

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

**Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2020  
for  
FOREST WAY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

# FOREST WAY SCHOOL

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# FOREST WAY SCHOOL

## Reference and Administrative Details for the Year Ended 31 August 2020

<b>Members</b>	M Snow J Shanley (Resigned July 2020) R Cafferty (Resigned July 2020) N Palmer (Appointed March 2020) C Mehat M Kirton
<b>Trustees/Directors</b>	J Shanley (Chair) M Snow (Vice Chair) (Resigned July 2020) J Watkinson G Seaton (Headteacher and Accounting Officer) R Hayes (Staff Trustee) L Brown (Resigned October 2019) R Cafferty J Brookes (Resigned June 2020) M Radley (Appointed May 2020)
<b>Company Secretary</b>	I M Wood
<b>Senior Leadership Team</b>	
Headteacher	G Seaton
Deputy Headteacher	K Fox Resigned April 2020)
Deputy Headteacher	A Brown (Appointed April 2020)
Deputy Headteacher	G Donley-Williams (Appointed April 2020)
Assistant Headteacher	B Howard
Assistant Headteacher	S Woodward/L Larder
Assistant Headteacher	T Lees (Temp Appointment to December 2019)
Assistant Headteacher	B Tocker
<b>Business Manager</b>	I M Wood
<b>Company Registration Number</b>	07931627 (England and Wales)
<b>Principal address/Registered Office</b>	Warrens Hills Road Coalville Leicestershire LE67 4UU

**FOREST WAY SCHOOL**

**Reference and Administrative Details  
for the Year Ended 31 August 2020**

**Bankers**

Lloyds TSB  
20 Belvoir Road  
Coalville  
Leicestershire  
LE67 3QH

**Solicitors**

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

**Auditors**

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

# FOREST WAY SCHOOL

## Report of the Trustees for the year ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates a special academy in the Leicestershire area for pupils aged 3 to 19 with multiple and profound learning difficulties. It has a pupil capacity of 220 pupils and a current on roll of 233 on October 11th 2019.

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

#### **Constitution**

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

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

During the period the Company passed a special resolution adopting the new set 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 throughout the year except as noted are included in the Reference and Administrative Details on pages 1 to 2.

#### **Members' liability**

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

#### **Trustees' Indemnities**

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

#### **Principal activities**

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

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

The 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.

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.

# FOREST WAY SCHOOL

## Report of the Trustees for the year ended 31 August 2020

### **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 continuing success of the Teaching School which was successfully re-designated by the DfE in July 2019. The aim of the structure is one of distributed leadership which facilitates decision making at all levels.

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

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

The structure ensures that major risks 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. The Risk Register drives a comprehensive programme of Internal Checks that are conducted termly by an external firm of Accountants. Any findings from the Internal Audit are reported and looked into by the Audit Committee and the findings reported on to the Governing Body.

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

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

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

DfE Governance Handbook  
Trustee Code of Conduct and visits  
Trustee Allowances  
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  
School Prospectus

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

The Academy Trust recognises its responsibility to:

- 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.

## FOREST WAY SCHOOL

### Report of the Trustees for the year ended 31 August 2020

-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

#### Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2020

#### Relevant union officials

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

2

Full-time equivalent employee number

2

#### Percentage of time spent on facility time

Percentage of time

0%

1-50%

51-99%

100%

Number of employees

Nil

1

Nil

Nil

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

Total cost of facility time

Total pay bill

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

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

£

138

3,679,917

0%

#### Paid trade union activities

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

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

0%

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2020**

#### **Connected Organisations including Related Party Relationships**

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

#### **OBJECTIVES AND ACTIVITIES**

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

The principal object and activity of the academy is to provide education for pupils with special educational needs between the ages of 3 and 19. Our school motto is "Thrive at Forest Way - where young people are at the heart of everything"

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

#### **OBJECTIVES AND ACTIVITIES**

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

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

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

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 rag rated termly.

The objectives of the academy during the year ended 31 August 2020 as recorded in the School Improvement Plan are summarised below:

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



## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2020**

-To continue to be aware of the importance of staff well-being and provide strategies within school that support this.

#### **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.

#### **Disabled persons**

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

#### **Public benefit**

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

### **STRATEGIC REPORT**

#### **Achievement and performance**

-Reopened as Area Special School in new award winning building, January 2009 and became an academy March 2012. On site with three mainstream schools. Adjacent bungalow, The Croft, purchased and used from August 2013 as a Post 16 life-skills teaching area including woodwork area. It also serves as a base for the Teaching School

-Pupils aged 3-19 - MLD, SLD, PMLD. Currently 240 pupils on roll. Grouped in mixed ability classes in key stages then receptive understanding ability groups across some subjects

-Intent of curriculum includes promoting pupil's independence. 3 pathways identified: Vocational, Life Skills or Life Choices for Post 16. Identification of pathways occurs in Key Stage 2 through grouping by receptive understanding for core subjects. In Key stage 3 and 4 this grouping is continued and pupils on the vocational pathway are taught together at Forest Lodge.

-There are 6 pupils living in care, 11 pupils Adopted from Care and 5 pupils are identified as a Child in Need. Regular meetings take place with all professionals, social care and carers involved.

-There is 1 pupil on a Child Protection Plan. There are 29.6% free school meals in addition to Universal Free School Meals scheme.

-Planned expansion project - building of Forest Lodge modular classroom completed involving increased capacity 2019/20 of 13 pupils

-Communication and Interaction Resource Base, The Den, for primary pupils planned to open September 2020 with 4 pupils. Planned increase by 10 - 12 during the year 2020-21.

-Finalist in Leicestershire Heroes Award 2019 for Community Building.

-Investment in Forest Schools' training during past 6 years. Forest Schools' embedded within curriculum across all key stages, new staff trained 2019 - 20.

-Headteacher appointed August 2016, having worked at the school for over 11 years prior to appointments. One additional and replacement Deputy Headteacher appointed April 2020 both with mainstream and Special School background.

-Forest Way was one of the first 100 Teaching Schools nationally, leading an Alliance of 50 schools. Teaching School successfully re-designated in August 2019 and G Seaton is now Head of school and the FW TSA.

-School has a Communication, Training and Assessment Centre.

-Effective governing body. 3 new Members of the Trust have been recruited. Vision statement written with input from staff, parents and trustees.

-Lead school for Forest Way Teaching School Alliance which includes 50 schools across primary, secondary and 4 special schools and has a shared moral purpose towards improved attainment for all pupils across the alliance. Collaboration with other Leicestershire TSAs occurs regularly.

## FOREST WAY SCHOOL

### Report of the Trustees for the year ended 31 August 2020

-As Lead school we are responsible for the following areas: Initial Teacher Training (School Direct), Induction and CPD for NQTs (Appropriate Body), NQT+ 1, Providing quality CPD for all school staff including leadership development, Recruiting NLEs, LLEs, & SLEs and deploying them to provide school to school support (See FWTSA Action Plan 2020/21 & Evaluation of year 2019/20).

