



FOREST ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

FOREST ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Andrew
C Goldstone
Reverend P W Tams (resigned 2 November 2020)
L M Proudlock (appointed 2 November 2020)

Governors

A C Grimes¹
L Rourke
C Goldstone, Chair to 21 September 2021
M Andrew
H Morley
Reverend P W Tams (resigned 2 November 2020)
L E La Fond (resigned 22 March 2021)
P A Richardson, Chair from 21 September 2021
J L Wilson (resigned 31 August 2021)
N Brickett (resigned 28 September 2020)
L M Proudlock (appointed 2 November 2020)
C Egan (appointed 14 June 2021)
J Norton (appointed 14 June 2021)

¹ Head Teacher and Accounting Officer

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

Company registered number

07400940

Company name

Forest Academy

Principal and registered office

Bury Road, Brandon, Suffolk, IP24 0FP

Company secretary

N White

Senior management team

A Grimes, Head Teacher
S Gough, Deputy Headteacher
H Morley, Deputy Headteacher
Z Huff, Key Stage Lead
M Norton, Key Stage Lead

Independent auditors

MA Partners Audit LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

Bankers

LLoyds TSB Commercial, PO Box 1000, BX1 1LT

Solicitors

Stone King LLP, 16 St Johns Lane, London, EC1M 4BS

FOREST ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Governors of Forest Academy are also the directors of the charitable company for the purposes of company law.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

The management of the academy is the responsibility of the Governors (also referred to as Trustees) who are elected and co-opted under the terms of the Articles of Association.

d. Policies adopted for the induction and training of Governors

Governors have committed to regular training sessions each year from a recognised consultant and to also attend any other relevant development sessions.

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

Structure, governance and management (continued)

e. Organisational structure

The academy structure now consists of four levels: the Academy Trust, the Governors, the Senior Leaders and the school staff. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members of the Academy Trust provide broad oversight of the Governing Body including appointing auditors, Governors (except elected Parent Governors and Co-opted Governors) and Head Teacher, and having final authority over the conduct of the Trust. They typically meet once a year at the Annual General Meeting.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments. They are engaged with senior leadership continually.

The Senior Leaders are the Head Teacher and two Deputy Headteachers. These leaders control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for all posts always contain a Governor.

f. Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the academy's key management personnel and any benchmarks, parameters or criteria used in setting their pay are defined in the whole school pay policy set by the Governors. The parameters are set using Performance Management targets as agreed in the policy. Increments will only be awarded following successful completion of Performance Management target review and following further review by the Finance, Premises and Personnel committee.

g. Related parties and other connected charities and organisations

Forest Academy has a formal partnership with Elveden Church of England Primary Academy.

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

Structure, governance and management (continued)

Objectives and activities

a. Objects and aims

In accordance with the articles of association the charitable company 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 students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy during the year ended 31 August 2021 are summarised below:

- To clarify and secure the long term sustainable future of Forest Academy as a Single Academy Trust.
- To develop a strong governing body who will lead the school strategically in all areas.
- To ensure leaders' and Governors' actions continue to improve standards.
- For all children to make rapid progress and achieve their full potential.
- To ensure consistency and sharing of good practice to raise standards in all subjects.
- To ensure specific barriers to learning are identified and addressed, using the Pupil Premium funding effectively.
- To challenge more able children across the curriculum.
- To improve the physical and mental health of all children and staff.

b. Objectives, strategies and activities

The academy's mission statement:

At Forest Academy, you can walk into any classroom, at any time, and see and hear all children enjoying their learning and progressing.

The academy's vision:

Our Children will journey through our schools, building a memory bank of learning experiences that positively impact on them for the rest of their lives. We will build a collection of amazing memories where learning is fun and education is valued.

c. Public benefit

The principal object and activity of the charitable company is the operation of the Forest Academy to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's aims and objectives.

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

Strategic report

Achievements and performance

The Academy was judged as 'Requires Improvement' by Ofsted in November 2017 and has worked tirelessly to raise standards. The half termly Suffolk County Council reports from the Standards and Excellence Officer, reflect the good progress made by the school to achieve a 'Good Judgement'.

To ensure financial excellence, the school has employed Schools' Choice as its internal auditors.

