

**REGISTERED COMPANY NUMBER: 07931627 (England and Wales)**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2019  
for  
FOREST WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

## **FOREST WAY SCHOOL**

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## FOREST WAY SCHOOL

### Reference and Administrative Details for the Year Ended 31 August 2019

#### Members

M Snow  
J Shanley  
R Cafferty  
L Trivett (Resigned November 2018)  
C Mehat (Appointed February 2019)  
M Kirton (Appointed April 2019)

#### Trustees/Directors

Dr L Trivett \*(Resigned November 2018)  
J Watkinson  
J Shanley (Chair)  
M Snow\*Vice Chair  
G Seaton (Headteacher and Accounting Officer)\*  
K Booth—Staff Trustee (Stepped down Aug 2019)\*  
R Hayes—Staff Trustee\*  
L Brown  
P Marney (Stepped down February 2019)  
Roy Cafferty\*  
Jason Brookes  
\* Members of the Finance Committee

#### Company Secretary

I M Wood

#### Senior Leadership Team

Headteacher  
Director of Teaching Schools  
Deputy Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher  
Assistant Headteacher

G Seaton  
L J Slinger (Resigned August 2019)  
K Fox  
H Joy (Resigned August 2019)  
B Howard  
S Woodward/L Larder  
T Lees (Temp Appointment to December 2019)  
B Tocker  
A Brown (Appointed August 19)

#### Business Manager

I M Wood

#### Company Registration Number

07931627 (England and Wales)

#### Principal address/Registered Office

Warrens Hills Road  
Coalville  
Leicestershire  
LE67 4UU

**FOREST WAY SCHOOL**

**Reference and Administrative Details  
for the Year Ended 31 August 2019**

**Bankers**

Lloyds TSB  
20 Belvoir Road  
Coalville  
Leicestershire  
LE67 3QH

**Solicitors**

Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

**Auditors**

Accapita LLP  
Christopher House  
94b London Road  
Leicester  
LE2 0QS

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates a special academy in the Leicestershire area for pupils aged 3 to 19 with multiple and profound learning difficulties. It has a pupil capacity of 220 pupils and a current on roll of 233 on October 11th 2018.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of Forest Way School are trustees for the purposes of charity law and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Forest Way School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 to 2.

##### **Members' liability**

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

##### **Trustees' Indemnities**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring on academy business.

##### **Principal activities**

The academy trust's principal activity, as set out in its articles of association and funding agreement is to advance for the public benefit, education in the United Kingdom through its carrying on as a school offering a broad curriculum for pupils with special educational needs.

##### **Method of recruitment and appointment of new Trustees**

The members of the academy trust appointed under Article 16 of the Articles of Association which states that members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously agree to remove any such additional members. Following our External Review of Governance by Mark Blois - National Leader in Governance in June 2018, the Trust has strived to achieve a degree of separation between Members and Trustee/Directors as recommended and in accordance with the Academies Financial Handbook. The Trust now has two standalone Members within the five members in total. There is a determination to continue recruit additional Members in order to strengthen our Governance further.

The term of office for any Trustee/Director shall be four years but trustees are eligible for re-election at the meeting at which they retire. The academy trust's current Articles of Association and Funding Agreement state that we shall have the Headteacher, 1 Trustee appointed by the members, a minimum of 2 Parent Trustees elected by parents, 2 staff Trustees elected by staff, up to 6 Community Trustees and up to 2 Co-Opted Trustees appointed by the Board of Trustees/Directors. The Trustees who were in office at 31 August 2019 and served throughout the period are listed on page 1.

The academy trust recruitment process to the Director/Trustee role is driven by completion of an ongoing analysis of skills to seek assurances that board of Trustees have the right skillset required to undertake this crucial role. An annual Skills Audit was undertaken in August 2019.

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **Organisational structure**

The leadership structure consists of Members, Trustees/Directors, the Headteacher, and the Leadership Team. The Headteacher - Gail Seaton now assumes the responsibility for the continuing success of the Teaching School following the resignation of the Director of Teaching Schools at the close of the academic year 2018-19 and the successful re-designation by the DfE in July 2019. The aim of the structure is one of distributed leadership which facilitates decision making at all levels.

The Headteacher and Trustees are responsible for the strategic direction of the academy and ensuring the financial stability and sustainability of the Trust.

The Leadership Team consists of the Headteacher, Deputy Headteachers, Assistant Headteachers, three Teachers with additional Teaching and Learning responsibilities and the Business Manager. These members of staff are responsible for both the day to day operations within the academy and for implementing the strategic priorities as outlined in the School Improvement Plan.

The structure ensures that major risks have been reviewed and systems and procedures are established to manage those risks through a comprehensive Risk Register which is reviewed regularly by the Audit Committee and the Governing Body.

#### **Policies and procedures adopted for the induction and training of new Trustees**

The training and induction provided for new Trustees/Directors will depend on their existing experience. All Members, Trustees/Directors are supplied with access to the extensive range of on-line training through the National Governance Association (Gold Standard) and local training events provided through Leicestershire County Council's Governor Development Service. An annual Skills Audit of Trustees identifies weaknesses in knowledge which can be addressed through targeted training and recruitment.

Where necessary induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given a tour of the academy and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. Induction tends to be done informally and is tailored specifically to the individual. The following Policies and Procedures have been adopted for the Induction and Training of Trustees:-

- DfE Governance Handbook
- Trustee Code of Conduct and visits
- Trustee Allowances
- NGA Code of Conduct
- Trustee Development Service Training Programme
- Memorandum and Articles of Association
- Academy Funding Agreement
- Academies Handbook and Accounts Direction
- Register of Pecuniary Interests
- Safeguarding Policy and DBS information
- Keeping Children Safe in Education
- School Improvement Plan
- School Prospectus

The Academy Trust will perform an annual skills audit of trustees. Should any gaps be identified appropriate training courses will be offered to address these issues.

## FOREST WAY SCHOOL

### Report of the Trustees for the year ended 31 August 2019

#### Arrangements for Setting Pay and Remuneration of Key Management Personnel

The arrangements for setting the pay and remuneration for key management personnel are in line with the academy trust's pay policy. All pay awards are agreed and approved by the Full Governing Body. The pay policy underpins the Academies Performance Management Policy which provides the opportunities for all staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the Governing Body and is based on the statutory criteria and guidance set out in the STPCD and the relevant teachers standards. No remuneration payments are made to Trustees/Directors.

#### Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2019

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period  
2

Full-time equivalent employee number  
2

#### Percentage of time spent on facility time

Percentage of time

0%

1-50%

51-99%

100%

Number of employees

Nil

2

Nil

Nil

#### Percentage of pay bill spent on facility time

Total cost of facility time

Total pay bill

Percentage of the total pay bill spent on facility time, calculated as:

$(\text{total cost of facility time} \div \text{total pay bill}) \times 100$

£

13

3,459,830

0%

#### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$

100%

#### Connected Organisations including Related Party Relationships

Forest Way School is also a Teaching School established as part of the first cohort of Teaching Schools in 2011. Forest Way School is a single Academy, financially independent but works collaboratively with other Schools, Universities, ITT providers and businesses to help raise achievement and gain best value

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal object and activity of the academy is to provide education for pupils with special educational needs between the ages of 3 and 19.

In accordance with the articles of association the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies amongst other things, the basis for admitting pupils to the academy and that the curriculum should comply with the substance of the national curriculum with an emphasis on communication.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives, strategies and activities**

The objectives of the academy during the year ended 31 August 2019 as recorded in the School Improvement Plan are summarised below:

- To continue to develop teaching and learning ensuring that monitoring and evaluation is robust and use is made of knowledge gained through Forest Way Teaching School Alliance (FWTSA), including research and innovation, links with other special schools, both locally and nationally. Ensure training needs are identified and met
- To continue to develop teaching and learning ensuring that monitoring and evaluation is robust and use is made of knowledge gained through FWTSA, including research and innovation, links with other special schools, both locally and nationally. Ensure training needs are identified and met
- To continue to develop the work on assessment to ensure that using a 'basket of indicators' captures the progress of all of our students and is in line with changes to national and local legislation and guidance, including the new KS standards for pupils working at P4-8 (using previous assessment)
- For all pupils to achieve the highest level of communication possible
- To continue to develop the Forest Way curriculum to ensure it meets the needs of all pupils and considers any changes to national legislation and guidance
- To develop team working across the organisation, including a focus on developing the effectiveness of the new Leadership Team to improve capability and raise outcomes for pupils
- To continue to develop the offer to Post 16 students to include work experience for all leavers, independent travel training in the local area (where appropriate) and external qualifications.
- To ensure all leavers have smooth transition to their preferred placement, through liaison with parents, education and social care providers
- To develop and implement a careers action plan that reflects the needs of the school and the national careers strategy
- To improve and support all aspects of a pupil's physical and mental health and wellbeing
- To be aware of the importance of staff well-being and provide strategies within school that support this.
- To ensure that the school building fully supports and enables delivery of a high quality curriculum and high quality pupil outcomes.
- To ensure that trustees, parents and the other stakeholders are engaged effectively to maximise pupil outcomes.