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

-Analysis of quality of teaching over time shows exceptional progress. The last inspection found the teaching to be outstanding. This supports the school's own current judgement (Evidence Ofsted - May 2016).

-This judgement is based on lesson observations, learning walks, drop-ins, work scrutiny, daily moderation of Tapestry uploads and pupil assessment data. Pupil progress meetings are held termly between teachers and SLT.

-Yearly Health Check completed by external consultant supports school's judgement in 2018 and October 2019.

-A range of data, 'basket of indicators', confirms the sustained progress leading to outstanding achievement made by pupils in all subjects. Internal moderation ensures consistency which is confirmed by external moderation with other

-We have a rolling programme for IEP target setting and assessment that reflects the young person's annual review cycle. Each pupil has IEPs set that reflect their outcomes from their 'EHCP', these are evaluated at the time of their Annual Review.

-Curriculum Development is a key priority. Curriculum Teams were developed for 2019/20 to ensure wider staff knowledge and expertise used effectively. All subject leaders have updated their rationale and identified the Intent, Implementation and Impact for their subject. Senior leaders challenge the subject leader's knowledge of their area.

-Curriculum Subject Leaders all set yearly action plans, these were last rag rated for Autumn Term 2019. Curriculum Leads are currently working on new action plans for 2020-21.

-Pupil Premium and Primary PE Funding analysis shows significant positive impact on pupils' learning, Gold Sports Mark Award achieved for previous 4 years and school is aiming for the platinum award in 2020-21, being the first SEN school in Leicestershire to achieve this award. Specialist PE teacher works across key stages 2-Post 16. See evaluation or 2019-20, plan for 2020-21.

-Tracking system in place for pupils' achievement to show trends in performance over previous 3 years for P Level progress and small step assessment.

-Pre-Key Stage Standards were reported on for Yr 2/6 in 2019/20 following work across Leicestershire Special Schools to moderate judgements.

-There is a whole school approach to planning and assessment which involves parents, pupils and other professionals. Recording and oral feed-back is consistent and informs the next steps. All staff have high expectations of all pupils.

-Induction procedures are thorough to ensure Leadership Team, teachers and support staff to work as effectively as possible. This includes extensive training. Coaching/team teaching and planning are provided initially. NQT and NQT + 1 course by FWTSA.

-Performance Management is key to sustaining and improving standards for all staff. Blue Sky platform in use for all staff appraisals.

-School direct Trainees are well supported and fully immersed in the whole school ethos

-The school is well resourced and has state of the art facilities.

-Awarded Makaton Friendly School status. Makaton Regional Tutor/SALTs support ongoing staff training.

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2020**

#### **STRATEGIC REPORT**

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

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

- School Improvement Plan at heart of school's drive for constant improvement. Pre-lockdown a whole school celebration evening contributed to evaluation of strategic priorities at the end of the year.
- Monitoring and evaluation significantly impacts on improving teaching and learning through lesson observation, peer to peer work, learning walks, performance management and internal/external moderation.
- Strong curriculum/subject leaders have clearly defined roles and autonomy. Innovation is encouraged. Curriculum Leads write action plans which are rag rated termly.
- Comprehensive induction and high quality CPD develops staff who work in teams, are flexible and embrace change.
- Two NQTs were provided with a personalised programme of support and successfully passed in 2020, 1 has permanent full time post with us, the other left to pursue a career abroad.
- Effective governing body, high attendance at meetings. Meet all statutory duties and hold the school to account through Trustee Meetings and monitoring visits.
- Excellent budget planning and management reporting. Balanced budget for the next 5 years using strength of reserves to achieve sustainability, best use of resources and value for money. Objective to achieve in year balanced budget rather than relying on reserves but staff cost ratio will make achieving this difficult as safety of pupils at school is a priority. Follow Best Value principles.
- Trustees have additional responsibilities and clear monitoring and evaluation role.
- Close working with Leicestershire Special Schools and beyond for external moderation of judgements. This includes peer to peer challenge of work scrutiny and EDR behaviour.
- Outward facing Leadership Team work collaboratively with groups across Leicestershire Special Schools, including Deputies, EDR leads, Assessment, Leicestershire Primary Heads, EYFS, Computing and Post 16. Collaboration with other out of area Special Schools. Includes LT and joint learning walks.
- Leadership Development includes the middle leaders who have been successful in passing their NPQML course in October 2019. Their projects include rolling out a pilot 'Engagement Profile'.
- DHT in 19/20 successfully passed NPQH and secured a Headship from Easter 2020.
- E-Safety: 2 parent workshops offered 2019/20 year, one led by Police Officer.
- E-Safety Awareness afternoon delivered across all Key stages.
- Regular training delivered to staff regarding keeping safe on social media.
- SLEs support in behaviour, business and SEND outreach across Teaching School Alliance and wider.
- Wider staff encouraged and supported to collaborate and be outward facing. 4 teachers, Pastoral/Behaviour Manager and Communication Technician have been involved in SEND Outreach work across the Alliance. English Lead and Grade 8s visited
- Dorothy Goodman School for 'age appropriateness work. DHT/Middle Leader coordinate School Direct ITT and Loughborough PGCE primary students SEN placements within FW. PE teacher offers support in PE provision to special schools in the alliance via the Sport England Project.
- PE teacher supporting a Loughborough College student with learning disabilities on a work placement within PE Department.
- Headteacher supports Alliance schools through individual support work, SEND Reviews and deployment of SLEs.

##### **COVID-19 Period from March 2020**

- School remained open throughout lockdown period, including most of holiday period and always had a DSL on site.
- Timetables for all staff/pupils written within short time frame for wider opening in June to ensure all safety measures followed.
- Whole school risk assessment written, liaison with staff and unions. Clear communication with parents. Social stories sent home about PPE.
- Communication and Interaction Unit built and ready for opening September 2020 for 4 pupils.
- Successful recruitment of LSAs and apprenticeships

## FOREST WAY SCHOOL

### Report of the Trustees for the year ended 31 August 2020

#### STRATEGIC REPORT

##### Achievement and performance

##### Personal development, behaviour and welfare

-There is a high level of engagement in all lessons with a calm atmosphere, positive ethos and mutual respect which impacts very positively on progress in lessons and throughout the school. There is very rarely any low-level disruption and any incidents of challenging behaviour are dealt with consistently and effectively. All staff receive behaviour training based on the EDR framework. The school currently has 7 members of staff trained as EDR trainers who can lead whole school training.

-Almost all pupils say they feel safe and this is supported by the views of parents/carers. (Evidence - pupil/parent/carers' questionnaires May 2019 Annual Reviews, home/school contact etc).