The Academy continued its partnership with Elveden Church of England Academy.

The governing body recognises the need to build capacity to support the Head Teacher in the strategic leadership of the school. COVID 19 has limited the involvement of Governors in school on a daily basis however they have maintained virtual communication with the Academy.

Senior Leaders and Governors continue to work to improve standards. The Academy remained open throughout the summer term for vulnerable and Keyworker children. If all children had been in school throughout the year, we are confident that the combined KS2 RWM would have been at least in line with National.

The Academy ensures it identifies specific barriers to learning and addresses these through quality first teaching, intervention, close liaison with parents and carers, increased awareness of ACEs (Adverse Childhood Experiences) and working closely with a range of external agencies.

The Academy continues its work to improve the physical and mental wellbeing of its pupils and this has been evident throughout the year as staff kept regular contact with all families.

a. Key performance indicators

In 2021, due to COVID-19, there were no published data for EYFS, Phonics, KS1 or KS2. The data below is based on teacher assessments and performance for 2021.

Early Years GLD 40%

Key Stage 1

	Reading	Writing	Maths
Expected+	49%	49%	56%
Greater Depth	12%	12%	12%

Key Stage 2

	Reading	Writing	Maths	Combined
Expected+	75%	71%	75%	67%
Greater Depth	34%	21%	34%	

b. Going concern

After making appropriate enquiries, the Governors have a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. The school recognises the continuing need to increase progress and raise standards. The Governors are aware of the increasing financial pressures of tighter budgets and increased staff costs. We meet with leaders to strategically plan how to best provide a good education and have monthly budget updates to monitor spending. The school has had DfE support this academic year to raise standards in phonics and maths, and governance.

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

Strategic report (continued)

Financial review

Total income for the year was £2,045,625 and total expenditure was £2,335,194 giving a deficit net movement in funds before the actuarial loss of £289,569. This deficit is after a depreciation charge of £130,374 and Local Government Pension Scheme current service costs of £224,000 (compared with employer contributions of £87,000). The academy recorded a net cash inflow of £53,070. Aside from the Local Government Pension reserve, no funds are in deficit as at 31 August 2021.

a. Reserves policy

The Governors aim to maintain free reserves to ensure that there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The current target is to hold free reserves of £139,000 being approximately one month's salary costs. As at 31 August 2021, the academy had free reserves (total funds less the amount held in fixed assets, designated and restricted funds) of **£191,588** (2020 - £145,740).

b. Principal risks and uncertainties

The Governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances.

The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission.

Where significant financial risk still remains the Governors have ensured that adequate insurance cover is in place.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

c. Deficit

The balance sheet includes a deficit on the Pension Reserve of **£991,000** (2020 - £574,000) being the academy's FRS 102 valuation of its share of the Local Government Pension Scheme (see note 23 for further details).

Fundraising

The academy raises funds from the school community and third parties on an ad hoc basis. Professional fundraisers or commercial participators are not used. Fundraising activities are monitored by the Senior Leaders and the Governors. No complaints have been received in relation to fundraising activities. The academy endeavours to take all practical measures to protect the public from unreasonable intrusion on a person's privacy, unreasonably persistent approaches and undue pressure to give.

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

Plans for future periods

- Overarching priority: To respond effectively to the challenges created by COVID 19 ensuring that teaching and learning continues and that the mental and physical wellbeing of all stakeholders is supported.
- To ensure the aims vision, mission and aims are clearly articulated to all stakeholders.
- Curriculum development to ensure the intent, implementation and impact raise standards and provide a broad and balanced curriculum.
- To raise standards in reading and phonics.
- To develop outside learning and Forest Schools strategies.
- To develop children's understanding of community, democracy and citizenship.
- CPD to ensure teachers/TAs are equipped with the skills knowledge and understanding to increase progress and raise standards across the curriculum.
- To ensure strategies for supporting disadvantaged pupils focus effectively on the specific barriers faced by the school's own pupils.
- To improve attendance of all children ensuring vulnerable groups are in line with others.
- To recognise and celebrate a broad range of achievements and encourage children to participate in a broad range of activities.
- To improve physical and mental health of all children.
- For Governors to support the Head Teacher with the financial strategic leadership of the school.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 13 December 2021 and signed on its behalf by:



.....
P A Richardson
Chair

FOREST ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 3 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
A C Grimes	3	3
L Rourke	3	3
C Goldstone	3	3
M Andrew	2	3
H Morley	3	3
L E La Fond	1	2
P A Richardson, Chair from 21 September 2021	3	3
J L Wilson	1	3
L M Proudlock	3	3

The board of Governors meet at least 3 times a year to ensure oversight of funds for the school. Governors are also provided with monthly budget reports and are able to raise any questions they have. This ensures that effective oversight of funds is in place and Governors always have an up to date understanding of the current financial position of the school.

There have been changes in the composition of both Members and Governors and the coverage of Governors' work. The Governors are determined to become more effective in their oversight and support roles as their experience increases.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by ensuring all expenditure is focused on improving standards through:

- employing staff with sufficient skills and experience to meet the needs of our pupils
- providing CPD to ensure all staff improve their practice over time and are motivated to develop professionally
- purchasing resources which are engaging and inspire children to learn
- providing educational experiences to increase cultural capital
- maintaining the school buildings and site to a high standard to be safe and conducive to learning
- purchasing appropriate external support to manage the school effectively e.g. financial, HR, maintenance and premises.

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 Academy for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Governors has decided to employ School's Choice as internal auditor.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The checks carried out in the current period included:

- testing of payroll, purchasing, governance, tax and insurance processes
- transactional testing of payroll

On a termly basis, the internal auditor reports to the board of Governors on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

School's Choice has delivered their schedule of work as planned. They provide details of any material control issues arising as a result of their work and, if relevant, instruct the school as to any remedial action to be taken to rectify.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Senior Leaders within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the board of Governors 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 Governors and signed on their behalf by:

P.A. Richardson

.....
P A Richardson
Chair

Date:

13/12/21

A. Grimes

.....
A C Grimes
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Forest Academy I have considered my responsibility to notify the academy board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, 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 2020.

I confirm that I and the academy board of Governors 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 2020.

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



A C Grimes
Accounting Officer

Date: 13/12/2021

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

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



.....
P A Richardson
Chair

Date: 13 December 2021

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FOREST ACADEMY

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FOREST ACADEMY (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FOREST ACADEMY (CONTINUED)

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors 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 Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, the Charities SORP 2019, the Companies Act 2006, the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FOREST ACADEMY (CONTINUED)

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

Use of our report

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



Alice Lynch BSc ACA DChA (Senior statutory auditor)

for and on behalf of

MA Partners Audit LLP

Chartered Accountants

Statutory Auditor

16 December 2021

FOREST ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Forest Academy during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Forest Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Forest Academy's funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Governors and management;
- Performing an evaluation of the general control environment;

FOREST ACADEMY
(A company limited by guarantee)

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

- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefitted from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with Part 8: Schedule of requirements (the "musts") of the Academies Financial Handbook 2020.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

Conclusion

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

MA Partners Audit LLP

MA Partners Audit LLP

Chartered Accountants
Statutory Auditor
7 The Close
Norwich
Norfolk
NR1 4DJ

Date: 16 December 2021

FOREST ACADEMY
(A company limited by guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and capital grants	3	1,117	5,060	8,342	14,519
Other trading activities		34,794	-	-	34,794
Investments	6	171	-	-	171
Charitable activities		36,468	1,959,673	-	1,996,141
Total income		72,550	1,964,733	8,342	2,045,625
Expenditure on:					
Charitable activities		16,339	2,188,481	130,374	2,335,194
Other expenditure	8	-	-	(2,026,264)	-
Total expenditure		16,339	2,188,481	(1,895,890)	308,930
Net income/(expenditure)		56,211	(223,748)	1,904,232	1,736,695
Transfers between funds	18	(4,294)	(43,146)	47,440	-
Net movement in funds before other recognised gains/(losses)		51,917	(266,894)	1,951,672	1,736,695
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	24	-	(269,000)	-	(269,000)
Net movement in funds		51,917	(535,894)	1,951,672	1,467,695

FOREST ACADEMY
(A company limited by guarantee)

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

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	170,997	(388,579)	1,558,770	1,341,188	1,549,708
Net movement in funds	51,917	(535,894)	1,951,672	1,467,695	(208,520)
Total funds carried forward	<u><u>222,914</u></u>	<u><u>(924,473)</u></u>	<u><u>3,510,442</u></u>	<u><u>2,808,883</u></u>	<u><u>1,341,188</u></u>

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

The notes on pages 25 to 56 form part of these financial statements.