The academy's main strategy to carry out the objects is to provide education for pupils appropriate to their needs in a learning environment utilising the best possible teaching facilities and staff. The activities provided include:

- teaching and learning opportunities for all pupils.
- a programme of sporting and leisure activities for all pupils.
- training opportunities for all staff.
- to prepare students for life after school including work experience opportunities, smooth transition for Post 19.

##### **Equality policy**

The trustees recognise that equality should be an integral part of good practice within the workplace. The academy aims to establish equality in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.



## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **Disabled persons**

As a significant proportion of our pupils have a physical disability the whole site has been designed carefully to meet their needs.

#### **Public benefit**

The trustees have regard to the Charity Commission's guidance on public benefit Section 17 of the Charities Act 2011. The trustees

### **STRATEGIC REPORT**

#### **Achievement and performance**

- Reopened as Area Special School in new award winning building, January 2009.
- Became an academy March 2012.
- Pupils aged 3-19 - MLD, SLD, PMLD.
- 220 pupils on roll. Grouped in mixed ability classes in key stages then receptive understanding ability groups across some subjects.
- Predominantly SLD with 20% PMLD, 1.4% MLD (31% of pupils have ASD). 71% boys, 8.2% ethnic minority pupils. There are 8 pupils living in care, 7 pupils Adopted from Care and 5 pupils are identified as a Child in Need. There are 25.5% free school meals in addition to Universal Free School Meals scheme.
- On site with three mainstream schools.
- Key Stage 4 base at campus secondary school.
- Adjacent bungalow, The Croft, purchased and used from August 2013 as a Post 16 life-skills teaching area including woodwork area. Teaching School base.
- Planned expansion project started, modular classroom being built and pupils identified with SENA for increased capacity of up to 15 pupils over the next 2 years.
- Major grounds project 2010 and investment in Forest Schools' training during past 6 years. Forest Schools' embedded within curriculum across all key stages.
- Headteacher and Deputy Headteacher appointed August 2016, both have worked at the school for over 10 years. Forest Way was one of the first 100 Teaching Schools nationally, leading an Alliance of 52 schools. Teaching Alliance led by a Director who is a National Leader of Education, the school is a National Support School and National Lead School in Behaviour, Safeguarding and SEN.
- School has a Communication, Training and Assessment Centre.
- Effective governing body

#### **Overall effectiveness: The quality and standards of education**

- Outstanding in all areas
- Judgement confirmed by Ofsted May 2016
- Health Checks November 2017 and September 2018 supported this judgement.
- Consistent trend of improving pupils' achievement based on accurate moderated assessment, includes a 'basket of indicators for each pupil, involves clear target setting and exceptional teaching by all staff.
- Embedded culture of ambition and high expectations for all pupils.
- Effective safeguarding procedures, DSL and 5 Deputy DSLs. All staff have up to date safeguarding training as well as having accessed practical elements/word list for Safeguarding Makaton.
- Effective recruitment, comprehensive induction, ongoing targeted CPD and challenging performance management ensures high quality staff

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **Effectiveness of leadership and management of the school**

**-Outstanding**

**-School Improvement Plan at heart of school's drive for constant improvement. Whole school celebration evening contributes to evaluation of strategic priorities.**

**-Monitoring and evaluation significantly impacts on improving teaching and learning through lesson observation, peer to peer work, learning walks, performance management and internal/external moderation.**

**-Strong curriculum/subject leaders have clearly defined roles and autonomy. Innovation is encouraged. Curriculum Leads write action plans which are rag rated termly.**

**-Comprehensive induction and high quality CPD develops staff who work in teams, are flexible and embrace change.**

**-2 current NQTs who each have a personalised programme of support. 1 NQT successfully passed her NQT year at Easter 2019.**

**-Effective governing body, high attendance at meetings. Meet all statutory duties and hold the school to account (Evidence - External Review of Governance, minutes of meetings). Range of committee meetings to inform full governing body.**

**-Excellent budget planning and management reporting. Balanced budget for the next 5 years using strength of reserves to achieve sustainability. Objective to achieve in year balanced budget rather than relying on reserves but staff cost ratio will make achieving this difficult as safety of pupils at school is a priority. Follow Best Value principles. Trustees have additional responsibilities and clear monitoring and evaluation role. (Evidence - see Finance Meeting minutes and monthly finance reports). Parent Trustees meet with parent/carers weekly.**

**-The curriculum is broad, balanced and stimulating. It prepares pupils for life in modern Britain, encouraging mutual respect and tolerance for each other. Daily act of Collective Worship encourages spiritual reflection. There is cultural enrichment through workshops, visits etc. and SMSC permeates the whole curriculum. Range of successful inclusion links including support for gifted and talented pupils with subjects such as DT, art, high quality arts programme, excellent life-skills opportunities and close community links support this. Comprehensive, targeted programme of sports activities that enables as many pupils as possible to participate in festivals and events, as well as including a route for gifted and talented athletes that has resulted in success extending to national level for the previous 6 years. Range of after school clubs offered including sports, drama, forest schools. Play Club is offered to targeted pupils who find accessing other clubs difficult. Parent Play Club and Parent/Child Swim Club is offered.**

**-Pupils have a strong voice in decision making. Active Student Council meet weekly and are involved in staff interviews. Sports Council meet regularly. Close links with parent/carers to support pupils' progress. Very popular school and social events held regularly that are well supported. Parent Carers group meet weekly and a Parent/Governor weekly coffee morning. Parental Makaton courses delivered over last 2 years: 3 beginner workshops, 1 follow up and 1 pending. Very little unauthorised absence (0.08% Aug18 - May19) and no NEETs Post 19. Clear regularly reviewed policies underpin the school's work.**

**-NLE Director of FW TSA Leads School to School support in other mainstream and special schools and a Teaching School Alliance. SLEs support in ICT, behaviour, business and outreach.**

**-Close working with Leicestershire Special Schools and beyond for external moderation of judgements. This includes peer to peer challenge of work scrutiny and EDR behaviour.**

**-Outward facing LT work collaboratively with groups across Leicestershire Special Schools, including Deputies, EDR leads, Assessment, Leicestershire Primary Heads, EYFS, Computing and Post 16.**

**-Leadership Development includes the middle leaders, Lyanne, Gemma, Steph and Charlotte have started their NPQML course. Their projects include rolling out a pilot 'Engagement Profile'.**

**-Kerrie, DHT, has started her NPQH and is working on a project with an inner city mainstream primary school in Leicester on assessment.**

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **Personal development, behaviour and welfare**

##### **-Outstanding**

-There is a high level of engagement in all lessons with a calm atmosphere, positive ethos and mutual respect which impacts very positively on progress in lessons and throughout the school. There is very rarely any low-level disruption and any incidents of challenging behaviour are dealt with consistently and effectively. All staff receive behaviour training both bespoke 'Behaviour Can Change' theory and EDR. All staff are trained in EDR and key trainers lead in house sessions.

-Almost all pupils say they feel safe and this is supported by the views of parents/carers. (Evidence - pupil/parent/carers' questionnaires May 2018 Annual Reviews, home/school contact etc).

-Pupils are proud of the school and keen to gain positive rewards such as praise, stickers, Student of the Week, choosing baskets and individual trips out.

-Analysis of behaviour incidents show that behaviour is managed extremely well with potentially very challenging pupils. Any use of force is either part of a planned response consistent with behaviour/crisis plan, or it is an unplanned response which triggers a behaviour/crisis plan being written. This is regularly monitored by governors (See pupils' files, Behaviour database, analysis of behaviour - reports to governors, records of racist and e-safety incidents)

-EDR lead in the school is also part of the Leicestershire EDR Leads team focusing on quality assurance in Special Schools across the county. Training has been completed with local primary schools and social care services to create consistency across the area.

