

Company Registration Number: 07931627 (England & Wales)

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**FOREST WAY SCHOOL**  
(A company limited by guarantee)

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**Annual Report and Financial Statements**

**For the year ended 31 August 2022**

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Reference and Administrative Details**

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<b>Members</b>	N Palmer M Kirton M McQuade (appointed 1 March 2022) M Snow (resigned 1 March 2022)
<b>Trustees</b>	J Shanley, Chair of Trustees J Watkinson G Seaton, Headteacher and Accounting Officer R Cafferty M Radley K Thomas A Harris K Harrup (resigned 1 September 2022)
<b>Company registered number</b>	07931627
<b>Company name</b>	Forest Way School
<b>Principal and registered office</b>	Warren Hills Road Coalville Leicestershire LE67 4UU
<b>Company secretary</b>	Mr I Wood
<b>Senior management team</b>	G Seaton, Headteacher G Donley-Williams, Deputy Headteacher (resigned 31 August 2022) S Wallace, Deputy Headteacher L Larder, Assistant Headteacher S Meek, Assistant Headteacher B Tocker, Assistant Headteacher S Woodward, Assistant Headteacher I Wood, Business Manager
<b>Independent auditors</b>	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ
<b>Bankers</b>	Lloyds TSB Bank plc 20 Belvoir Road Coalville Leicestershire LE67 3QH

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**Reference and Administrative Details (continued)**  
**For the year ended 31 August 2022**

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<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
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**Trustees' Report**  
**For the year ended 31 August 2022**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates a special academy in the Leicestershire area for pupils aged 3 to 19 with a range of needs including multiple and profound learning difficulties. It has a pupil capacity of 243 in the age range 3-19 pupils and an additional 12 places in a Communication and Interaction Unit as at 11th October 2021.

**Structure, governance and management**

**a. 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.

The Company has adopted the February 2016 version of Articles of Association approved by the Department for Education and entered into a new Funding Agreement with the DfE.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. 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.

**c. 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.

**d. Method of recruitment and appointment or election of Trustees**

The Trustees shall not be less than three but (unless otherwise determined by original resolution) shall not be subject to any maximum.

Subject to Articles 48 49 and 53, the Academy Trust shall have the following Trustees:

- a) up to 7 Trustees, appointed under Article 50; and
  - b) a minimum of 2 Parent Trustees elected or appointed under Articles 53 56Bc
- The Academy trust may also have any Co opted Trustees appointed under Article 58.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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

The term of office for any Trustee shall be 4 years. Subject to remaining eligible any Trustee may be reappointed or re elected. No time constraints apply to the Head Teacher.

At the first Full Governing Body (FGB) meeting each year the Trustees elect a chairperson, vice-chairperson and members of the Audit Committee. An External Review of Governance was carried out in June 2018 and a further review completed during January 2022.

**e. Policies adopted for the induction and training of 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 Support and 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 a Trustee. Induction for new Trustees 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  
Trustee Development Service Training Programme  
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

**f. Organisational structure**

The leadership structure consists of Members, Trustees/Directors, the Headteacher and the Leadership Team. The Headteacher – Gail Seaton assumes the responsibility for the Forest Way Alliance (formerly Forest Way Teaching School Alliance) which continues to provide support and services to members of the Alliance through:

- Initial Teacher Training
- Induction and CPD for Newly Qualified Teachers
- Continuing Professional Development
- Leadership Development and Succession Planning
- School to School Support
- Recruitment and deployment of SLEs

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, two Deputy Headteachers, four Assistant Headteachers, two

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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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

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 are continuously reviewed and systems and procedures are established to manage those risks through a comprehensive Risk Register which is reviewed by the Audit Committee and the Governing Body on a regular basis throughout the financial year. The Risk Register drives a comprehensive programme of Internal Scrutiny that is completed by an external firm of Accountants. Academy Advisory Ltd were appointed to conduct our Internal Scrutiny programme of work on behalf of the Trust in 2021-22 following the requirements of the Academy Financial Handbook 2021-22. Any findings from the Internal Audit visits are reported and looked into by the Audit Committee and the findings reported on to the Governing Body for consideration.

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

- Adopt a Pay Policy to provide a clear framework for the management of pay and grading issues for all staff employed in the school.
- Take decisions in accordance with key principles of public life (Nolan), including objectivity, openness and accountability.
- Ensure fair and transparent policy to determine the pay and grading for all staff employed in the school, which takes account of the conditions of service under which staff are employed.
- Comply with relevant legislation including the Equality Act 2010, the Employment Relations Act 1999, the Part time Workers (Prevention of Less Favourable Treatment) Regulations 2000, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and will ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.
- Adopt a whole school approach to pay issues. Pay decisions will take account of the resources available to the school. The school staffing structure will support the school improvement plan. The Governing Body will exercise its discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in school pay decisions.
- Ensure that all pay progression decisions for all teaching staff are linked to annual appraisal of performance and to ensure that this is achieved in a fair equitable and transparent way following consultation with staff and recognised trade unions.
- Ensure that every teacher's salary (including the salary of the Headteacher) is reviewed on an annual basis with effect from 1 September. The review will be completed no later than 31 October each academic year.

