one year	73	(129)	(73)	(129)
Provisions for liabilities and charges	-	(9,652)	-	(9,652)
<b>Total</b>	380	(9,652)	30,873	21,601
	380	(9,652)	30,873	21,601

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**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	1	-	29,493	29,494
Current assets	350	595	1,207	2,152
Creditors due within one year	(32)	(595)	(6)	(633)
Creditors due in more than one year	-	-	(36)	(36)
Provisions for liabilities and charges	-	(9,089)	-	(9,089)
<b>Total</b>	<b>319</b>	<b>(9,089)</b>	<b>30,658</b>	<b>21,888</b>

**22. Reconciliation of net expenditure to net cash flow from operating activities**

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(560)	(275)
<b>Adjustments for:</b>		
Depreciation	825	945
Dividends, interest and rents from investments	-	(2)
Capital grants from DfE and other capital income	(914)	(1,199)
Defined benefit pension scheme cost less contributions payable	686	527
Defined benefit pension scheme finance cost	150	136
(Increase)/decrease in stocks	3	13
(Increase)/decrease in debtors	(173)	159
(Increase)/decrease in creditors	45	(64)
Donated fixed assets	(53)	-
<b>Net cash provided by operating activities</b>	<b>9</b>	<b>240</b>

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**23. Cash flows from financing activities**

	Group 2021 £000	Group 2020 £000
Loans received	99	-
Loan repayments	(6)	(4)
<b>Net cash provided by/(used in) financing activities</b>	<u>93</u>	<u>(4)</u>

**24. Cash flows from investing activities**

	Group 2021 £000	Group 2020 £000
Dividends, interest and rents from investments	-	2
Purchase of tangible fixed assets	(911)	(86)
Capital grants from DfE Group	995	63
<b>Net cash provided by/(used in) investing activities</b>	<u>84</u>	<u>(21)</u>

**25. Analysis of cash and cash equivalents**

	Group 2021 £000	Group 2020 £000
Cash in hand and at bank	776	590
<b>Total cash and cash equivalents</b>	<u>776</u>	<u>590</u>

**26. Analysis of changes in net debt**

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	590	186	776
Debt due within 1 year	(6)	-	(6)
Debt due after 1 year	(36)	(93)	(129)
	<u>548</u>	<u>93</u>	<u>641</u>

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**27. Pension commitments**

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

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

Contributions amounting to £214,000 were payable to the schemes at 31 August 2021 (2020 - £204,000) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,371,000 (2020 - £1,316,000).

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

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

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**27. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £638,000 (2020 - £657,000), of which employer's contributions totalled £482,000 (2020 - £498,000) and employees' contributions totalled £ 156,000 (2020 - £159,000). The agreed contribution rates for future years are 17.3 % for employers and 5.5 - 12.5 % for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Principal actuarial assumptions**

	2021 %	2020 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	85	85.00

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

	2021 Years	2020 Years
Retiring today		
Males	22.3	22.2
Females	24.3	24.2
Retiring in 20 years		
Males	23.3	23.2
Females	25.8	25.7

**Sensitivity analysis**

	2021 £000	2020 £000
Discount rate +0.1%	(524)	(454)
Discount rate -0.1%	545	472
Mortality assumption - 1 year increase	(776)	(653)
Mortality assumption - 1 year decrease	797	671
CPI rate +0.1%	461	399
CPI rate -0.1%	(440)	(381)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. Pension commitments (continued)**

**Share of scheme assets**

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

	2021 £000	2020 £000
Equities	6,404	4,474
Government bonds	1,754	2,165
Corporate bonds	1,957	1,332
Property	701	643
Cash	498	444
<b>Total market value of assets</b>	<u>11,314</u>	<u>9,058</u>

The actual return on scheme assets was £1,796,000 (2020 - £638,000).

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

	2021 £000	2020 £000
Current service cost	(1,168)	(1,025)
Interest income	158	180
Interest cost	(308)	(316)
<b>Total amount recognised in the Consolidated Statement of Financial Activities</b>	<u>(1,318)</u>	<u>(1,161)</u>

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

	2021 £000	2020 £000
<b>At 1 September</b>	18,147	16,641
Current service cost	1,168	1,025
Interest cost	308	316
Employee contributions	156	159
Actuarial losses	1,365	181
Benefits paid	(178)	(175)
<b>At 31 August</b>	<u>20,966</u>	<u>18,147</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. Pension commitments (continued)**

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

	2021 £000	2020 £000
<b>At 1 September</b>	9,058	9,214
Interest income	158	180
Actuarial gains/(losses)	1,638	(818)
Employer contributions	482	498
Employee contributions	156	159
Benefits paid	(178)	(175)
<b>At 31 August</b>	<u>11,314</u>	<u>9,058</u>

**28. Operating lease commitments**

At 31 August 2021 the Group and the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £000	Group 2020 £000
<b>GROUP Amount Payable</b>		
Within 1 year	28	47
Between 1 and 5 years	49	43
	<u>77</u>	<u>90</u>

**29. Related party transactions**

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

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