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

-Analysis of behaviour incidents show that behaviour is managed extremely well with potentially very challenging pupils. Any use of force is either part of a planned response consistent with behaviour/crisis plan, or it is an unplanned response which triggers a behaviour/crisis plan being written. This is regularly monitored by trustees

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

-Clear policies for Behaviour and Equality.

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

-Our attendance figure for Autumn Term 2019 was 91% and for the academic year 2018-19 was 91%. Much of our non-attendance is due to medical appointments or illness and some of our pupils require frequent hospitalisation for life threatening conditions, it would be inappropriate to compare a school such as ours with mainstream schools. Attendance analysis shows boys (92.34%) have slightly better attendance than girls (87.73%). There were no observable trends to cause concern for the different ethnic groups. There were no persistent absentees other than pupils with complex, often terminal conditions.

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

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

##### COVID-19 Period from March 2020

-Attendance during the lockdown period covered a range of 9-79 pupils. From June 1st to July 10th an average of 72 pupils attended daily..

-Analysis of behaviour incidents during the period March-July 2020 shows that pupils coped well with the changes and behaviour was managed effectively. 1 pupil on an individual timetabled thrived on the quieter environment in school.

-School remained open for much of the holidays and staff delivered food/free school meals to pupils at home throughout this period.

# FOREST WAY SCHOOL

## Report of the Trustees for the year ended 31 August 2020

### STRATEGIC REPORT

#### Achievement and performance

##### Outcomes for pupils

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

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

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

##### COVID-19 Period from March 2020

- 12 new starters for August 2020, parents were communicated with via phone and TEAMS.
- Comprehensive transition organised to ensure smooth start. All pupils have attended this term.
- ELG will be monitored for the EYFS cohort from Sep 19 in Dec 20. New pupils will be assessed this term to establish starting points.

# FOREST WAY SCHOOL

## Report of the Trustees for the year ended 31 August 2020

### STRATEGIC REPORT

#### Achievement and performance

##### 16-19 Study programme

- Pupils enjoy a life skills based curriculum, developing basic skills through functional situations, this includes mini enterprise, cook and eat, arts and culture and STEM.
- New Post 16 Hub at Charnwood College attended by group on 'vocational' pathway.
- Pupils complete functional Maths and English sessions to make their learning more relevant to life beyond school.
- A close relationship between students and all those involved in the transition process leading to high quality Post 19 provision. Students in Oaks 8 and 9 had College Taster days (3) at RNIB 2019/20.
- Keeping themselves safe is emphasised in our PSHEC, Life Skills and Community Skills/Independent Travel Training.
- All pupils when they leave go onto Post 19 education and/or Social Care provision (see destination data for leavers 2019 2020)
- Regular contact with Transitions Team at reviews and when meetings with parents when needed. School now has a designated
- Transition team member which has helped with communication. We now have two link Transition workers.
- Safeguarding information will be shared at the end of year as per guidance from Transitions team who will then disseminate to Post 19 providers as necessary.
- Successful transitions events held at school for all potential leavers over last 3 years. Attended by local colleges, social day care providers and the DWP. Offered to families of year 11+ pupils.
- Internal and external work experience enable students to make informed career choices. (see P16 evaluation of year 2019/20)
- One student is now employed by school as a cleaner after hours and works as a catering assistant at lunch.
- 9 Post 16 students have completed external work experience placements during the Autumn term. 2 have completed external work experience in the first half of the spring term and one has achieved a long term placement and the offer of employment from this.
- In 2019/20 Gorse Hill Farm was being used by Post 16 for long term work experience placements for over a year.
- In 2019/20 approximately 20 students from Post 16 and Key Stage 4 completed a careers interview, CV and team building workshops led by DWP and the local job centre.
- 20 Students took part in a local careers and jobs fair aimed specifically at SEND students in 2019/20
- 6 students did National Citizens Service Award (and 8 students from KS4) in 2019.
- Every child in Post 16 and Key stage 4 have achieved at least 1 qualification at Entry Level 1, 2 or 3 in OCR Life and Living skills (part of the QCF).
- In 2019/20 23 students gained an ABC certificate at Level 1 in environmental conservation and 10 students gained a food hygiene certificate at level 1.
- 10 students in 2019/20 involved with Young Enterprise scheme, setting up their own business. Placed 2nd in National competition to design logo. One pupil in Oaks 10 won the design Award for best logo in Midlands. In 2020/21 Young Enterprise expanded to 2 groups who will participate.
- 12 students attend the Hermitage Leisure Centre joining in with Absolute Core class and using the gym.
- Ulverscroft Grange used for community action allotment. Proceeds go to Shuttlewood Clarke Foundation. .
- Students working with Dave Singleton to make bird and bat boxes for new build schools.
- In 2019/20 a small group of less able Oaks 8 pupils took part in a four day residential at Wingate Centre in Cheshire.
- We are a member of the Careers Hub with the Leicester and Leicestershire Enterprise Partnership, this is a collaboration of 20 schools and colleges working across the 2 counties. Roy Cafferty (Trustee) has attended careers Governor training hosted by LLEP.

## **FOREST WAY SCHOOL**

### **Report of the Trustees for the year ended 31 August 2020**

#### **STRATEGIC REPORT**

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

- Staff member completed Careers leader training via Derby University
- School is member of Leicester and Leicestershire Enterprise Partnership and has own Employment Advisor.
- In July 2019 all Post 16 students took part in an end of year Prom at a local venue, had a three course meal and enjoyed dancing to a live band. This is the first year we have had the celebration out of school as we wanted it to be more age appropriate and reflect what happens in mainstream schools.
- In September 2020 Post 16 Year 14 students have had Careers Adviser interviews offering impartial careers related advice at Level
- 6 Action plans written with Year14 and careers adviser.

##### **COVID-19 Period from March 2020**

- Transition to new placements supported remotely and AHT liaised regularly with parents and new providers
- 8 students had new Transition passports sent to new settings after input from parents and staff
- All information sent to new settings to ensure successful Transition
- One student who went on week work placement at local restaurant was offered and took up a paid weekend job
- All students from Oaks 9 and 10 were successful in completing the Environment and Conservation course despite Lockdown and achieved a Nationally recognised qualification

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

The Academy Trust prepares comprehensive monthly management reports including an income and expenditure account, variation to budget report, cash flows and balance sheet. 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. Following the successful completion of this additional learning space "The Lodge" that was part funded by the Local Authority a further funding of £350,000 has been awarded by Leicestershire County Council in order to establish a bespoke Communication and Interaction Unit for 12 pupils due for completion September 2020.

# FOREST WAY SCHOOL

## Report of the Trustees for the year ended 31 August 2020

### STRATEGIC REPORT

#### Achievement and performance

##### Fundraising activities

The academy raises funds for the benefit of the pupils through events held throughout the year at the school for parents and children to attend. The annual Christmas Fayre generated further funding in this respect and whilst there is no doubt that overall funding from this source has been affected by the COVID 19 situation, we have continued to receive generous donations from a wide range of private individuals, local companies, charities and other organisations.