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-

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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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

1%-50%	1
51%-99%	-
100%	-

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
Total cost of facility time	65
Total pay bill	4,053,421
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**Objectives and activities**

**a. Objects 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. Our school motto is "Thrive at Forest Way - where young people are at the heart of everything"

We want our students to:

- Be as independent as they can be in readiness for life beyond Forest Way School
- Achieve their full potential
- Have the highest level of communication possible
- Be safe and happy

Our highly committed, professional staff will work together to:

- Provide an exciting, engaging and ever evolving curriculum that meets the individual and holistic needs of all of our young people
- Be outward facing. Learn from and support colleagues in school
- Nurture and support
- Work collaboratively with families and other professionals
- Be reflective and always strive for further improvement
- Praise and reward
- Recognise abilities not disabilities
- Create welcoming and respectful environment

**b. Objectives, strategies and activities**

The academy strives to complete its objectives by providing education for pupils appropriate to their needs, in a learning environment utilising the best possible teaching facilities and staff.

The activities provided include:



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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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**Objectives and activities (continued)**

- Access to a broad and balanced curriculum for all pupils.
- A programme of enrichment including cultural, sporting and leisure activities for all pupils.
- training opportunities for all staff.
- To prepare students for life after school including work experience opportunities and smooth transition for Post 19

The Academy has a continuous cycle of school improvement and self-evaluation. This involves setting the School Improvement Plan at the beginning of the year which generates objectives and actions. These objectives are evaluated the end of the year and this information then feeds into next year's School Improvement Plan. The key priorities that are identified annually also thread through the individual curriculum leader action plans and staff performance management targets.

The Self Evaluation Form is updated termly and the individual School Improvement Plan actions are evaluated termly.

The objectives of the academy during the year ended 31 August 2022 as recorded in the School Improvement Plan are summarised below:

- To support all pupils and staff in school, ensuring that pupils' holistic well-being and personal development needs are met.
- To enhance and further refine the quality of education across EYFS-P16 and this includes the full integration of The Den and Post 16 Hubs into the Forest Way community
- To ensure the curriculum is innovative, personalised, clear, coherent and progressive for all learners.
- To have impact wider than Forest Way School, including with parents/carers, professionals and the local community

**c. Public benefit**

The trustees have regard to the Charity Commission's guidance on public benefit Section 17 of the Charities Act 2011. The trustees ensure that the academy's activities are undertaken in line with the charitable aims and objectives.

**d. Disabled persons**

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

**e. 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.

**Strategic report**

**Achievements and performance**

**a. Achievements and performance**

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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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**Strategic report (continued)**

**Achievements and performance (continued)**

Analysis of quality of teaching shows exceptional progress as evidenced by our last Ofsted inspection. The last inspection in December 2021 confirmed that Forest Way School continues to be an outstanding school with no areas identified for improvement.

The report highlighted the following areas where the school does well:

- Leaders have designed a curriculum that sets out clearly and precisely the knowledge and skills pupils should gain, and when.
- Leaders work in teams to oversee specific aspects of the curriculum. They have a united ambition for what they wish pupils of all ages to achieve. Leaders are constantly refining the curriculum to ensure that it stays relevant to pupils' needs
- There is a strong focus on preparing pupils for their next steps and for adulthood. Leaders and staff are highly ambitious for each pupil to succeed. The post-16 curriculum supports students to embark on one of four pathways: sensory, life choices, life skills and vocational. Leaders and staff provide a rich variety of options for students to explore
- Leaders prioritise communication and reading. They told inspectors that the school library is 'the heart of the school'. There is a systematic approach to teaching reading. Children in the early years, and pupils in key stage 1, learn through daily phonics sessions. Well trained staff follow a consistent approach as they teach the sessions. Pupils read from books that match their phonics knowledge. Some pupils learn to communicate by other means, such as Makaton signing or by use of communication devices
- Staff regularly assess the impact of the curriculum. They measure progress by means of pupils' independence, achievement, communication, safety and happiness. This means that staff have a well-rounded view of what pupils can remember and do, over time. Leaders use this information to plan the next steps for each pupil
- Pupils who have highly complex needs follow a sensory curriculum. Leaders have ensured that this curriculum is as ambitious as other curriculum areas. The sensory curriculum is suitably broad and balanced. Pupils who follow this curriculum access a range of themes to develop their communication and interaction skills. Pupils' learning, and their physical, social and emotional needs are very well supported
- Pupils in 'The Den' follow an ambitious curriculum. It is based on the national curriculum and specific targets from their education, health and care plans. Pupils spoke about how well they have settled in at The Den. During a lesson visit, pupils showed excellent focus and attention as they accurately read instructions and weighed ingredients for a gingerbread baking activity
- Leaders and staff promote pupils' personal development exceptionally well. Pupils' highly positive attitudes to their education are a credit to the school. The work to promote tolerance and celebrate differences is especially strong. Staff encourage pupils to 'be proud of who you are' and to appreciate different family models. Positive relationships across all areas of the school enable pupils to thrive. This includes the quality of care provided in the early years foundation stage

**b. Going concern**

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

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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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**Strategic report (continued)**

**Financial review**

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 in year 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. Funding allocations for Special Schools are not part of the National Funding Formula.

In 2021-22 the school has shown an in-year surplus. This was down to prudent management of our finances and ensuring throughout that make the best use of funding for pupils at school now. The Academy Trust prepares comprehensive monthly management reports including an income and expenditure account, variation to budget report, cash flows and balance sheet which attributes to strong financial control. 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. The overall capacity of the school has increased following the successful completion of the Communication and Interaction Unit opened in September 2020 with build costs provided by the Local Authority. A significant Change application in relation to the increase in capacity was approved by the Regional Schools Commissioner in September 2021. The Unit is operationally and at full capacity with 12 pupils.