-Clear policies for Behaviour and Equality.

-Clear whole school focus on pupil physical and mental health and wellbeing. At least two hours of curriculum PE guaranteed for every pupil and Sports Leader Awards introduced in Key Stages 4 and 5 to promote independence, self-esteem and confidence.

-Our attendance figure for 2018-19 was 91%. Much of our non-attendance is due to medical appointments or illness and some of our pupils require frequent hospitalisation for life threatening conditions, it would be inappropriate to compare a school such as ours with mainstream schools. Attendance analysis shows boys (91.4%) have slightly better attendance than girls (87%). There were no observable trends to cause concern for the different ethnic groups. There were no persistent absentees other than pupils with complex, often terminal conditions.

-Attendance for pupils in receipt of Pupil Premium for 2018-2019 is as follows: The pupil on a Child Protection Plan had a higher than average attendance (97.5%), Children in Care pupils (93.17%), Adopted from Care had individual attendance of 96.3%, 92.33%, 6.11%, 53.21%, 31.75%, 99.36%, 85.98% and 98.41%. Service Children (95.63%) and Free School Meals (90.42%). Attendance figures for those adopted from care are lower due to the number of pupils who have very complex needs and spend a lot of time hospitalised.

-The % of unauthorised absence during the 2018/19 academic year was 0.06%.

-There are 8 pupils living in care, 7 pupils Adopted from Care and 5 pupils are identified as a Child in Need. Regular meetings take place with all professionals and carers involved.

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

###### **Outcomes for pupils**

- The majority of pupils consistently make outstanding progress (Evidence - Data Files and Individual Pupils' Files).
- Percentage of IEP targets achieved shows outstanding progress with challenging targets as does our own small steps assessment.
- Moderation is robust, within and beyond Forest Way.
- Targeted strategies for vulnerable groups has impacted extremely positively (Evidence - see Pupil Premium Policy and Achievement Report to Governors).
- Pupils are exceptionally well prepared for their next stages in education. This includes an exciting life-skills based curriculum, close links with FE provision, independent careers advice by a Prospects advisor and work with LEBC to source exciting work experience placements which has led to employment opportunities.
- The SEND Gatsby Benchmarks have been completed and indicate that we are on track to meet them successfully.

###### **The effectiveness of the early years provision: quality and standards**

- Teaching is of a standard which ensures outstanding pupil progress.
- EYFS class established with appropriately trained early years staff.
- Assessment is rigorous and reflects individual learners small step progress against Development Matters. Assessment of progress toward Early Learning Goals monitored at 3 points throughout the year, highlighting achievement of all pupils.
- An exciting curriculum is delivered to all the pupils. The classroom environment encourages all learners to explore and they are enthusiastic, participating in a range of exciting, varied learning opportunities. Outdoor provision updated to promote outdoor learning and inspire pupils to engage.
- Pupils are highly motivated to participate in active learning due to the exciting and imaginative activities on offer. They are encouraged by skilled staff to be creative and where appropriate think critically.
- Children's wellbeing and education are enhanced by careful timetabling ensuring access to specialised rooms/facilities and a high staff/pupil ratio.
- A close relationship between all those involved in the pupils' learning including parents/ carers, multi-professionals and teaching staff ensures a child centred approach to spiritual, moral, cultural and social development.
- Regular training is provided to staff to ensure excellent, consistent practice.
- EYFS moderation meetings are attended to ensure teachers are being consistent with assessment across the alliance.
- EYFS network meetings are attended to ensure teachers are up to date with the latest statutory information.

###### **16-19 Study programme**

- Data shows progress is outstanding - no evidence of pupils plateauing in sixth form.
- Challenging targets, robustly moderated.
- Pupils enjoy a life skills based curriculum, developing basic skills through functional situations, this includes mini enterprise, cook and eat, woodwork.
- Pupils complete functional Maths and English sessions to make their learning more relevant to life beyond school.
- Accreditation for all pupils at entry level 1, 2 or 3.
- BTEC/City and Guilds courses offered, links with King Ed, modified to ensure maximum achievement in Construction and Hair and Beauty.
- A close relationship between students and all those involved in the transition process leading to high quality Post 19 provision.
- Internal and external work experience enable students to make informed career choices.
- Keeping themselves safe is emphasised in our PSHEC, Life Skills and Community Skills/Independent Travel Training.
- All pupils when they leave go onto Post 19 education or Social Care provision.

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **16-19 Study programme**

- One student has secured an Apprenticeship as a result of completing BTEC in construction successfully.
- We are now a member of the Careers Hub with the Leicester and Leicestershire Enterprise Partnership, this is a collaboration of 20 schools and colleges working across the 2 counties.
- School is member of Leicester and Leicestershire Enterprise Partnership and has own Employment Advisor.
- We have a designated Careers Leader in school to help implement the careers strategy.
- We have updated the Gatsby Benchmarks on three occasions and are on track to meeting each criteria successfully.
- Exceptional life-skills provision through The Croft and life-skills apartment.
- Curriculum continued to be developed in response to changing needs of students. Wider opportunities provided to reduce social isolation e.g. key stage cinema trips, sports trips, links with local schools. Social link opportunities with other special schools. Structured options to develop leisure interests and social events within school. Involvement in Coalville Heroes community project which has been recognised by Government and Hinckley Heroes Fantastic 50 Women.
- Weekly visits to Hermitage Leisure Centre to use public gym facilities and classes.
- Community skills outings rolled out to ALL students to ensure equal opportunities.
- Community Action projects, allowing students to 'give back' to community at Hall Farm and Shuttlewood Clark Foundation.
- Wide range of work experience opportunities e.g. Brookside Garage, Premier Inn, Sue Townsend Theatre, Gorse Hill Farm and work in mainstream primaries as an LSA. Pupils in Year 13 and 14 have an opportunity to complete an external work experience placement for at least one week.
- Long term work experience placements where pupils attend without staff support achieved by 2 students. Placements will continue after pupils leave Forest Way for next educational setting.
- Post 16 pupil employed by school kitchen for lunch times and by school for cleaning after school hours.
- Pupils have the opportunity to visit local colleges and social care placements for taster days
- We held a Transition evening to support parents and students make informed choices about their futures; inviting local colleges, social care placements, Transitions Team, SENA and Prospects.
- Students attended a Careers Fair for SEND pupils in Leicester
- National Citizenship Service programme in 2018 involved 18 students to promote independence and resilience and the school being awarded a 'Gold' award from NCS for Champion School status. NCS 2019 commences in June 2019.
- Some students in KS3/4/P16 have worked with Department for Work and Pensions on 'work readiness' and CV writing.

##### **Key Performance Indicators**

The Academy Trust prepares comprehensive monthly management reports where a thorough review of actual income and expenditure incurred is conducted against forecast projections. The management reports include a monthly variance report on both overspends and underspends together with information on the impact of these variances on the end of year and 3 and 5 year financial position. These reports are the basis for ongoing strategic discussions with the Headteacher as Accounting Officer and the Governing Board. All material budget variations are investigated and reported to the Trustees/Directors through the Governing Body meetings. 2018-19 shows a reduction in the overall reserves of the Trust as a result of the provision of increased classroom space through the completion of the new modular building in the grounds of the school. The overall cost of the building was approximately £350,000 which includes furnishing and IT installation costs. Capital Funding of £180,000 was provided towards the overall costs by Leicestershire County Council.

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **Going concern**

After making appropriate enquiries, the board of trustees has an expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. The academy continues to challenge and drive down costs where possible and meet its obligations towards strong financial management and governance.

##### **Financial review**

##### **Key financial performance indicators**

During the year ended 31 August 2019, the total revenue expenditure of the academy trust of £5,088,735 was met by General Annual Grant funding from the DfE together with special educational needs funding received from local authorities, Pupil Premium income and other fund income.

The incoming resources during the year ended 31 August 2019 were £4,689,811. The overall deficit for the year ended 31 August 2019 was £1,891,924 after depreciation charges of £267,804 and actuarial adjustments on the LGPS pension scheme of £1,493,000.