##### Key financial performance indicators

During the year ended 31 August 2020, the total revenue expenditure of the academy trust of £5,530,524 was met by General Annual Grant funding from the DfE together with special educational needs top-up funding received from local authorities, Pupil Premium income and other fund income.

The incoming resources during the year ended 31 August 2020 were £5,398,789. The overall shortfall for the year ended 31 August 2020 was £99,735 after depreciation charges of £299,068 and actuarial adjustments on the LGPS pension scheme of £32,000.

As at 31 August 2020 the net book value of tangible fixed assets of the academy trust was £10,095,704.

The academy trust held fund balances at 31 August 2020 of £6,295,204 of restricted funds and £420,470 of unrestricted funds.

The in-year surplus on restricted general funds and unrestricted funds was £337,211. The actual position of reserves excluding the pension reserve as at 31 August 2020 was £952,259.

##### Financial review

##### Principal funding sources

Forest Way School's income in respect of place funding is obtained from the Department for Education through the Education and Skills Funding Agency (ESFA) as defined in the formal Funding Agreement agreed with the Secretary of State on conversion. Pupils' Top Up funding and additional 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. The grants received from the ESFA / Top Up Funding from Local Authorities during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

In accordance with the Charities Statement of Recommended Practice, 'Account Activities by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, funds are received from various activities carried out to generate funds such as lettings, provision of catering, etc. Any surplus is carried forward as an unrestricted fund in the balance sheet. Income from Lettings and events has significantly reduced this year as a result of COVID 19.

The Teaching School Alliance continues its success in providing support to the Northwest Leicestershire Area through quality CPD events, School to School support and Initial Teacher Training through the School Direct. Scheme. The Teaching School was successful in its re-designation application July 2019. Income from training events has been significantly affected by the COVID 19 situation in the last six months of the financial period.



## FOREST WAY SCHOOL

### Report of the Trustees for the year ended 31 August 2020

#### STRATEGIC REPORT

##### Financial review

##### 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 year whilst maintaining adequate reserve.

##### Reserves policy

The Trustees review the reserve levels of the academy annually. There is a continued focus to continue to create adequate reserves to meet the challenges of sustainability and rising academy running costs in the future. The retention of reserves is considered by the Trustees to be critical to the sustainability of the trust, particularly in the current economic climate. Equally important is the balance between reserves and ensuring that pupils at school are benefiting in full from all available funding whilst at school now. The use of Reserves meets the objectives of the Trustees/Directors to provide to improve the fabric and capacity of the current school building(s).

The Trust was able to secure a significant financial contribution from Leicestershire County Council towards the overall costs of the new modular classroom and Communication and Interaction Unit resulting in increase in pupil places overall.

The current level of funds held is £6,715,674 of which £10,095,704 can only be realised by disposing of tangible fixed assets.

In accounting for the Local Government Pension Scheme (LGPS) the academy trust has recognised a pension fund deficit of £4,412,000 included in restricted funds, resulting in a deficit on the restricted funds. The amount of the deficit on the pension scheme does not represent an immediate liability which will crystallise but rather is expected to result in an increase in contributions by the academy trust over a period of years, to be met from the academy trust's budgeted annual income. Whilst the increased contributions may not eliminate the deficit on the scheme there should be no actual cashflow deficit on the fund, or direct impact on the free reserves of the academy trust as a consequence of recognising the deficit.

##### Going concern

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

##### Principal risks and uncertainties

The Trustees have considered the major risks to which the Trust is exposed to and continues to review these risks and embed systems and procedures to manage these risks. The Trust maintains a comprehensive Risk Register and overall responsibility for risk management through the Audit Committee.

The Academy has a Covid Risk Assessment that has been through full consultation with staff, trustees and externally reviewed. This Risk Assessment is in addition to and supplements the Academies Risk Assessment

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/pupil numbers
- Inappropriate or ineffective financial controls and systems

## FOREST WAY SCHOOL

### Report of the Trustees for the year ended 31 August 2020

#### STRATEGIC REPORT

##### Principal risks and uncertainties

- Fraudulent activity
- Financial commitments made without adequate authorisation

The key controls used by the academy to reduce risk:

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

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 risks are mitigated where possible.

##### Plans for future periods

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

- To facilitate and support all pupils and staff back to school full time following COVID lockdown and ensure that pupils' holistic well-being needs are met
- To ensure that teaching and learning across the curriculum EYFS-P16 is of the highest quality and this includes the full integration of The Den and Post 16 Hub into the FW Community
- To ensure the Forest Way curriculum is innovative and personalised for all pupils, allowing them full access to a holistic learning experience appropriate for their needs and considers new legislation and changes to National Curriculum.
- To work closely with curriculum leaders to continue to develop and update schemes of work appropriate to all learner levels in a clear, coherent and progressive manner to ensure learner journeys are as effective as possible.

To have impact wider than Forest Way School, including with parents/carers, professionals and the local community. The provision of additional classroom space through the completion of the new Modular Classroom called The Lodge plus the completion of the 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 its 2020-21 Condition Improvement Application securing funding towards the replacement roof costs. Further development through Condition Improvement Grants to maintain the standard and condition of the main school are also being considered.

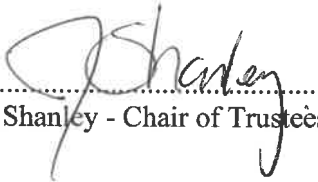
**FOREST WAY SCHOOL**

**Report of the Trustees  
for the year ended 31 August 2020**

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

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....15.12.20..... and signed on the board's behalf by:

  
.....  
J Shanley - Chair of Trustees

# FOREST WAY SCHOOL

## Governance Statement for the Year Ended 31 August 2020

### Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of the trustee/directors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Forest Way School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustee/Directors any material weaknesses or breakdowns in internal control.

### Governance

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

Trustees	Meetings attended	Out of a possible
J Watkinson (parent trustee)	6	6
G Seaton (headteacher)	6	6
R Cafferty	5	6
J Shanley (chair)	6	6
M Snow	6	6
R Hayes (staff trustee)	5	6
J Brookes (resigned)	4	5
M Radley (parent trustee)	1	1
L Browne (parent trustee)	1	1

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

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

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

## FOREST WAY SCHOOL

### Governance Statement for the Year Ended 31 August 2020

Members	Meetings attended	Out of a possible
M Snow	2	3
R Cafferty	3	3

#### Review of Value for Money

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

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

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

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

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

# FOREST WAY SCHOOL

## Governance Statement for the Year Ended 31 August 2020

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Forest Way School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees/Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees/Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees/Directors including review and an ongoing assessment of the Risk Register.