**a. Reserves policy**

It is intended that the Trustees will continue to regularly monitor the reserve levels of the Academy as part of the monthly management reports monitoring process. This review encompasses the nature of income and expenditure streams, and identifies the need to match income with existing commitments with reserves being held which are equivalent to at least two month's salary costs of approximately £350k. The Academy continues to use its surplus balances by investing in the infrastructure of the school site. At the end of 2021/22 restricted reserves of £332k (2021 - £484k) and unrestricted of £508k (2021 - £450k) were held by the Academy. Special Academies are currently not part of the National Funding Formula, or in receipt of Supplementary Grant Funding, and therefore our Reserves are critical in ensuring the sustainability of the trust and meeting future inflationary cost pressures. The use of Reserves meets the objectives of the Trustees/Directors to maintain and improve the fabric and capacity of the current school building(s) and the future development/expansion of the Trust. Current expansion projects include the establishment of a new Local Authority funded 20 place modular classroom where as part the development the surrounding land at the proposed site will be developed to create additional learning space for Forest Schools.

**b. 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. There is also a desire from the Governing Board to make full use of funding to improve children's outcomes in year whilst maintaining an appropriate level of reserves.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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**c. Principal risks and uncertainties**

The Trustees and Governors have responsibility to assess the major risks to which the Academy is exposed. The FGB has approved a risk register to formally identify the risks, financial and otherwise, to which the Academy is exposed. An effective system of internal controls is in place to minimise these risks. Where significant financial risk remains, adequate insurance cover is in place. A systematic analysis of all other risks that could affect the Academy's ability to perform its strategic obligations is now underway and will feed in to Business Continuity planning.

The Academy manages its risks appropriately. 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 insufficient financial controls and systems
- Fraudulent activity
- Financial commitments made without adequate authorisation

The key controls used by the Academy to reduce risk include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Formal agreement of Annual Budget
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Budget Monitoring and Cashflow forecasting

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 findings/recommendations being reported through to full governing body meetings. Any identified or perceived risks are mitigated where possible

**Fundraising**

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. We have continued to receive generous donations from a wide range of private individuals, local companies, charities and other organisations.

**Plans for future periods**

Further expansion is underway currently to provide a place at school for 20 additional Early Years Foundation pupils at the request of the Local Authority. For the year 2022-23 these additional 20 students are being accommodated at a newly created satellite base at Ashby Hastings Primary School. A new Modular classroom building funded by Leicestershire County Council is under design and construction for completion next year to accommodate these additional pupils. Construction of the building has been submitted for planning approval and a Significant Change Request granted by the Regional Director, subject to permission being received.

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

- To ensure that the holistic, well-being and personal development needs of pupils and staff are met.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2022**

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**Plans for future periods (continued)**

- To enhance and further refine the Quality of Education across the curriculum from EYFS to P16, ensuring it is of the highest quality.
- To have impact wider than Forest Way School, including with parents/carers, professionals, the local community and Forest Way Alliance.

The provision of additional classroom space through the completion of modular classrooms at The Lodge and The Den (Communication and Interaction Unit) 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. The school has also been successful in securing Condition Improvement grants towards completion of Stage 2 Water Tightness involving replacement of the main school building roof.

**Funds held as custodian on behalf of others**

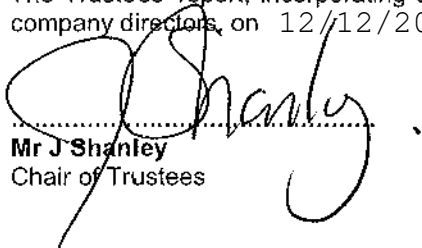
There are no funds held as Custodian Trustee on behalf of others.

**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/Director has taken all the steps that they ought to have taken as a Trustee/Director in order to make them aware of any audit information and to establish that the academy's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12/12/2022 and signed on its behalf by:

  
.....  
**Mr J Shanley**  
Chair of Trustees

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**Governance Statement**

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**Scope of responsibility**

As Trustees, 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 or loss.

The Board of Trustees 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 Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
J Shanley, Chair of Trustees	6	6
J Watkinson	4	6
G Seaton, Headteacher and Accounting Officer	6	6
R Cafferty	5	6
M Radley	4	6
K Thomas	6	6
A Harris	3	6
K Harrup	2	6

There have been no Trustee/Director resignations or appointments within the year. In line with the recommendations from our External Review of Governance undertaken by Mark Blois in June 2018 and 2021 the overall number of Trustee/Directors has now increased to the number considered appropriate to achieving effective governance. The current Board of Trustees/Directors also has the relevant skillset to meet the challenge of governance in a successful academy, particularly in areas involving Finance, Education, Health and Safety and HR. The analysis of Trustee skills conducted annually is ongoing with any necessary recruitment targeting perceived possible areas of weakness resulting from Trustee resignations and succession planning.

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.

The Board of Trustees/Directors meet at least 6 times a year and operates a circle of governance model. As required by The Academy Trust Handbook an Audit Committee meets under its own terms of reference, termly three 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 scrutiny, overseeing internal controls and risk management.

A follow up to the External Review of Governance in 2018 was completed in January 2022. The report from Mark Blois - Browne Jacobson LLP, a National Leader in Governance stated there has been an impressive and committed focus on implementing the recommendations of my the report. Forest Way School is an academy trust that takes the importance of effective governance very seriously. Overall, the arrangements for governance at Forest Way School both in terms of mechanics/structures and dynamics/behaviours are now very well

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**Governance Statement (continued)**

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**Governance (continued)**

developed and delivering a high standard of governance effectiveness.