As at 31 August 2019 the net book value of tangible fixed assets of the academy trust was £10,106,676.

The academy trust held fund balances at 31 August 2019 of £6,449,988 of restricted funds and £365,421 of unrestricted funds.

The in-year deficit on restricted general funds and unrestricted funds was £60,051. The actual position of reserves excluding the pension reserve as at 31 August 2019 was £615,048.

##### **Principal funding sources**

Forest Way School's income in respect of place funding is obtained from the Department for Education through the Education and Skills Funding Agency (ESFA) as defined in the formal Funding Agreement agreed with the Secretary of State on conversion. Pupils' Top Up Funding and additional place funding where applicable is provided by the appropriate Local Authority responsible for the pupil on a daily basis. The funding is forwarded monthly in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA / Top Up Funding from Local Authorities during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

In accordance with the Charities Statement of Recommended Practice, 'Account Activities by Charities' (SORP 2005), 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.

In addition, funds are received from various activities carried out to generate funds such as lettings, provision of catering, etc. Any surplus is carried forward as an unrestricted fund in the balance sheet.

The Teaching School Alliance continues its success in providing support to the Northwest Leicestershire Area through quality CPD events, School to School support and Initial Teacher Training through the School Direct. Scheme. The successful re-designation of the Teaching School by the DfE in July 2019 following the resignations of the Director of Teaching School has enabled this success to be continued.

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Financial review**

##### **Reserves policy**

The Trustees review the reserve levels of the academy annually. There is a continued focus to continue to create adequate reserves to meet the challenges of sustainability and rising academy running costs in the future. The retention of reserves is considered by the Trustees to be critical to the sustainability of the trust, particularly in the current economic climate. Equally important is the balance between reserves and ensuring that pupils at school are benefiting in full from all available funding whilst at school now. The level of reserves at the end of the year ended 31st August 2019 has reduced overall as a result of the new modular classroom building. This clearly evidences the objectives of the Trustees to achieve a balance between providing improved facilities for pupils at school now and ensuring that the Trust maintains sufficient reserve funding to provide financial sustainability and security. The use of Reserves meets the objectives of the Trustees/Directors to provide to improve the fabric and capacity of the current school building. The Trust was able to secure a significant financial contribution from Leicestershire County Council towards the overall costs of the new modular classrooms and resulting increase in pupil places.

The current level of funds held is £6,815,409 of which £10,106,676 can only be realised by disposing of tangible fixed assets.

In accounting for the Local Government Pension Scheme (LGPS) the academy trust has recognised a pension fund deficit of £3,891,000 included in restricted funds, resulting in a deficit on the restricted funds. The amount of the deficit on the pension scheme does not represent an immediate liability which will crystallise but rather is expected to result in an increase in contributions by the academy trust over a period of years, to be met from the academy trust's budgeted annual income. Whilst the increased contributions may not eliminate the deficit on the scheme there should be no actual cashflow deficit on the fund, or direct impact on the free reserves of the academy trust as a consequence of recognising the deficit.

##### **Investment policy**

The Board of Trustees/Directors ensures that the Trust's funds/investments are properly managed in accordance with the requirements of the Academies Financial Handbook and above all provide value for money and security for the Academy trust. The level of Reserves at present restricts the opportunity for investment although short notice accounts with higher interest rates are used where possible.

##### **Principal risks and uncertainties**

The Trustees have considered the major risks to which the Trust is exposed to and continues to review these risks and embed systems and procedures to manage these risks.

The Academy Trust has undertaken a financial risk assessment based on potential key risks identified as:-

- Not-operating within its budget and running a deficit
- Changes in funding
- Inappropriate or ineffective financial controls and systems
- Fraudulent activity
- Financial commitments made without adequate authorisation

The key controls used by the academy to reduce risk:

- Detailed terms of reference for Academy Board meetings
- Formal agendas for the Academy board
- Schemes of Delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Monthly comprehensive financial reporting to Headteacher/Trustees/Directors
- Monthly variance reports
- Risk Management/Register

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Financial review**

The Trustees/Directors of the academy trust have a duty to identify and review the risks to which the academy is exposed and to ensure appropriate controls are in place to provide assurance against fraud and error. The academy has a Risk Register which highlights potential risks facing the academy. The Risk Register is reviewed by the Audit Committee on a termly basis with recommendations being reported through to full governing body meetings. Any identified risks are mitigated where possible.

##### **Fundraising activities**

The academy raises funds for the benefit of the pupils through events held throughout the year at the school for parents and children to attend. A significant number of donations from HSBC, Santander, Nationwide and other local companies/communities have been received during the course of the year. There is a continued focus on fundraising from within the school.

##### **Plans for future periods**

Plans for the future are detailed within the current School Improvement Plan as follows:

- To continue to develop teaching and learning ensuring that monitoring and evaluation is robust and use is made of knowledge gained through FWTSA, including research and innovation, links with other special schools, both locally and nationally. Ensure training needs are identified and met.
- To ensure the Forest Way curriculum is innovative and personalised for all pupils, allowing them full access to a holistic learning experience appropriate for their needs and considers new legislation and changes to National Curriculum.
- To work closely with curriculum leaders to continue to develop and update schemes of work appropriate to all learner levels in a clear, coherent and progressive manner to ensure learner journeys are as effective as possible
- For all pupils to achieve the highest level of communication in preparation for adulthood.
- To continue to ensure that a pupil's physical and mental health and wellbeing is a focal point to all lessons throughout the school
- To continue to develop the offer to Post 16 students to include work experience for all leavers, independent travel training in the local area (where appropriate) and external qualifications.
- To ensure all leavers have smooth transition to their preferred placement, through liaison with parents, education and social care providers.
- To continue to be aware of the importance of staff well-being and provide strategies within school that support this
- To have impact wider than FWS, including with parents/carers, professionals and the local community

The current on roll figure is 233. The provision of additional classroom space with financial support from the Local Authority has enabled us to increase the available spaces at Forest Way School an outstanding and sought after school. The continued success of the school in improving children's outcomes increases the demand for places both locally and further afield. Following the successful collaborative arrangement to complete the new Modular Classroom further consideration is being given to the creation of a specialist Communication and Interaction Unit.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy's auditors are aware of that information.



**FOREST WAY SCHOOL**

**Report of the Trustees  
for the year ended 31 August 2019**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....16.12.19..... and signed on the board's behalf by:

.....

J Shanley - Chair of Trustees/Directors

## FOREST WAY SCHOOL

### Governance Statement for the Year Ended 31 August 2019

#### Scope of Responsibility

As Trustee/Directors, we acknowledge we have overall responsibility for ensuring that Forest Way School 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 of loss.

The board of the trustee/directors has delegated the day-to-day responsibility to the Headteacher, 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 Forest Way School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustee/Directors any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Report of the Trustee/Directors and in the Statement of Trustee/Directors Responsibilities. The board of Trustees/Directors has formally met 6 times during the year. Attendance during the year at meetings of the board was as follows:

Trustees	Meetings attended	Out of a possible
J Watkinson (parent trustee)	6	6
P A Marney (resigned February 2019)	3	3
G Seaton (headteacher)	6	6
Dr L Trivett (resigned November 2018)	1	1
K Booth (staff trustee)	6	6
R Cafferty	5	6
J Shanley (chair)	6	6
M Snow	4	6
R Hayes (staff trustee)	6	6
J Brookes	6	6
L Browne (parent trustee)	3	6

There have been two Trustee/Director resignations within the year, one of which was the co-opted role. In line with the recommendations from our External Review of Governance undertaken by Mark Blois in June 2018 the overall number of Trustee/Directors has decreased in line with recommendations towards achieving more effective governance. The current Board of Trustees/Directors now have the relevant skillset it requires to meet the challenge of governance in a successful academy, particularly in areas involving finance, education, HR and curriculum areas. The analysis of Trustee skills conducted annually is ongoing with any necessary recruitment targeting perceived possible areas of weakness resulting from Trustee resignations.

The Board of Trustees/Directors' role is informed by both financial and non-financial data provided by the members of the Senior Leadership team and trust officials. The Board of Trustees/Directors consider that the data supplied is accurate, sufficient and relevant for their decision making purposes.