### **The Risk and Control Framework**

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

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

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

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

## FOREST WAY SCHOOL

### Governance Statement for the Year Ended 31 August 2020

#### The Risk and Control Framework

The board of Trustees decided that Accapita LLP will be appointed to conduct termly a Programme of Internal Control checks during the period 1st September 2019 to 31st August 2020. The Audit Committee oversee the completion of a Programme of Internal Control Checks and reviews the reports raised after each Internal Audit visit. The checks undertaken include financial records relating to the Teaching School which are part of the Trust finances. Reports on any findings/recommendations or confirmation that no issues have arisen are submitted directly to Trustee/Directors who are members of the Audit Committee. Any issues arising are investigated and reported through to full governing body meetings. No significant issues have arisen from the Internal Audit checks undertaken during the period 1 September 2019 to 31 August 2020 with appropriate action being taken on all minor issues raised where applicable. In line with the Academies Financial Handbook the programme of Internal Audit and associated checks will be commissioned to a separate company for the next financial year.

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

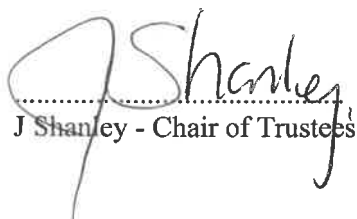
#### Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on .....15.12.20..... and signed on its behalf by:

  
.....  
J Shanley - Chair of Trustees

  
.....  
G Seaton - Accounting Officer

**FOREST WAY SCHOOL**

**Statement on Regularity, Propriety and Compliance  
for the year ended 31 August 2020**

As accounting officer of Forest Way School I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



.....  
G Seaton - Accounting Officer

Date: 15.12.20.....



**FOREST WAY SCHOOL**

**Statement of Trustees Responsibilities  
for the year ended 31 August 2020**

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

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

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

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

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

The 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 board of trustees on .....15.12.20..... and signed on its behalf by:

.....  
J Shanley - Chair of Trustees

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

### **Opinion**

We have audited the financial statements of Forest Way School (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

### **Basis for opinion**

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

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

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

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

### **Other information**

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

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

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

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

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

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

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

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

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

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

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

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

### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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

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

*D. Ferguson*

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

Date: ..... *17.12.20* .....

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

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

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

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

The accounting officer is responsible, under the requirements of Forest Way School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

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

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

**Conclusion**

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

*Accapita*

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

Date: .....17.12.20.....

**FOREST WAY SCHOOL**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the year ended 31 August 2020**

		Unrestricted funds £	Restricted funds £	Restricted Fixed Asset fund £	2020 Total funds £	2019 Total funds £
	Notes					
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	6,885	347,133	361,425	715,443	239,357
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	4,188,132	-	4,188,132	3,832,922
Teaching schools	26	459,703	-	-	459,703	553,605
Other trading activities	4	33,939	-	-	33,939	61,818
Investment income	5	209	1,363	-	1,572	2,109
<b>Total</b>		<u>500,736</u>	<u>4,536,628</u>	<u>361,425</u>	<u>5,398,789</u>	<u>4,689,811</u>
<b>EXPENDITURE ON</b>						
Raising funds	7	50	-	-	50	632
<b>Charitable activities</b>						
Academy's educational operations		-	4,785,769	299,068	5,084,837	4,555,053
Teaching schools	26	<u>445,637</u>	<u>-</u>	<u>-</u>	<u>445,637</u>	<u>533,050</u>
<b>Total</b>	6	<u>445,687</u>	<u>4,785,769</u>	<u>299,068</u>	<u>5,530,524</u>	<u>5,088,735</u>
<b>NET INCOME/(EXPENDITURE)</b>						
		55,049	(249,141)	62,357	(131,735)	(398,924)
<b>Transfers between funds</b>	19	<u>-</u>	<u>(21,697)</u>	<u>21,697</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>						
Actuarial losses gains on defined benefit pension scheme		<u>-</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>	<u>(1,493,000)</u>
<b>Net movement in funds</b>		55,049	(238,838)	84,054	(99,735)	(1,891,924)

The notes form part of these financial statements

## FOREST WAY SCHOOL

### Statement of Financial Activities - continued (Incorporating an Income and Expenditure Account) for the Year Ended 31 August 2020

					2020	2019
Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset fund £	Total	funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>	365,421	(3,641,373)	10,091,361	6,815,409		8,707,333
	<u>420,470</u>	<u>(3,880,211)</u>	<u>10,175,415</u>	<u>6,715,674</u>		<u>6,815,409</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>						

#### CONTINUING OPERATIONS

All income and expenditure derive from continuing activities.

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

The notes form part of these financial statements



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

**Balance Sheet  
At 31 August 2020**

	Not es	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	13	10,095,704	10,106,676
<b>CURRENT ASSETS</b>			
Debtors	14	387,063	77,668
Cash at bank and in hand		<u>1,043,896</u>	<u>579,886</u>
		1,430,959	657,554
<b>CREDITORS</b>			
Amounts falling due within one year	15	(398,989)	(57,821)
<b>NET CURRENT ASSETS</b>			
		<u>1,031,970</u>	<u>599,733</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		11,127,674	10,706,409
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			
		11,127,674	10,706,409
<b>PENSION LIABILITY</b>			
	20	(4,412,000)	(3,891,000)
<b>NET ASSETS</b>			
		<u>6,715,674</u>	<u>6,815,409</u>
<b>FUNDS</b>			
Unrestricted funds	19	420,470	365,421
Restricted funds:			
Restricted General Fund		420,235	140,837
Restricted Fixed Asset fund		10,175,415	10,091,361
Pension Reserve		(4,412,000)	(3,891,000)
Restricted Private Fund		<u>111,554</u>	<u>108,790</u>
		<u>6,295,204</u>	<u>6,449,988</u>
<b>TOTAL FUNDS</b>			
		<u>6,715,674</u>	<u>6,815,409</u>

The notes form part of these financial statements

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

**Balance Sheet - continued**  
**At 31 August 2020**

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



.....  
J Shanley - Chair of Trustees

The notes form part of these financial statements

## FOREST WAY SCHOOL

### Cash Flow Statement for the year ended 31 August 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	27	(14,264)	16,627
Tax paid		<u>(8,829)</u>	<u>4,224</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(23,093)</u>	<u>20,851</u>
 <b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(219,333)	(359,219)
Capital grants from DfE/ESFA		354,864	34,219
Sale of tangible fixed assets		-	2,000
Capital grants from local authority		350,000	180,000
Interest received		<u>1,572</u>	<u>2,109</u>
<b>Net cash provided by (used in) investing activities</b>		<u>487,103</u>	<u>(140,891)</u>
 <b>Change in cash and cash equivalents in the reporting period</b>			
		464,010	(120,040)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	28	<u>579,886</u>	<u>699,926</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	28	<u>1,043,896</u>	<u>579,886</u>