**Review of value for money**

As accounting officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy'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 officer for the Academy has delivered improved value for money during the year.

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 music therapy 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 4 consecutive outstanding Ofsted reports with no matters requiring improvement being raised at the last inspection in December 2021. 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. Completion of building projects for The Lodge and The Den has increased pupil capacity and created a bespoke provision for Communication and Interaction Unit. 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.

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**Governance Statement (continued)**

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**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 year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees including review and an ongoing assessment of the Risk Register.

**The risk and control framework**

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

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

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.



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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Governance Statement (continued)**

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

- including procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action to be taken.

The board of Trustees decided that Academy Advisory Ltd will be appointed to conduct a Programme of Internal Control checks during the period 1st September 2021 to 31st August 2022. In addition a Peer to Peer review of Internal Scrutiny was also carried out by Business Manager from another school with a separate report on findings/recommendations being compiled and submitted to the members of the Audit Committee. The Audit Committee oversees the completion of the Internal Scrutiny Programme and reviews the reports raised. The checks undertaken include financial records relating to the Forest Way Alliance 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 Scrutiny checks undertaken during the period, with appropriate action being taken on all minor issues/recommendations 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.

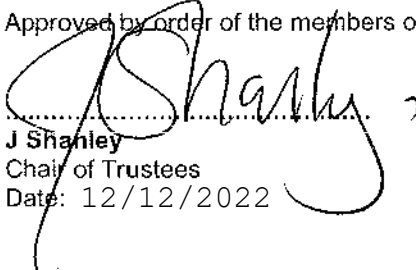
**Review of effectiveness**

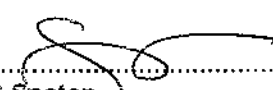
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the financial management and governance self-assessment process;
- the results of the internal scrutiny reviews;
- the work of the managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;
- 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 by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

  
.....  
**J Shanley**  
Chair of Trustees  
Date: 12/12/2022

  
.....  
**G Seaton**  
Accounting Officer

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Statement on Regularity, Propriety and Compliance**

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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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.

  
.....  
**Ms G Seaton**  
Accounting Officer

Date: 12/12/2022

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Statement of Trustees' responsibilities**  
**For the year ended 31 August 2022**

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

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

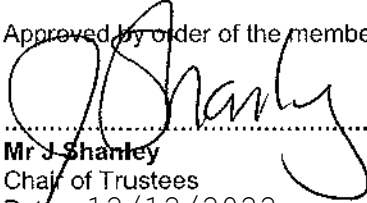
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



.....  
**Mr J Shanley**  
Chair of Trustees  
Date: 12/12/2022

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Independent Auditors' Report on the financial statements to the Members of Forest Way School**

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**Opinion**

We have audited the financial statements of Forest Way School (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Independent Auditors' Report on the financial statements to the Members of Forest Way School**  
**(continued)**

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

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

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

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy 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.

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

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

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

Based on our understanding of the charity and sector in which it operates, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Academy Trust Handbook, Academy Accounts Direction and ESFA/DfE funding agreements. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Independent Auditors' Report on the financial statements to the Members of Forest Way School**  
**(continued)**

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- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Wayne Thomas ACA (Senior Statutory Auditor)**

for and on behalf of

**Bates Weston Audit Ltd**

Statutory Auditors

Chartered Accountants

The Mills

Canal Street

Derby

DE1 2RJ

Date: 15/12/2022

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 7 March 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Forest Way School during the year 1 September 2021 to 31 August 2022 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 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 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 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 dated 1 March 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw our conclusion 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.

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Bates Weston Audit Ltd**  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

Date: 15/12/2022



**FOREST WAY SCHOOL**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2022**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and capital grants	3	11,099	13,820	15,580	40,499
Investments	5	98	298	-	396
Charitable activities	4	-	4,932,003	-	4,932,003
Teaching schools	28	-	-	-	463,060
Other income	6	358,829	-	-	-
<b>Total income</b>	<b>370,026</b>	<b>4,946,121</b>	<b>15,580</b>	<b>5,331,727</b>	<b>5,347,799</b>
<b>Expenditure on:</b>					
Raising funds		312,271	-	-	312,271
Charitable activities	8	-	6,053,847	274,347	6,328,194
Teaching schools	28	-	-	-	465,895
<b>Total expenditure</b>		<b>312,271</b>	<b>6,053,847</b>	<b>274,347</b>	<b>6,640,465</b>
<b>Net income/(expenditure)</b>		<b>57,755</b>	<b>(1,107,726)</b>	<b>(258,767)</b>	<b>(1,308,738)</b>
Transfers between funds	17	-	15,580	(15,580)	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>57,755</b>	<b>(1,092,146)</b>	<b>(274,347)</b>	<b>(1,308,738)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	23	-	7,287,000	-	7,287,000
<b>Net movement in funds</b>		<b>57,755</b>	<b>6,194,854</b>	<b>(274,347)</b>	<b>5,978,262</b>

**FOREST WAY SCHOOL**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**For the year ended 31 August 2022**

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Reconciliation of funds:</b>					
Total funds brought forward	450,196	(6,025,096)	10,063,254	4,488,354	6,715,675
Net movement in funds	57,755	6,194,854	(274,347)	5,978,262	(2,227,321)
<b>Total funds carried forward</b>	<b>507,951</b>	<b>169,758</b>	<b>9,788,907</b>	<b>10,466,616</b>	<b>4,488,354</b>

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

The notes on pages 28 to 52 form part of these financial statements.