To strengthen our governance and effective financial management the Board of Trustees/Directors meet at least 6 times a year. The board no longer delegates responsibilities to separate Finance and Pay and Staffing Committees, although an Audit Committee has been established which meets under its own terms of reference 3 times a year. Staffing, Pay and the financial position of the Trust are considered in detail at each meeting of the full governing body in line with the requirements of the Academies Financial Handbook. The Audit Committee is responsible for directing the Trusts programme of internal controls, overseeing internal; scrutiny and risk management.

## FOREST WAY SCHOOL

### Governance Statement for the Year Ended 31 August 2019

The Trust operated a Finance sub-committee for part of the financial year up to 8th October 2018. The board reached the decision that it would adopt a different model of governance whereby all trustees/directors were involved in the governance of the trust and that it would no longer operate separate sub committees (other than the Audit Committee). Attendance at the only Finance meeting was as follows:

Members	Meetings attended	Out of a possible
G Seaton	1	1
M Snow	1	1
Dr L Trivett	1	1
K Booth	1	1
R Hayes	1	1
R Cafferty	1	1

#### Review of Value for Money

As accounting officer the Headteacher 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 society outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting office for the academy trust has delivered improved value for money during the year by efficient use of staffing resources and creating additional Teaching and Learning space, whilst preserving a healthy financial reserve. Forest Way School is a special school providing education for pupils with a wide range of special needs from moderate, to severe and profound. The Board of Trustees/Directors considers that the best use of academy resources is to invest in staffing and ensuring that our children receive the best quality of teaching thereby maximising the outcomes for our children. Additional specialist services such as nursing, speech and language therapy, and aromatherapy have also been provided to further enhance the pupils' school experience and allow them to reach their full potential. The individual needs of pupils with specific needs including behavioural difficulties and complex medical health issues are supported by targeting extra staffing across the timetable and at key times of the day.

Forest Way School is a centre of excellence and is highly regarded locally, nationally and internationally. It has had 3 consecutive outstanding Ofsted reports with no key issues identified on any occasion. It was designated in the first cohort of 100 schools nationally as a Teaching School. It facilitates an alliance of schools, primary, secondary and special, providing a wide range of courses to share delivery and good practice. This has impacted on improvements across the whole alliance.

We ensure that we provide the appropriate financial provision to maintain the high standards of equipment/decoration/maintenance, so that our pupils continue to benefit from the positive educational environment that we have created. Demand for places at what is a sought after education establishment has pushed our numbers on roll to unprecedented levels. The acquisition of an adjoining residential property and successful integration into the curriculum has been hugely successful and has become a place where our more able students can enhance their learning in a real life environment. The Trustees continue to challenge all our service levels and contract costs, deploying excellent value maintenance schemes to minimise our risks and enabling more accurate budget planning. We will, however, always strive to achieve the appropriate balance between quality of workmanship that preserves/enhances the appearance of the school against competitive costs. We are confident in our business dealings and have strong internal financial controls that permeate down from the Board of Trustees/Directors throughout all aspects of school life. Members of the Board of Trustees/Directors play an active part in their governance, leading the school strategically and providing challenging monitoring in all areas to ensure a positive impact on the quality of teaching and learning for the pupils and continuing to improve and produce outstanding outcomes for pupils.

## **FOREST WAY SCHOOL**

### **Governance Statement for the Year Ended 31 August 2019**

#### **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 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 Forest Way School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Board of Trustees/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 Trustees/Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees/Directors including review and an ongoing assessment of the Risk Register.

#### **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 monthly financial reports which are reviewed and agreed by the board of trustees.
- regular reviews by the board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.

In addition, the Trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following:

- the type of risks the academy faces.
- the level of risks which they regard as acceptable.
- the likelihood of the risks materialising.
- the academy's ability to reduce the incidence and impact on the academy's operations of risks that do materialise.
- the costs of operating particular controls relative to the benefits obtained.
- clarified the responsibility of the leadership team to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration.
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives.
- embedded the control system in the academy's operations so that it becomes part of the culture of the academy.
- developed systems to respond quickly to evolving risks arising from factors within the academy and to changes in the external environment.
- including procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action to be taken.

**FOREST WAY SCHOOL**

**Governance Statement  
for the Year Ended 31 August 2019**

**The Risk and Control Framework**

The board of Trustees decided that Accapita LLP will be appointed to conduct termly a Programme of Internal Control checks. The Audit Committee oversee the completion of a Programme of Internal Control Checks and reviews the reports raised after each Internal Audit visit. The checks undertaken include financial records relating to the Teaching School which are part of the Trust finances. Reports on any findings/recommendations or confirmation that no issues have arisen are submitted directly to Trustee/Directors who are members of the Audit Committee. Any issues arising are investigated and reported through to full governing body meetings. No significant issues have arisen from the Internal Audit checks undertaken during the in the period 1 September 2018 to 31 August 2019 with appropriate action being taken on all minor issues raised where applicable.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

**Review of Effectiveness**

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control during the year in question the review has been informed by:

- the results of the internal control reviews
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the completion of checks carried out as part of the regularity checks undertaken

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

Approved by order of the members of the board of trustees on ..... 16.12.19 ..... and signed on its behalf by:

  
.....  
J Shanley - Chair of Trustees/Directors

  
.....  
G Seaton - Accounting Officer

**FOREST WAY SCHOOL**

**Statement on Regularity, Propriety and Compliance  
for the year ended 31 August 2019**

As accounting officer of Forest Way School I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

  
.....  
G Seaton Accounting Officer

Date: 16.12.19.....

# FOREST WAY SCHOOL

## Statement of Trustees Responsibilities for the year ended 31 August 2019

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and 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 academy will continue in business.

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

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

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

Approved by order of the board of trustees on .....16.12.19..... and signed on its behalf by:

  
.....  
J Shanley - Chair of Trustees/Directors

## **Report of the Independent Auditors to the Members of Forest Way School**

### **Opinion**

We have audited the financial statements of Forest Way School (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

### **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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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



## **Report of the Independent Auditors to the Members of FOREST WAY SCHOOL**

### **Opinions on other matters prescribed by the Companies Act 2006**

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

### **Responsibilities of trustees**

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

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

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

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

### **Use of our report**

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Report of the Independent Auditors to the Members of  
FOREST WAY SCHOOL**

*D. Ferguson*

Darren Ferguson FCCA (Senior Statutory Auditor)  
for and on behalf of Accapita LLP  
Statutory Auditor  
Christopher House  
94b London Road  
Leicester  
LE2 0QS

Date: .....*18.12.19*.....

## **Independent Reporting Accountant's Assurance Report on Regularity to Forest Way School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Forest Way School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Forest Way School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Forest Way School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw our conclusions includes:

- a review of activities undertaken by the academy to confirm that they conform with the academy trust's framework of authorities.
- a review of expenditure confirming items are authorised within the academy trust's delegated authorities and are within the academy trust's framework of authorities.
- an evaluation of the general control environment of the academy trust for the purposes of regularity.

**Independent Reporting Accountant's Assurance Report on Regularity to  
Forest Way School and the Education and Skills Funding Agency**

**Conclusion**

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

*Accapita*

Accapita LLP  
Chartered Certified Accountants  
Christopher House  
94b London Road  
Leicester  
LE2 0QS

Date: .....18.12.19.....

## FOREST WAY SCHOOL

### Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31 August 2019

					2019	2018
	Unrestricted funds	Restricted funds	Restricted Fixed Asset fund	Total funds	Total funds	Total funds
Notes	£	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	11,166	13,972	214,219	239,357	107,154
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	3,832,922	-	3,832,922	3,766,064
Teaching schools	24	553,605	-	-	553,605	580,293
Other trading activities	4	61,818	-	-	61,818	42,120
Investment income	5	408	1,701	-	2,109	403
<b>Total</b>		<b>626,997</b>	<b>3,848,595</b>	<b>214,219</b>	<b>4,689,811</b>	<b>4,496,034</b>
<b>EXPENDITURE ON</b>						
Raising funds	7	632	-	-	632	-
<b>Charitable activities</b>						
Academy's educational operations		-	4,287,249	267,804	4,555,053	4,285,395
Teaching schools	24	533,050	-	-	533,050	565,919
<b>Total</b>	<b>6</b>	<b>533,682</b>	<b>4,287,249</b>	<b>267,804</b>	<b>5,088,735</b>	<b>4,851,314</b>
<b>NET INCOME/(EXPENDITURE)</b>						
		93,315	(438,654)	(53,585)	(398,924)	(355,280)
Transfers between funds	19	(6,211)	(110,501)	116,712	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses gains on defined benefit pension scheme		-	(1,493,000)	-	(1,493,000)	850,000
<b>Net movement in funds</b>		<b>87,104</b>	<b>(2,042,155)</b>	<b>63,127</b>	<b>(1,891,924)</b>	<b>494,720</b>

The notes form part of these financial statements

**FOREST WAY SCHOOL**

**Statement of Financial Activities - continued  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2019**

				2019	2018
	Unrestricted funds	Restricted funds	Restricted Fixed Asset fund	Total funds	Total funds
Notes	£	£	£	£	£
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>	278,317	(1,599,218)	10,028,234	8,707,333	8,212,613
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>365,421</u>	<u>(3,641,373)</u>	<u>10,091,361</u>	<u>6,815,409</u>	<u>8,707,333</u>

**CONTINUING OPERATIONS**

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the period.