The notes form part of these financial statements

# FOREST WAY SCHOOL

## Notes to the Financial Statements for the year ended 31 August 2020

### 1. ACCOUNTING POLICIES

#### General information and basis of preparation

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

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

#### Going concern

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

#### Income

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

#### Grants

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

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

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

# FOREST WAY SCHOOL

## Notes to the Financial Statements - continued for the year ended 31 August 2020

### 1. ACCOUNTING POLICIES - continued

#### **Donations**

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

#### **Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the discretionary allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

#### **Other income**

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

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

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

#### **Expenditure**

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

#### **Raising funds**

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

#### **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Governance costs**

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

# FOREST WAY SCHOOL

## Notes to the Financial Statements - continued for the year ended 31 August 2020

### 1. ACCOUNTING POLICIES - continued

#### Tangible fixed assets

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

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

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

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

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

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

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

#### Liabilities

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

#### Leased Assets

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 1. ACCOUNTING POLICIES - continued

##### **Financial instruments**

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

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

Cash at bank - is classified as a basic financial instrument and is measured at face value. Highly liquid investments with a notice period of less than three months are included as cash at bank.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Taxation**

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 1. ACCOUNTING POLICIES - continued

##### **Fund accounting**

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

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

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

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.



# FOREST WAY SCHOOL

## Notes to the Financial Statements - continued for the year ended 31 August 2020

### 1. ACCOUNTING POLICIES - continued

#### Pension benefits

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

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

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

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

### 2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	6,885	3,694	10,579	25,138
Capital grants	-	704,864	704,864	214,219
	<u>6,885</u>	<u>708,558</u>	<u>715,443</u>	<u>239,357</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

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

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>DfE/ESFA revenue grants</b>				
- General Annual Grant (GAG)	-	2,301,578	2,301,578	2,184,843
- Other DfE group grants	-	284,048	284,048	143,266
National College grants	-	40,000	40,000	46,000
		<hr/>	<hr/>	<hr/>
		-	2,625,626	2,374,109
<b>Other Government grants</b>				
- Local authority grants - special educational needs	-	1,602,506	1,602,506	1,501,813
- Other government funding		-	-	3,000
		<hr/>	<hr/>	<hr/>
		1,602,506	1,602,506	1,504,813
		<hr/>	<hr/>	<hr/>
	-	4,228,132	4,228,132	3,878,922

#### 4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fundraising events	2,643	-	2,643	10,196
Hire of facilities	1,678	-	1,678	4,075
Parental contributions	24,623	-	24,623	36,832
Other income	4,995	-	4,995	10,715
	<hr/>	<hr/>	<hr/>	<hr/>
	33,939	-	33,939	61,818

#### 5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Deposit account interest	209	1,363	1,572	2,109
	<hr/>	<hr/>	<hr/>	<hr/>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 6. EXPENDITURE

	Non-pay expenditure			2020	2019
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Raising funds</b>					
<b>Costs incurred by trading for a fundraising purpose</b>					
Direct costs	-	-	50	50	632
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	3,120,275	241,659	121,526	3,483,460	3,242,746
Allocated support costs	891,883	395,590	313,904	1,601,377	1,312,307
<b>Teaching schools</b>					
Direct costs	79,450	-	268,703	348,153	439,159
Allocated support costs	62,184	5,200	30,100	97,484	93,891
	<u>4,153,792</u>	<u>642,449</u>	<u>734,283</u>	<u>5,530,524</u>	<u>5,088,735</u>

Net resources are stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	9,692	9,210
Auditors' remuneration for non-audit work	5,381	6,227
Depreciation - owned assets	74,518	64,927
Depreciation - leased assets	203,633	203,633
Impairment of fixed assets	20,917	-
(Gain)/loss on disposal of fixed assets	-	(756)
Operating leases	<u>37,474</u>	<u>36,169</u>

#### 7. RAISING FUNDS

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

	Unrestricted funds	Restricted funds	2020	2019
	£	£	Total funds	Total funds
	£	£	£	£
Purchases	<u>50</u>	<u>-</u>	<u>50</u>	<u>632</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

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

	2020 Total funds	2019 Total funds
	£	£
Direct costs - academy's educational operations	3,483,460	3,242,746
Direct costs - teaching schools	348,153	439,159
Support costs - academy's educational operations	1,601,377	1,312,307
Support costs - teaching schools	<u>97,484</u>	<u>93,891</u>
	<u>5,530,474</u>	<u>5,088,103</u>

<b>Analysis of support costs</b>	Educational Operations	Teaching Schools	2020 Total	2019 Total
	£	£	£	£
Support staff costs	891,883	62,184	954,067	841,465
Depreciation		-		
Technology costs	76,943	-	76,943	74,717
Premises costs	357,276	5,200	362,476	230,751
Other support costs	224,491	27,497	251,988	226,329
Governance costs	<u>50,784</u>	<u>2,603</u>	<u>53,387</u>	<u>32,936</u>
	<u>1,601,377</u>	<u>97,484</u>	<u>1,698,861</u>	<u>1,406,198</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 9. TRUSTEES' REMUNERATION AND BENEFITS

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

G Seaton (principal and staff trustee)	
Remuneration	£85,000 - £90,000 (2019 - £80,000 - £85,000)
Employer's pension contributions	£20,000 - £25,000 (2019 - £10,000 - £15,000)
R Hayes (staff trustee)	
Remuneration	£20,000 - £25,000 (2019 - £20,000 - £25,000)
Employer's pension contributions	£0 - £5,000 (2019 - £0 - £5,000)
K Booth (staff trustee) resigned August 2019	
Remuneration	£nil (2019 - £40,000 - £45,000)
Employer's pension contributions	£nil (2019 - £5,000 - £10,000)
P Marney (staff trustee) resigned February 2019	
Remuneration	£nil (2019 - £10,000 - £15,000)
Employer's pension	£nil (2019 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 24.

#### Trustees' expenses

During the year ended 31 August 2020 travel and subsistence expenses totalling £nil were reimbursed to trustees (2019 - £nil).

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 10. STAFF COSTS

Staff costs during the period were:	2020	2019
	£	£
Wages and salaries	2,855,725	2,741,563
Social security costs	218,055	201,113
Pension costs	<u>1,064,379</u>	<u>826,459</u>
	4,138,159	3,769,135
Supply staff costs	9,331	33,714
Staff restructuring costs	<u>6,302</u>	<u>-</u>
	<u><u>4,153,792</u></u>	<u><u>3,802,849</u></u>
 Staff restructuring costs comprise :		
Severance payments	<u><u>6,302</u></u>	<u><u>-</u></u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,302 (2019 - £nil). Individually the payments were £6,302 made in January 2020.