**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**  
**Registered number: 07931627**

**Balance Sheet**  
**As at 31 August 2022**

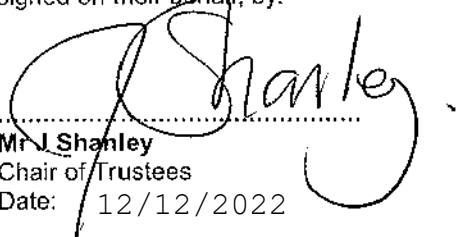
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	9,788,907	10,063,254
		<u>9,788,907</u>	<u>10,063,254</u>
<b>Current assets</b>			
Debtors	14	77,655	195,086
Investments	15	843,969	303,196
Cash at bank and in hand		728,648	1,120,758
		<u>1,650,272</u>	<u>1,619,040</u>
Creditors: amounts falling due within one year	16	(810,563)	(684,940)
<b>Net current assets</b>		<u>839,709</u>	<u>934,100</u>
<b>Total assets less current liabilities</b>		<u>10,628,616</u>	<u>10,997,354</u>
<b>Net assets excluding pension liability</b>		<u>10,628,616</u>	<u>10,997,354</u>
Defined benefit pension scheme liability	23	(162,000)	(6,509,000)
<b>Total net assets</b>		<u><u>10,466,616</u></u>	<u><u>4,488,354</u></u>

**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**  
**Registered number: 07931627**

**Balance Sheet (continued)**  
**As at 31 August 2022**

	Note	2022 £	2021 £
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	9,788,907	10,063,254
Restricted income funds	17	331,758	483,904
Restricted funds excluding pension asset	17	<u>10,120,665</u>	<u>10,547,158</u>
Pension reserve	17	<u>(162,000)</u>	<u>(6,509,000)</u>
<b>Total restricted funds</b>	17	<b>9,958,665</b>	<b>4,038,158</b>
<b>Unrestricted income funds</b>	17	<b>507,951</b>	<b>450,196</b>
<b>Total funds</b>		<b><u>10,466,616</u></b>	<b><u>4,488,354</u></b>

The financial statements on pages 23 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

  
 .....  
**Mr J Shanley**  
 Chair of Trustees

Date: 12/12/2022

The notes on pages 28 to 52 form part of these financial statements.

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Statement of Cash Flows**  
**For the year ended 31 August 2022**

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	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	132,687	439,573
<b>Cash flows from investing activities</b>	20	15,976	(59,515)
<b>Change in cash and cash equivalents in the year</b>		<b>148,663</b>	<b>380,058</b>
Cash and cash equivalents at the beginning of the year		1,423,954	1,043,896
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<u>1,572,617</u>	<u>1,423,954</u>

The notes on pages 28 to 52 form part of these financial statements

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies**

Forest Way School Academy Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given in these financial statements. The nature of the academy trust's operations and principal activities are set out in the Trustee's Report.

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

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

**1.3 Income**

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

• **Grants**

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

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

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

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**FOREST WAY SCHOOL**  
**(A company limited by guarantee)**

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**Notes to the Financial Statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy 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 'Stocks' 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'.

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

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

**1.4 Expenditure**

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

• **Expenditure on raising funds**

This 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.

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**Notes to the Financial Statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

• **Charitable activities**

These are costs 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.

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

**1.6 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Depreciation is provided on the following basis:

Freehold land and buildings	-	2% on cost
Long-term leasehold property	-	2% on cost
Fixtures, fittings and equipment	-	10% on reducing balance
Computer equipment	-	33% on reducing balance
Motor vehicles	-	25% on reducing balance

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.



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**Notes to the Financial Statements**  
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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

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

**1.7 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.8 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.9 Operating leases**

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

**1.10 Pensions**

Retirement benefits to employees of the Academy 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 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 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

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**Notes to the Financial Statements**  
**For the year ended 31 August 2022**

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**1. Accounting policies (continued)**

**1.10 Pensions (continued)**

discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.11 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 Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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**Notes to the Financial Statements**  
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**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Capital Grants	-	-	15,580	<b>15,580</b>	185,467
Other donations	11,099	13,820	-	<b>24,919</b>	14,886
	<u>11,099</u>	<u>13,820</u>	<u>15,580</u>	<u><b>40,499</b></u>	<u>200,353</u>
<i>Total 2021</i>	<u>2,119</u>	<u>12,767</u>	<u>185,467</u>	<u>200,353</u>	

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**4. Funding for the Academy's charitable activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	2,470,000	2,470,000	2,400,000
Other DfE/ESFA grants:				
Pupil Premium	-	109,264	109,264	107,061
Others	-	331,934	331,934	278,687
	-	2,911,198	2,911,198	2,785,748
<b>Other Government grants</b>				
Local authority grants	-	2,020,805	2,020,805	1,866,823
<b>Other income from the Academy's educational operations</b>	-	-	-	31,589
	-	4,932,003	4,932,003	4,684,160
<i>Total 2021</i>	31,589	4,652,571	4,684,160	

**5. Investment income**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	98	298	396	226
<i>Total 2021</i>	63	163	226	

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**Notes to the Financial Statements**  
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**6. Other incoming resources**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Teaching School Alliance	358,829	<b>358,829</b>	-