The notes form part of these financial statements

**FOREST WAY SCHOOL (REGISTERED NUMBER: 07931627)**

**Balance Sheet  
At 31 August 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	13	10,106,676	10,017,261
<b>CURRENT ASSETS</b>			
Debtors	14	77,668	72,941
Cash at bank and in hand		<u>579,886</u>	<u>699,926</u>
		657,554	772,867
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>(57,821)</u>	<u>(86,795)</u>
<b>NET CURRENT ASSETS</b>		<u>599,733</u>	<u>686,072</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,706,409	10,703,333
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		10,706,409	10,703,333
<b>PENSION LIABILITY</b>	20	<u>(3,891,000)</u>	<u>(1,996,000)</u>
<b>NET ASSETS</b>		<u>6,815,409</u>	<u>8,707,333</u>
<b>FUNDS</b>	19		
Unrestricted funds		365,421	278,317
Restricted funds:			
Restricted General Fund		140,837	302,263
Restricted Fixed Asset fund		10,091,361	10,028,234
Pension Reserve		<u>(3,891,000)</u>	<u>(1,996,000)</u>
Restricted Private Fund		108,790	94,519
		<u>6,449,988</u>	<u>8,429,016</u>
<b>TOTAL FUNDS</b>		<u>6,815,409</u>	<u>8,707,333</u>

The notes form part of these financial statements

**FOREST WAY SCHOOL (REGISTERED NUMBER: 07931627)**

**Balance Sheet - continued  
At 31 August 2019**

The financial statements were approved and authorised for issue by the Board of Trustees on  
.....16.12.19..... and were signed on its behalf by:

.....

J. Shanley - Chair of Trustees/Directors

The notes form part of these financial statements



## FOREST WAY SCHOOL

### Cash Flow Statement for the year ended 31 August 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	25	16,627	227,495
Tax paid		<u>4,224</u>	<u>(2,263)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>20,851</u>	<u>225,232</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(359,219)	(93,091)
Capital grants from DfE Group		34,219	10,973
Sale of tangible fixed assets		2,000	-
Capital funding received from others		180,000	-
Interest received		<u>2,109</u>	<u>403</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(140,891)</u>	<u>(81,715)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(120,040)	143,517
<b>Cash and cash equivalents at the beginning of the reporting period</b>	26	<u>699,926</u>	<u>556,409</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	26	<u>579,886</u>	<u>699,926</u>

The notes form part of these financial statements

# FOREST WAY SCHOOL

## Notes to the Financial Statements for the year ended 31 August 2019

### 1. ACCOUNTING POLICIES

#### General information and basis of preparation

Forest Way School is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page one of these financial statements. The nature of the academy trusts operations and principal activities are set out in the Trustees' Report on page 3.

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

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

#### Going concern

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

#### Income

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

#### Grants

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

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

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 1. ACCOUNTING POLICIES - continued

##### **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

##### **Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the discretionary allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

##### **Other income**

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

##### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### **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.

##### **Raising funds**

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

##### **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

##### **Governance costs**

These include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Land	straight line over the period of the lease
Freehold buildings	2% on cost
Long leasehold buildings	2% on cost
Fixtures, fittings and equipment	10% on reducing balance
Office and computer equipment	33% on reducing balance
Motor Vehicles	25% on reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

One of the school buildings has been leased to the academy trust on a 125 year lease at a peppercorn rent. It has been ascertained that the risks and rewards of the property lie substantially with the academy and a reasonable estimate of the gross value is included within fixed assets. Their valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and an open market value for existing use is not readily available.

##### **Liabilities**

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

##### **Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

## **FOREST WAY SCHOOL**

### **Notes to the Financial Statements - continued for the year ended 31 August 2019**

#### **1. ACCOUNTING POLICIES - continued**

##### **Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity'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 note 14. 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 charity's wholly owned subsidiary are held at face value less any impairment.

##### **Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **FOREST WAY SCHOOL**

### **Notes to the Financial Statements - continued for the year ended 31 August 2019**

#### **1. ACCOUNTING POLICIES - continued**

##### **Fund accounting**

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

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

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

##### **Critical accounting estimates and areas of judgement**

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

##### **Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 1. ACCOUNTING POLICIES - continued

##### Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a 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 academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

#### 2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Donations	11,166	13,972	25,138	96,181
Capital grants	-	214,219	214,219	10,973
	<u>11,166</u>	<u>228,191</u>	<u>239,357</u>	<u>107,154</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>DfE/ESFA revenue grants</b>				
- General Annual Grant (GAG)		- 2,184,843	2,184,843	1,956,974
- Other DfE group grants		- 143,266	143,266	112,963
National College grants (within Teaching Schools Income)		- 46,000	46,000	46,000
		- 2,374,109	2,374,109	2,115,937
<b>Other Government grants</b>				
- Local authority grants - special educational needs		- 1,501,813	1,501,813	1,693,127
- Other government funding		3,000	3,000	3,000
		<u>1,504,813</u>	<u>1,504,813</u>	<u>1,696,127</u>
		<u>- 3,878,922</u>	<u>3,878,922</u>	<u>3,812,064</u>

#### 4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Fundraising events	10,196	-	10,196	-
Hire of facilities	4,075	-	4,075	3,071
Parental contributions	36,832	-	36,832	37,264
Other income	<u>10,715</u>	-	<u>10,715</u>	<u>1,785</u>
	<u>61,818</u>	-	<u>61,818</u>	<u>42,120</u>

#### 5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Deposit account interest	<u>408</u>	<u>1,701</u>	<u>2,109</u>	<u>403</u>



## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 6. EXPENDITURE

	Non-pay expenditure			2019	2018
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Raising funds</b>					
<b>Costs incurred by trading for a fundraising purpose</b>					
Direct costs	-	-	632	632	-
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	2,884,291	249,332	109,123	3,242,746	3,035,661
Allocated support costs	781,204	243,050	288,053	1,312,307	1,249,734
<b>Teaching schools</b>					
Direct costs	77,093	-	362,066	439,159	455,455
Allocated support costs	60,261	5,200	28,430	93,891	110,464
	<u>3,802,849</u>	<u>497,582</u>	<u>788,304</u>	<u>5,088,735</u>	<u>4,851,314</u>

Net resources are stated after charging/(crediting):

	2019	2018
	£	£
Auditors' remuneration	9,210	8,770
Auditors' remuneration for non-audit work	6,227	5,409
Depreciation - owned assets	64,927	36,452
Depreciation - leased assets	203,633	203,633
(Gain)/loss on disposal of fixed assets	(756)	15,239
Operating leases	<u>36,169</u>	<u>39,808</u>

#### 7. RAISING FUNDS

**Costs incurred by trading for a fundraising purpose**

	Unrestricted funds	Restricted funds	2019	2018
	£	£	Total funds	Total funds
	£	£	£	£
Purchases	<u>632</u>	<u>-</u>	<u>632</u>	<u>-</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	2019 Total funds £	2018 Total funds £
Direct costs - academy's educational operations	3,242,746	3,035,661
Direct costs - teaching schools	439,159	455,455
Support costs - academy's educational operations	1,312,307	1,249,734
Support costs - teaching schools	93,891	110,464
	<u>5,088,103</u>	<u>4,851,314</u>