#### Staff numbers

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

	2020 No.	2020 Full-time equivalent	2019 No.	2019 Full-time equivalent
<b>Charitable Activities</b>				
Teachers	29	26	28	23
Administration and support	117	94	119	97
Management	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>147</u>	<u>121</u>	<u>148</u>	<u>121</u>

#### Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	0	1
£70,001 - £80,000	0	0
£80,000 - £85,000	0	1
£85,000 - £90,000	<u>1</u>	<u>0</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £604,857 (2019 - £582,721).

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

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

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £198 (2019 - £177). The cost of this insurance is included in the total insurance cost.

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

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

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

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



## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £
<b>COST</b>			
At 1 September 2019	950,236	10,482,423	199,583
Additions	<u>255,315</u>	<u>-</u>	<u>22,874</u>
At 31 August 2020	<u>1,205,551</u>	<u>10,482,423</u>	<u>222,457</u>
 <b>DEPRECIATION</b>			
At 1 September 2019	76,230	1,513,922	68,668
Charge for year	16,299	203,791	13,089
Impairments	<u>-</u>	<u>-</u>	<u>20,917</u>
At 31 August 2020	<u>92,529</u>	<u>1,717,713</u>	<u>102,674</u>
 <b>NET BOOK VALUE</b>			
At 31 August 2020	<u>1,113,022</u>	<u>8,764,710</u>	<u>119,783</u>
At 31 August 2019	<u>874,006</u>	<u>8,968,501</u>	<u>130,915</u>
 <b>Motor vehicles</b>			
	£	Office and computer equipment £	Totals £
<b>COST</b>			
At 1 September 2019	97,280	176,004	11,905,526
Additions	<u>-</u>	<u>9,907</u>	<u>288,096</u>
At 31 August 2020	<u>97,280</u>	<u>185,911</u>	<u>12,193,622</u>
 <b>DEPRECIATION</b>			
At 1 September 2019	74,849	65,181	1,798,850
Charge for year	5,609	39,363	278,151
Impairments	<u>-</u>	<u>-</u>	<u>20,917</u>
At 31 August 2020	<u>80,458</u>	<u>104,544</u>	<u>2,097,918</u>
 <b>NET BOOK VALUE</b>			
At 31 August 2020	<u>16,822</u>	<u>81,367</u>	<u>10,095,704</u>
At 31 August 2019	<u>22,431</u>	<u>110,823</u>	<u>10,106,676</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

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

	2020	2019
	£	£
Trade debtors	15,897	16,859
Value added tax	27,150	19,180
Prepayments and accrued income	<u>344,016</u>	<u>41,629</u>
	<u>387,063</u>	<u>77,668</u>

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

	2020	2019
	£	£
Trade creditors	327,500	1,173
Tax	4,865	8,829
Accruals and deferred income	<u>66,624</u>	<u>47,819</u>
	<u>398,989</u>	<u>57,821</u>

#### Deferred income

	2019	2019
	£	£
Deferred income at 1 September 2019	8,684	52,333
Resources deferred in year	26,314	8,684
Amounts released from previous years	<u>(8,684)</u>	<u>(52,333)</u>
Deferred income at 31 August 2020	<u>26,314</u>	<u>8,684</u>

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

#### 16. LEASING AGREEMENTS

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

	2020	2019
	£	£
Expiring:		
Within one year	37,474	37,474
Between one and five years	<u>10,800</u>	<u>48,274</u>
	<u>48,274</u>	<u>85,748</u>

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 17. MEMBERS' LIABILITY

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

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

				2020
	Unrestricted funds	Restricted funds	Restricted Fixed Asset fund	Total funds
	£	£	£	£
Fixed assets	-	-	10,095,704	10,095,704
Current assets	453,604	813,566	163,789	1,430,959
Current liabilities	(33,134)	(281,777)	(84,078)	(398,989)
Pension liability	-	(4,412,000)	-	(4,412,000)
	<u>420,470</u>	<u>(3,880,211)</u>	<u>10,175,415</u>	<u>6,715,674</u>

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

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 19. MOVEMENT IN FUNDS

	Balance at				Balance at
	1 September	Incoming	Resources	Gains, Losses and Transfers	31 August
	2019	Resources	Expended		2020
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	140,839	2,301,578	(2,334,351)	(21,697)	86,369
Pupil Premium	-	89,992	(89,992)	-	-
Other grants and restricted Pension reserve	108,788	2,145,058	(1,808,426)	-	445,420
	(3,891,000)	-	(553,000)	32,000	(4,412,000)
	<u>(3,641,373)</u>	<u>4,536,628</u>	<u>(4,785,769)</u>	<u>10,303</u>	<u>(3,880,211)</u>
<b>Restricted fixed asset funds</b>					
DfE Group capital grants	45,832	11,425	(929)	-	56,328
Capital expenditure from GAG	855,020	-	(61,627)	21,697	815,090
Transfer on conversion	8,992,069	-	(228,599)	-	8,763,470
Voluntary income	13,824	-	(3,977)	-	9,847
Other grants and income	184,616	350,000	(3,936)	-	530,680
	<u>10,091,361</u>	<u>361,425</u>	<u>(299,068)</u>	<u>21,697</u>	<u>10,175,415</u>
<b>Total restricted funds</b>	<u>6,449,988</u>	<u>4,898,053</u>	<u>(5,084,837)</u>	<u>32,000</u>	<u>6,295,204</u>
<b>Total unrestricted funds</b>	<u>365,421</u>	<u>500,736</u>	<u>(445,687)</u>	<u>-</u>	<u>420,470</u>
<b>Total funds</b>	<u>6,815,409</u>	<u>5,398,789</u>	<u>(5,530,524)</u>	<u>32,000</u>	<u>6,715,674</u>

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

Restricted General Funds represent unspent General Annual Grant (GAG) which must be used for the normal recurring costs of the academy. The academy was not subject to a limit on GAG carry-forward in the academic year. An amount of £333,908 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 £21,697 was made from restricted general funds to represent capital expenditure met from GAG income.

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 19. MOVEMENT IN FUNDS - continued

An amount of £163,789 relating to a capital grant received of £350,000 towards the establishment of a communication and interaction unit is held in the fixed asset fund to be spent in the following academic year.