**7. Expenditure**

	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other 2022 £</b>	<b>Total 2022 £</b>	<i>Total 2021 £</i>
Expenditure on raising funds					
Direct costs	-	-	2,522	<b>2,522</b>	1,211
Expenditure on fundraising trading activities:					
Teaching School Alliance costs	-	-	309,749	<b>309,749</b>	-
Academy's educational operations					
Direct costs	3,592,981	-	100,090	<b>3,693,071</b>	3,344,242
Allocated support costs	1,537,299	616,748	481,076	<b>2,635,123</b>	2,261,772
	<u>5,130,280</u>	<u>616,748</u>	<u>893,437</u>	<u><b>6,640,465</b></u>	<u>5,607,225</u>
<i>Total 2021</i>	<u>4,514,694</u>	<u>833,814</u>	<u>258,717</u>	<u>5,607,225</u>	

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**Notes to the Financial Statements**  
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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Educational operations	3,693,071	2,635,123	<b>6,328,194</b>	5,606,014
<i>Total 2021</i>	<u>3,344,242</u>	<u>2,261,772</u>	<u>5,606,014</u>	

**Analysis of support costs**

	<b>Educational Operations 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Staff costs	1,537,299	<b>1,537,299</b>	1,067,091
Depreciation	274,347	<b>274,347</b>	277,658
Premises costs	616,748	<b>616,748</b>	550,956
Technology costs	58,231	<b>58,231</b>	62,468
Legal costs	19,382	<b>19,382</b>	44,526
Other support costs	119,366	<b>119,366</b>	245,588
Governance costs	9,750	<b>9,750</b>	13,485
	<u>2,635,123</u>	<u>2,635,123</u>	<u>2,261,772</u>
<i>Total 2021</i>	<u>2,261,772</u>	<u>2,261,772</u>	

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**Notes to the Financial Statements**  
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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	32,741	38,708
Depreciation of tangible fixed assets	274,347	277,658
Net interest on defined benefit pension liability	114,000	79,000
Fees paid to auditors for:		
- audit	7,250	9,641
- other services	5,169	5,235
	<u>5,130,280</u>	<u>4,505,710</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,259,813	3,097,428
Social security costs	259,411	242,527
Pension costs	1,611,056	1,165,755
<b>Staff Costs Employees</b>	<u>5,130,280</u>	<u>4,505,710</u>
Staff development and other staff costs	-	8,984
	<u>5,130,280</u>	<u>4,514,694</u>

**b. Special staff severance payments**

Included in staff costs are non-statutory/non-contractual severance payments totalling £NIL (2021: £12,500).

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**Notes to the Financial Statements**  
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**10. Staff (continued)**

**c. Staff numbers**

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

	2022 No.	2021 No.
Teachers	33	31
Administration and support	123	123
Management	1	1
	157	155

**d. Higher paid staff**

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	3	2
In the band £90,001 - £100,000	1	1
	4	3

**e. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £641,902 (2021 - £604,857).

**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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:

		2022 £	2021 £
Ms G Seaton , Headteacher and Accounting Officer	Remuneration	105,000 -	90,000 -
		110,000	95,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000
Mrs R Hayes , Staff Trustee (resigned 1 February 2021)	Remuneration		5,000 -
			10,000
	Pension contributions paid		0 - 5,000



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**Notes to the Financial Statements**  
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**11. Trustees' remuneration and expenses (continued)**

During the year ended 31 August 2022, expenses totalling £129 were reimbursed or paid directly to 1 Trustee (2021 - £NIL). The expenses related to reimbursement for mileage.

**12. 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 of this insurance is included in the total insurance cost.

**13. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2021	1,341,837	10,482,423	306,975	210,315	97,280	12,438,830
At 31 August 2022	1,341,837	10,482,423	306,975	210,315	97,280	12,438,830
<b>Depreciation</b>						
At 1 September 2021	116,000	1,921,504	116,260	137,147	84,665	2,375,576
Charge for the year	23,938	203,791	19,073	24,390	3,155	274,347
At 31 August 2022	139,938	2,125,295	135,333	161,537	87,820	2,649,923
<b>Net book value</b>						
At 31 August 2022	1,201,899	8,357,128	171,642	48,778	9,460	9,788,907
At 31 August 2021	1,225,837	8,560,919	190,715	73,168	12,615	10,063,254

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**Notes to the Financial Statements**  
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**14. Debtors**

	2022	2021
	£	£
<b>Due within one year</b>		
Trade debtors	-	3,180
Other debtors	17,387	15,675
Prepayments and accrued income	60,268	176,231
	77,655	195,086
	77,655	195,086

**15. Current asset investments**

	2022	2021
	£	£
Unlisted investments	843,969	303,196
	843,969	303,196
	843,969	303,196

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

	2022	2021
	£	£
Trade creditors	27,389	23,295
Other taxation and social security	53,516	50,197
Other creditors	72,283	71,711
Accruals and deferred income	657,375	539,737
	810,563	684,940
	810,563	684,940

	2022	2021
	£	£
Deferred income at 1 September 2021	521,135	26,314
Resources deferred during the year	540,484	521,135
Amounts released from previous periods	(521,135)	(26,314)
	540,484	521,135
	540,484	521,135