<b>Analysis of support costs</b>	Educational Operations £	Teaching Schools £	2019 Total £	2018 Total £
Support staff costs	781,204	60,261	841,465	795,603
Depreciation				
Technology costs	74,717	-	74,717	62,821
Premises costs	225,551	5,200	230,751	221,086
Other support costs	200,869	25,460	226,329	247,817
Governance costs	29,966	2,970	32,936	32,871
	<u>1,312,307</u>	<u>93,891</u>	<u>1,406,198</u>	<u>1,360,198</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustees 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 trustees' remuneration and other benefits was as follows:

<b>G Seaton (principal and staff trustee)</b>	
Remuneration	£80,000 - £85,000 (2018 - £75,000 - £80,000)
Employer's pension contributions	£10,000 - £15,000 (2018 - £10,000 - £15,000)
<b>R Hayes (staff trustee)</b>	
Remuneration	£20,000 - £25,000 (2018 - £20,000 - £25,000)
Employer's pension contributions	£0 - £5,000 (2018 - £0 - £5,000)
<b>K Booth (staff trustee)</b>	
Remuneration	£40,000 - £45,000 (2018 - £40,000 - £45,000)
Employer's pension contributions	£5,000 - £10,000 (2018 - £5,000 - £10,000)
<b>P Marney (staff trustees)</b>	
Remuneration	£10,000 - £15,000 (2018 - £20,000 - £25,000)
Employer's pension	£0 - £5,000 (2018 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 22.

#### **Trustees' expenses**

During the year ended 31 August 2019 travel and subsistence expenses totalling £nil were reimbursed to no trustees (2018 - £351 to 3 trustees).

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 10. STAFF COSTS

Staff costs during the period were:	2019	2018
	£	£
Wages and salaries	2,741,563	2,575,478
Social security costs	201,113	191,419
Pension costs	826,459	758,848
	<u>3,769,135</u>	<u>3,525,745</u>
Supply staff costs	33,714	30,196
Staff restructuring costs	-	24,755
	<u>3,802,849</u>	<u>3,580,696</u>
Staff restructuring costs comprise :		
Severance payments	<u>-</u>	<u>24,755</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018 - £24,755). Individually the payments were £19,755 made in October 2017 and £5,000 made in December 2017.

#### Staff numbers

The average number of persons employed by the academy during the year, and the full time equivalents, was as follows:

	2019 No.	2019 Full-time equivalent	2018 No.	2018 Full-time equivalent
<b>Charitable Activities</b>				
Teachers	28	23	24	19
Administration and support	119	97	114	94
Management	1	1	1	1
	<u>148</u>	<u>121</u>	<u>139</u>	<u>115</u>

#### Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	0	1
£80,000 - £85,000	1	0
	<u>1</u>	<u>0</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £582,721 (2018 - £538,664).

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £177 (2018 - £177). The cost of this insurance is included in the total insurance cost.

#### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	1,668	94,513	10,973	107,154
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	3,766,064	-	3,766,064
Teaching schools	580,293	-	-	580,293
Other trading activities	4,856	37,264	-	42,120
Investment income	399	4	-	403
<b>Total</b>	<b>587,216</b>	<b>3,897,845</b>	<b>10,973</b>	<b>4,496,034</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	-	4,030,071	255,324	4,285,395
Teaching schools	565,919	-	-	565,919
<b>Total</b>	<b>565,919</b>	<b>4,030,071</b>	<b>255,324</b>	<b>4,851,314</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>21,297</b>	<b>(132,226)</b>	<b>(244,351)</b>	<b>(355,280)</b>
<b>Transfers between funds</b>	<b>-</b>	<b>(93,091)</b>	<b>93,091</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial losses gains on defined benefit pension scheme	-	850,000	-	850,000
<b>Net movement in funds</b>	<b>21,297</b>	<b>624,683</b>	<b>(151,260)</b>	<b>494,720</b>

**FOREST WAY SCHOOL**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2019**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset fund £	Total funds £
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	257,020	(2,223,901)	10,179,494	8,212,613
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>278,317</u>	<u>(1,599,218)</u>	<u>10,028,234</u>	<u>8,707,333</u>

**FOREST WAY SCHOOL**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2019**

**13. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £
<b>COST</b>			
At 1 September 2018	705,708	10,482,423	141,374
Additions	244,528	-	58,209
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2019	<u>950,236</u>	<u>10,482,423</u>	<u>199,583</u>
 <b>DEPRECIATION</b>			
At 1 September 2018	61,918	1,310,131	57,501
Charge for year	14,312	203,791	11,167
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2019	<u>76,230</u>	<u>1,513,922</u>	<u>68,668</u>
 <b>NET BOOK VALUE</b>			
At 31 August 2019	<u>874,006</u>	<u>8,968,501</u>	<u>130,915</u>
At 31 August 2018	<u>643,790</u>	<u>9,172,292</u>	<u>83,873</u>
 <b>Motor vehicles</b>			
	Motor vehicles £	Office and computer equipment £	Totals £
<b>COST</b>			
At 1 September 2018	96,370	128,422	11,554,297
Additions	8,900	47,582	359,219
Disposals	<u>(7,990)</u>	<u>-</u>	<u>(7,990)</u>
At 31 August 2019	<u>97,280</u>	<u>176,004</u>	<u>11,905,526</u>
 <b>DEPRECIATION</b>			
At 1 September 2018	77,083	30,403	1,537,036
Charge for year	4,512	34,778	268,560
Eliminated on disposal	<u>(6,746)</u>	<u>-</u>	<u>(6,746)</u>
At 31 August 2019	<u>74,849</u>	<u>65,181</u>	<u>1,798,850</u>
 <b>NET BOOK VALUE</b>			
At 31 August 2019	<u>22,431</u>	<u>110,823</u>	<u>10,106,676</u>
At 31 August 2018	<u>19,287</u>	<u>98,019</u>	<u>10,017,261</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	16,859	10,130
Value added tax	19,180	21,108
Prepayments and accrued income	<u>41,629</u>	<u>41,703</u>
	<u>77,668</u>	<u>72,941</u>

#### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	1,173	8,440
Tax	8,829	4,605
Accruals and deferred income	<u>47,819</u>	<u>73,750</u>
	<u>57,821</u>	<u>86,795</u>

#### Deferred income

	2019	2018
	£	£
Deferred income at 1 September 2018	52,333	55,228
Resources deferred in year	8,684	52,333
Amounts released from previous years	<u>(55,233)</u>	<u>(55,228)</u>
Deferred income at 31 August 2019	<u>8,684</u>	<u>52,333</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals and grant income received in advance .

#### 16. LEASING AGREEMENTS

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was :

	2019	2018
	£	£
Expiring:		
Within one year	37,474	5,608
Between one and five years	<u>48,274</u>	
	<u>85,748</u>	<u>28,298</u>



## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 17. MEMBERS' LIABILITY

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

#### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset fund £	2019 Total funds £
Fixed assets	-	-	10,106,676	10,106,676
Current assets	386,158	271,396	-	657,554
Current liabilities	(20,737)	(21,769)	(15,315)	(57,821)
Pension liability	-	(3,891,000)	-	(3,891,000)
	<u>365,421</u>	<u>(3,641,373)</u>	<u>10,091,361</u>	<u>6,815,409</u>

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

	Unrestricted funds	Restricted funds	Restricted Fixed Asset fund £	2018 Total funds £
Fixed assets	-	-	10,017,261	10,017,261
Current assets	345,217	416,677	10,973	772,867
Current liabilities	(66,900)	(19,895)	-	(86,795)
Pension liability	-	(1,996,000)	-	(1,996,000)
	<u>278,317</u>	<u>(1,599,218)</u>	<u>10,028,234</u>	<u>8,707,333</u>