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

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

	Balance at				Balance at
	1 September	Incoming	Resources	Gains, Losses and Transfers	31 August
	2018	Resources	Expended	£	2019
	£	£	£	£	£
General Annual Grant (GAG)	302,265	2,184,843	(2,235,492)	(110,777)	140,839
Pupil Premium	-	84,837	(84,837)	-	
Other grants and restricted Pension reserve	94,517	1,578,915	(1,564,920)	276	108,788
	<u>(1,996,000)</u>	-	<u>(402,000)</u>	<u>(1,493,000)</u>	<u>(3,891,000)</u>
	<u>(1,599,218)</u>	<u>3,848,595</u>	<u>(4,287,249)</u>	<u>(1,603,501)</u>	<u>(3,641,373)</u>
<b>Restricted fixed asset funds</b>					
DfE Group capital grants	10,973	34,219	(586)	1,226	45,832
Capital expenditure from GAG	804,590	-	(52,907)	102,167	855,020
Transfer on conversion	9,201,803	-	(290,734)	-	8,922,069
Voluntary income	10,508	-	(2,893)	6,209	13,824
Other grants and income	-	180,000	(2,494)	7,110	184,616
	<u>10,028,234</u>	<u>214,219</u>	<u>(267,804)</u>	<u>116,712</u>	<u>10,091,361</u>
<b>Total restricted funds</b>	<u>8,429,016</u>	<u>4,062,814</u>	<u>(4,555,053)</u>	<u>(1,486,789)</u>	<u>6,449,988</u>
<b>Total unrestricted funds</b>	<u>278,317</u>	<u>626,997</u>	<u>(533,682)</u>	<u>(6,211)</u>	<u>365,421</u>
<b>Total funds</b>	<u>8,707,333</u>	<u>4,689,811</u>	<u>(5,088,735)</u>	<u>(1,493,000)</u>	<u>6,815,409</u>

#### 20. PENSION COMMITMENTS

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

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

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 20. PENSION COMMITMENTS - continued

##### Teachers' pension scheme

###### Introduction

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

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

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

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 period amounted to £227,501 (2019:£140,152).

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

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 20. PENSION COMMITMENTS - continued

##### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £465,451 (2019 - £442,664) of which employer's contributions totalled £364,418 (2019 - £347,750) and employees' contributions totalled £101,033 (2019 - £94,914). The agreed contribution rates for future years are 21.2% for employers and between 5.5% and 12.5% for employees.

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

##### Principal Actuarial Assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.70%	3.30%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.20%	2.30%
Commutation of pensions to lump sums - Pre April 2008 service	50%	50%
- Post April 2008 service	75%	75%

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	21.5	21.2
Females	23.8	23.4
Retiring in 20 years		
Males	22.2	22.2
Females	25.2	24.7

##### Sensitivity analysis

	At 31 August 2020	At 31 August 2019
	£'000	£'000
Discount rate +0.5%	(1,445)	(1,402)
Discount rate -0.5%	1,445	1,402
Mortality assumption - 1 year increase	374	338
Mortality assumption - 1 year decrease	(374)	(338)
CPI rate +0.5%	1,247	1,113
CPI rate -0.5%	(1,247)	(1,113)

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 20. PENSION COMMITMENTS - continued

##### Local government pension scheme

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	2,909	2,638
Bonds	1,430	1,410
Property	394	364
Cash	198	137
	4,931	4,549
<b>Total market value of assets</b>	<b>4,931</b>	<b>4,549</b>

The actual return on scheme assets was (£47,400) (2019 : £273,000)

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

	2020 £000	2019 £000
Current service cost	(841)	(575)
Past service cost	-	(114)
Interest income	90	114
Interest cost	(169)	(173)
	(920)	(748)
<b>Total amount recognised in the SOFA</b>	<b>(920)</b>	<b>(748)</b>

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

	2020 £000	2019 £000
At 1 September	8,440	5,867
Current service cost	841	575
Past service cost	-	114
Interest cost	169	173
Employee contributions	101	94
Actuarial (gain)/loss	(147)	1,643
Benefits paid	(61)	(26)
	9,343	8,440
<b>At 31 August</b>	<b>9,343</b>	<b>8,440</b>



## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 20. PENSION COMMITMENTS - continued

##### Local government pension scheme

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

	2020	2019
	£000	£000
At 1 September	4,549	3,871
Interest income	90	114
Actuarial gain/(loss)	(115)	150
Employer contributions	367	346
Employee contributions	101	954
Benefits paid	(61)	(26)
	<u>4,931</u>	<u>4,549</u>
At 31 August	<u>4,931</u>	<u>4,549</u>

#### 21. CONTINGENT LIABILITIES

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

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

(a) the value at that time of the Academy site and premises and other assets held for the purpose of the Academy, and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

#### 22. CAPITAL COMMITMENTS

	2020	2019
	£	£
Contracted but not provided for in the financial statements	<u>25,852</u>	<u>-</u>

#### 23. OTHER FINANCIAL COMMITMENTS

At the year end the academy had a financial commitment of £333,908 in expenditure under the terms of a condition improvement grant received.

#### 24. RELATED PARTY DISCLOSURES

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

## FOREST WAY SCHOOL

### Notes to the Financial Statements - continued for the year ended 31 August 2020

#### 25. AGENCY ARRANGEMENTS

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2020 the trust received £11,384 (2019 - £16,398) and disbursed £10,313 (2019 - £19,266) from the fund.

An amount of £nil (2019 - £nil) is included in creditors relating to undistributed funds.

#### 26. TEACHING SCHOOL TRADING ACCOUNT

	2019	£	2019	£
<b>Income</b>				
<b>Direct Income</b>				
Other income	277,989		314,730	
<b>Other income</b>				
Fundraising and other trading activities	<u>181,714</u>		<u>238,876</u>	
<b>Total Income</b>		459,703		553,606
<b>Expenditure</b>				
<b>Direct costs</b>				
Direct staff costs	79,450		77,093	
Other direct costs	<u>268,703</u>		<u>362,066</u>	
<b>Total direct costs</b>	348,153		439,159	
<b>Other costs</b>				
Support staff costs	62,184		60,261	
Other support costs	<u>35,300</u>		<u>33,630</u>	
<b>Total other costs</b>	97,484		93,891	
<b>Total Expenditure</b>		<u>445,637</u>		<u>533,050</u>
<b>Surplus/(Deficit) from all sources</b>		14,066		20,556
<b>Teaching Schools balance at 1 September</b>		<u>55,727</u>		<u>35,171</u>
<b>Teaching Schools balance at 31 August</b>		<u><u>69,793</u></u>		<u><u>55,727</u></u>

**FOREST WAY SCHOOL**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2020**

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

	2020	2019
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(131,735)	(398,924)
<b>Adjustments for:</b>		
Depreciation	299,068	268,560
Capital grants from DfE/ESFA	(354,864)	(214,219)
Profit on disposal of fixed assets	-	(756)
Interest received	(1,572)	(2,109)
Capital grants from local authority	(350,000)	-
Defined benefit pension scheme cost less contributions payable	474,000	343,000
Defined benefit pension scheme finance costs	79,000	59,000
Increase in debtors	(309,395)	(4,727)
Increase/(decrease) in creditors	<u>281,234</u>	<u>(33,198)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(14,264)</u>	<u>16,627</u>

**28. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At 31 August 2020	At 31 August 2019
	£	£
Cash at bank and in hand	<u>1,043,896</u>	<u>579,886</u>
	<u>1,043,896</u>	<u>579,886</u>