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

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**Notes to the Financial Statements**  
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**17. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Land development fund	-	-	-	75,000	-	75,000
<b>General funds</b>						
General funds	353,219	370,026	(312,271)	21,977	-	432,951
Teaching school	96,977	-	-	(96,977)	-	-
	<u>450,196</u>	<u>370,026</u>	<u>(312,271)</u>	<u>(75,000)</u>	<u>-</u>	<u>432,951</u>
<b>Total Unrestricted funds</b>	<u>450,196</u>	<u>370,026</u>	<u>(312,271)</u>	<u>-</u>	<u>-</u>	<u>507,951</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	297,575	2,470,000	(2,451,397)	15,580	-	331,758
Pupil Premium	-	109,264	(109,264)	-	-	-
Other DfE/ESFA grants	62,392	331,934	(394,326)	-	-	-
Other government grants	-	2,020,805	(2,020,805)	-	-	-
Other restricted funds	123,937	14,118	(138,055)	-	-	-
Pension reserve	(6,509,000)	-	(940,000)	-	7,287,000	(162,000)
	<u>(6,025,096)</u>	<u>4,946,121</u>	<u>(6,053,847)</u>	<u>15,580</u>	<u>7,287,000</u>	<u>169,758</u>

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**Notes to the Financial Statements**  
For the year ended 31 August 2022

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Restricted fixed asset funds</b>						
Inherited on conversion	8,558,523	-	(204,639)	-	-	8,353,884
DfE group capital grants	54,811	15,580	(1,991)	(15,580)	-	52,820
Capital expenditure from GAG	902,586	-	(51,483)	-	-	851,103
Other grants	547,334	-	(16,234)	-	-	531,100
	<u>10,063,254</u>	<u>15,580</u>	<u>(274,347)</u>	<u>(15,580)</u>	<u>-</u>	<u>9,788,907</u>
<b>Total Restricted funds</b>	<u>4,038,158</u>	<u>4,961,701</u>	<u>(6,328,194)</u>	<u>-</u>	<u>7,287,000</u>	<u>9,958,665</u>
<b>Total funds</b>	<u>4,488,354</u>	<u>5,331,727</u>	<u>(6,640,465)</u>	<u>-</u>	<u>7,287,000</u>	<u>10,466,616</u>

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

The designated fund relates to future investment in the infrastructure of the school site.

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. An amount of £NIL (2021: £62,392) is held in restricted funds representing the balance of a condition improvement grant to be spent in the following 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 £NIL (2021: £131,414) 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.

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**Notes to the Financial Statements**  
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**17. Statement of funds (continued)**

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General funds	322,343	33,771	(1,211)	(1,684)	-	353,219
Teaching school	98,128	423,060	(465,895)	41,684	-	96,977
	<u>420,471</u>	<u>456,831</u>	<u>(467,106)</u>	<u>40,000</u>	<u>-</u>	<u>450,196</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	86,370	2,400,000	(2,059,239)	(129,556)	-	297,575
Pupil Premium	-	107,061	(107,061)	-	-	-
Other DfE/ESFA grants	333,865	278,687	(700,233)	150,073	-	62,392
Other government grants	-	1,866,823	(1,866,823)	-	-	-
Teaching school	-	40,000	-	(40,000)	-	-
Other restricted funds	111,554	12,930	-	(547)	-	123,937
Pension reserve	(4,412,000)	-	(595,000)	-	(1,502,000)	(6,509,000)
	<u>(3,880,211)</u>	<u>4,705,501</u>	<u>(5,328,356)</u>	<u>(20,030)</u>	<u>(1,502,000)</u>	<u>(6,025,096)</u>
<b>Restricted fixed asset funds</b>						
Inherited on conversion	8,763,470	-	(204,947)	-	-	8,558,523
DfE group capital grants	56,328	185,467	(4,795)	(182,189)	-	54,811
Capital expenditure from GAG	815,090	-	(52,710)	140,206	-	902,586
Other grants	540,527	-	(15,206)	22,013	-	547,334

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**Notes to the Financial Statements**  
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**17. Statement of funds (continued)**

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
	10,175,415	185,467	(277,658)	(19,970)	-	10,063,254
<b>Total Restricted funds</b>	6,295,204	4,890,968	(5,606,014)	(40,000)	(1,502,000)	4,038,158
<b>Total funds</b>	6,715,675	5,347,799	(6,073,120)	-	(1,502,000)	4,488,354

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

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

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	-	9,788,907	<b>9,788,907</b>
Current assets	507,951	1,142,321	-	<b>1,650,272</b>
Creditors due within one year	-	(810,563)	-	<b>(810,563)</b>
Provisions for liabilities and charges	-	(162,000)	-	<b>(162,000)</b>
<b>Total</b>	507,951	169,758	9,788,907	<b>10,466,616</b>

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**Notes to the Financial Statements**  
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**18. Analysis of net assets between funds (continued)**

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

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	10,063,254	10,063,254
Current assets	458,106	1,160,934	-	1,619,040
Creditors due within one year	(7,910)	(677,030)	-	(684,940)
Provisions for liabilities and charges	-	(6,509,000)	-	(6,509,000)
<b>Total</b>	<b>450,196</b>	<b>(6,025,096)</b>	<b>10,063,254</b>	<b>4,488,354</b>

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	<b>(1,308,738)</b>	(725,321)
<b>Adjustments for:</b>		
Depreciation	274,347	277,658
Capital grants from DfE and other capital income	(15,580)	(185,467)
Interest receivable	(396)	(226)
Defined benefit pension scheme cost less contributions payable	826,000	516,000
Defined benefit pension scheme finance cost	114,000	79,000
Decrease in debtors	117,431	191,977
Increase in creditors	125,623	290,817
Corporation tax paid	-	(4,865)
<b>Net cash provided by operating activities</b>	<b>132,687</b>	439,573