**FOREST WAY SCHOOL**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2019**

**19. MOVEMENT IN FUNDS**

	Balance at		Resources Expended £	Gains, Losses and Transfers £	Balance at
	1 September	Incoming			31 August
	2018	Resources			2019
	£	£		£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	302,265	2,184,843	(1,805,717)	(110,777)	140,837
Pupil Premium	-	84,837	(79,697)	-	-
Other grants and restricted Pension reserve	94,517	1,578,915	(1,564,920)	276	108,790
	(1,996,000)	-	(402,000)	(1,493,000)	(3,891,000)
	<u>(1,599,218)</u>	<u>3,848,595</u>	<u>(4,287,249)</u>	<u>(1,603,501)</u>	<u>(3,641,373)</u>
<b>Restricted fixed asset funds</b>					
DfE Group capital grants	10,973	34,219	(586)	1,226	45,832
Capital expenditure from GAG	804,950	-	(52,907)	102,167	855,020
Transfer on conversion	9,201,803	-	(290,734)	-	8,922,069
Voluntary income	10,508	-	(2,893)	6,209	13,824
Other grants and income		180,000	(2,494)	7,110	184,616
	<u>10,028,234</u>	<u>214,219</u>	<u>(267,804)</u>	<u>116,712</u>	<u>10,091,361</u>
<b>Total restricted funds</b>	<u>8,429,016</u>	<u>4,062,814</u>	<u>(4,555,053)</u>	<u>(1,486,789)</u>	<u>6,449,988</u>
<b>Total unrestricted funds</b>	<u>278,317</u>	<u>626,997</u>	<u>(533,682)</u>	<u>(6,211)</u>	<u>365,421</u>
<b>Total funds</b>	<u>8,707,333</u>	<u>4,689,811</u>	<u>(5,088,735)</u>	<u>(1,493,000)</u>	<u>6,815,409</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG) which must be used for the normal recurring costs of the academy. The academy was not subject to a limit on GAG carry-forward in the academic year.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended. During the year a transfer of £110,777 was made from restricted general funds to represent capital expenditure met from GAG income.

Restricted Pension Reserve Funds represent the academy's share of the assets and liabilities of the Local Government Pension Scheme.

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 19. MOVEMENT IN FUNDS - continued

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

	Balance at		Resources Expended £	Gains, Losses and Transfers £	Balance at
	1 September	Incoming			31 August
	2017	Resources			2018
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	244,099	1,956,974	(1,805,717)	(93,091)	302,265
Pupil Premium	-	79,697	(79,697)	-	-
Other grants and restricted Pension reserve	(2,468,000)	1,861,174	(1,766,657)	850,000	94,517
	<u>(2,468,000)</u>	<u>-</u>	<u>(378,000)</u>	<u>850,000</u>	<u>(1,996,000)</u>
	<u>(2,223,901)</u>	<u>3,897,845</u>	<u>(4,030,071)</u>	<u>756,909</u>	<u>(1,599,218)</u>
<b>Restricted fixed asset funds</b>					
DfE Group capital grants	22,199	10,973	-	(22,199)	10,973
Capital expenditure from GAG	730,869	-	(41,209)	115,290	804,950
Transfer on conversion	9,412,550	-	(210,747)	-	9,420,803
Voluntary income	13,876	-	(3,368)	-	10,508
	<u>10,179,494</u>	<u>10,973</u>	<u>(255,324)</u>	<u>93,091</u>	<u>10,028,234</u>
	<u>7,955,593</u>	<u>3,908,818</u>	<u>(4,285,395)</u>	<u>850,000</u>	<u>8,429,016</u>
<b>Total restricted funds</b>					
	<u>257,020</u>	<u>587,216</u>	<u>(565,919)</u>	<u>-</u>	<u>278,317</u>
<b>Total unrestricted funds</b>					
	<u>8,212,613</u>	<u>4,496,034</u>	<u>(4,851,314)</u>	<u>850,000</u>	<u>8,707,333</u>
<b>Total funds</b>					

#### 20. 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 Leicestershire County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or end of the period.

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 20. PENSION COMMITMENTS - continued

##### Teachers' pension scheme

###### Introduction

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

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

###### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £140,152 (2018: £ 125,562).

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

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 20. PENSION COMMITMENTS – continued

##### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £442,664 (2018 - £412,316) of which employer's contributions totalled £347,750 (2018 - £324,254) and employees' contributions totalled £94,914 (2018 - £88,062). The agreed contribution rates for future years are 21.2% for employers and between 5.5% and 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	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.30%	3.30%
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.30%	2.30%
Commutation of pensions to lump sums - Pre April 2008 service	50%	50%
-Post April 2008 service	75%	75%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	21.2	22.1
Females	23.4	24.3
Retiring in 20 years		
Males	22.2	23.8
Females	24.7	26.2
<b>Sensitivity analysis</b>	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	£'000	£'000
Discount rate +0.5%	(1,402)	(960)
Discount rate -0.5%	1,402	960
Mortality assumption - 1 year increase	338	234
Mortality assumption - 1 year decrease	(338)	(234)
CPI rate +0.5%	1,113	738
CPI rate -0.5%	(1,113)	(738)

**FOREST WAY SCHOOL**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2019**

**20. PENSION COMMITMENTS**  
**- continued**

**Local government pension scheme**

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	2,638	2,400
Bonds	1,410	1,045
Property	364	348
Cash	137	78
<b>Total market value of assets</b>	<b>4,549</b>	<b>3,871</b>

The actual return on scheme assets was £273,000 (2018 : £169,000)

**Amounts recognised in the statement of financial activities**

	2019 £000	2018 £000
Current service cost	(575)	(637)
Past service cost	(114)	-
Interest income	114	88
Interest cost	(173)	(153)
<b>Total amount recognised in the SOFA</b>	<b>(748)</b>	<b>(702)</b>

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

	2019 £000	2018 £000
At 1 September	5,867	5,783
Current service cost	575	637
Past service cost	114	-
Interest cost	173	153
Employee contributions	94	89
Actuarial (gain)/loss	1,643	(773)
Benefits paid	(26)	(22)
<b>At 31 August</b>	<b>8,440</b>	<b>5,867</b>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2019

#### 20. PENSION COMMITMENTS - continued

##### Local government pension scheme

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

	2019	2018
	£000	£000
At 1 September	3,871	3,315
Interest income	114	88
Actuarial gain/(loss)	150	77
Employer contributions	346	324
Employee contributions	94	89
Benefits paid	(26)	(22)
	<hr/>	<hr/>
At 31 August	4,549	3,871

#### 21. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any assets for which a Government grant was received, the Academy is required, either to reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original costs met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State of the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

- (a) the value at that time of the Academy site and premises and other assets held for the purpose of the Academy, and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

#### 22. RELATED PARTY DISCLOSURES

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

#### 23. AGENCY ARRANGEMENTS

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2019 the trust received £16,398 (2018 - £21,266) and disbursed £19,266 (2018 - £23,690) from the fund.

An amount of £nil (2018 - £1,744) is included in creditors relating to undistributed funds.

**FOREST WAY SCHOOL**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2019**

**24. TEACHING SCHOOL TRADING ACCOUNT**

	2019		2018	
	£	£	£	£
<b>Income</b>				
<b>Direct Income</b>				
Other income	314,730		344,391	
<b>Other income</b>				
Fundraising and other trading activities	<u>238,876</u>		<u>235,902</u>	
<b>Total Income</b>		<b>553,606</b>		<b>580,293</b>
<b>Expenditure</b>				
<b>Direct costs</b>				
Direct staff costs	77,093		87,028	
Other direct costs	<u>362,066</u>		<u>368,427</u>	
<b>Total direct costs</b>	439,159		455,455	
<b>Other costs</b>				
Support staff costs	60,261		71,017	
Other support costs	<u>33,630</u>		<u>39,447</u>	
<b>Total other costs</b>	93,891		110,464	
<b>Total Expenditure</b>		<u>533,050</u>		<u>565,919</u>
<b>Surplus/(Deficit) from all sources</b>		<b>20,556</b>		<b>14,374</b>
<b>Teaching Schools balance at 1 September</b>		<u>35,171</u>		<u>20,797</u>
<b>Teaching Schools balance at 31 August</b>		<u>55,727</u>		<u>35,171</u>



**FOREST WAY SCHOOL**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2019**

**25. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(398,924)	(355,280)
<b>Adjustments for:</b>		
Depreciation	268,560	240,085
Capital grants from DfE and other capital grants	(214,219)	(10,973)
(Profit)/loss on disposal of fixed assets	(756)	15,239
Interest received	(2,109)	(403)
Defined benefit pension scheme cost less contributions payable	343,000	313,000
Defined benefit pension scheme finance costs	59,000	65,000
Increase in debtors	(4,727)	(12,859)
Decrease in creditors	<u>(33,198)</u>	<u>(26,314)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>16,627</u>	<u>227,495</u>

**26. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At 31 August 2019 £	At 31 August 2018 £
Cash at bank and in hand	<u>579,886</u>	<u>669,926</u>
	<u>579,886</u>	<u>669,926</u>