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**20. Cash flows from investing activities**

	2022	2021
	£	£
Dividends, interest and rents from investments	396	226
Purchase of tangible fixed assets	-	(245,208)
Capital grants from DfE Group	15,580	185,467
<b>Net cash provided by/(used in) investing activities</b>	<b>15,976</b>	<b>(59,515)</b>

**21. Analysis of cash and cash equivalents**

	2022	2021
	£	£
Cash in hand and at bank	1,269,290	1,120,758
Short term deposits	303,327	303,196
<b>Total cash and cash equivalents</b>	<b>1,572,617</b>	<b>1,423,954</b>

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

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	1,120,758	(392,110)	728,648
Liquid investments	303,196	540,773	843,969
	<b>1,423,954</b>	<b>148,663</b>	<b>1,572,617</b>

**23. Pension commitments**

The Academy'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 related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £72,283 were payable to the schemes at 31 August 2022 (2021 - £71,711) and are included within creditors.



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**23. Pension commitments (continued)**

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £288,235 (2021 - £260,861).

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

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

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**23. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £495,000 (2021 - £503,000), of which employer's contributions totalled £386,000 (2021 - £392,000) and employees' contributions totalled £ 109,000 (2021 - £111,000). The agreed contribution rates for future years are 5.5 to 12.5 per cent for employers and 19.9 per cent for employees.

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

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

**Principal actuarial assumptions**

	<b>2022</b>	<b>2021</b>
	%	%
Rate of increase in salaries	<b>3.55</b>	3.40
Rate of increase for pensions in payment/inflation	<b>3.05</b>	2.90
Discount rate for scheme liabilities	<b>4.25</b>	1.65
Inflation assumption (CPI)	<b>3.05</b>	2.90

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

	<b>2022</b>	<b>2021</b>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.5</b>	21.7
Females	<b>24.00</b>	24.2
<i>Retiring in 20 years</i>		
Males	<b>22.4</b>	22.6
Females	<b>25.7</b>	25.9

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**23. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Discount rate -0.1%	<b>204,000</b>	<i>381,000</i>
Mortality assumption - 1 year increase	<b>283,000</b>	<i>521,000</i>
CPI rate +0.1%	<b>184,000</b>	<i>335,000</i>
Salary +0.1%	<b>22,000</b>	<i>-</i>

**Share of scheme assets**

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

	<b>At 31</b>	<i>At 31 August</i>
	<b>August 2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Equities	<b>4,218,150</b>	<i>3,774,000</i>
Bonds	<b>1,936,200</b>	<i>1,887,000</i>
Property	<b>622,350</b>	<i>455,000</i>
Cash and other liquid assets	<b>138,300</b>	<i>391,000</i>
<b>Total market value of assets</b>	<b><u>6,915,000</u></b>	<i><u>6,507,000</u></i>

The actual return on scheme assets was 0.4%

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

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Current service cost	<b>826,000</b>	<i>516,000</i>
Interest income	<b>114,000</b>	<i>79,000</i>
<b>Total amount recognised in the Statement of Financial Activities</b>	<b><u>940,000</u></b>	<i><u>595,000</u></i>

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**23. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	<b>13,016,000</b>	9,343,000
Interest cost	225,000	167,000
Employee contributions	109,000	111,000
Actuarial (gains)/losses	(7,408,000)	2,544,000
Benefits paid	(77,000)	(57,000)
Current service cost	1,212,000	908,000
<b>At 31 August</b>	<b>7,077,000</b>	13,016,000

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

	2022 £	2021 £
<b>At 1 September</b>	<b>6,507,000</b>	4,931,000
Interest income	111,000	88,000
Actuarial (losses)/gains	(121,000)	1,042,000
Employee contributions	109,000	111,000
Benefits paid	(77,000)	(57,000)
Employer contributions	386,000	392,000
<b>At 31 August</b>	<b>6,915,000</b>	6,507,000

**24. Long-term commitments, including operating leases**

**a. Operating leases**

At 31 August 2022 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	46,942	22,259
Amounts due between one and five years	61,645	63,037
	<b>108,587</b>	85,296

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**Notes to the Financial Statements**  
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**25. 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.

**26. Related party transactions**

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

**27. Agency arrangements**

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2022 the trust received £13,476 (2021 - £7,938) and disbursed £7,609 (2021 - £8,411) from the fund.

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**28. Teaching school trading account**

	2022	2022	2021	2021
	£	£	£	£
<b>Income</b>				
<b>Direct income</b>				
Government grants	-		40,000	
<b>Other income</b>				
Fundraising and other trading activities	-		423,060	
<b>Total income</b>		-		463,060
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	-		109,902	
Other direct costs	-		271,084	
	-		380,986	
<b>Other expenditure</b>				
Support staff costs	-		65,179	
Maintenance of premises and equipment	-		2,040	
Cleaning	-		1,000	
Energy costs	-		2,160	
Share of governance costs	-		2,231	
Other support costs	-		12,299	
	-		84,909	
<b>Total expenditure</b>		-		465,895
<b>Transfers between funds excluding depreciation</b>		-		1,684
<b>Surplus/(deficit) from all sources</b>		-		(1,151)
<b>Teaching school balances at 1 September 2021</b>		-		98,128
<b>Teaching school balances at 31 August 2022</b>		-		96,977