FOREST ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07400940

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	3,483,072	1,540,602
		<u>3,483,072</u>	<u>1,540,602</u>
Current assets			
Stocks	15	912	1,071
Debtors	16	48,468	126,426
Cash at bank and in hand		452,803	399,733
		<u>502,183</u>	<u>527,230</u>
Creditors: amounts falling due within one year	17	(185,372)	(152,644)
		<u>316,811</u>	<u>374,586</u>
Net current assets		<u>316,811</u>	<u>374,586</u>
Total assets less current liabilities		<u>3,799,883</u>	<u>1,915,188</u>
Net assets excluding pension liability		<u>3,799,883</u>	<u>1,915,188</u>
Defined benefit pension scheme liability	24	(991,000)	(574,000)
Total net assets		<u><u>2,808,883</u></u>	<u><u>1,341,188</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	3,510,442	1,558,770
Restricted income funds	18	66,527	185,421
		<u>3,576,969</u>	<u>1,744,191</u>
Restricted funds excluding pension asset	18	3,576,969	1,744,191
Pension reserve	18	(991,000)	(574,000)
		<u>2,585,969</u>	<u>1,170,191</u>
Total restricted funds	18	<u>2,585,969</u>	<u>1,170,191</u>
Unrestricted income funds	18	<u>222,914</u>	<u>170,997</u>
Total funds		<u><u>2,808,883</u></u>	<u><u>1,341,188</u></u>

FOREST ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07400940

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 20 to 56 were approved and authorised for issue by the Governors and are signed on their behalf, by:



.....
P A Richardson
Chair

Date: 13 December 2021

The notes on pages 25 to 56 form part of these financial statements.

FOREST ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	<i>2020</i> £
Cash flows from operating activities			
Net cash provided by operating activities	20	88,754	<i>89,550</i>
Cash flows from investing activities	21	(35,684)	<i>(48,791)</i>
Change in cash and cash equivalents in the year		53,070	<i>40,759</i>
Cash and cash equivalents at the beginning of the year		399,733	<i>358,974</i>
Cash and cash equivalents at the end of the year	22, 23	452,803	<i>399,733</i>

The notes on pages 25 to 56 from part of these financial statements

FOREST ACADEMY
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Forest Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

FOREST ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

FOREST ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold land	- over lease term
Leasehold buildings	- 5%
Furniture and equipment	- 20%
Computer equipment	- 25%

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.

The academy is party to a lease agreement with Suffolk County Council for the school property. The lease is for a period of 125 years from 11 November 2010 and substantially all the risk and rewards of ownership were transferred to the academy for £nil rental. As such, the school property was recognised as a fixed asset in the financial statements for the period ended 31 August 2011 at a depreciated replacement cost of £3,150,000 (the corresponding entry was recognised as voluntary income). The depreciated replacement cost was based upon an insurance valuation performed in June 2011.

At 31 August 2012 a desktop valuation was carried out by DTZ on behalf of the Education Funding Agency which showed that an impairment to the net book value was required. The impairment charge of £2,026,264 was expensed to the Statement of Financial Activities in the year ended 31 August 2012.

During the year ended 31 August 2017 Suffolk County Council funded the building of a new block at the academy. The Governors consider that substantially all the risks and rewards of ownership have been transferred to the academy and as such an addition to fixed assets has been recognised of £887,717 being the contract sum incurred.

At 31 August 2020 a desktop valuation was carried out by Montagu Evans on behalf of the Department for Education which showed that the impairment to the net book value noted above was no longer required. The impairment charge of £2,026,264 previously charged has therefore been reversed in the Statement of Financial Activities in the year ended 31 August 2021.

1.7 Stocks

Unsold uniform stocks are valued at the lower of cost and net realisable value.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

FOREST ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

FOREST ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

FOREST ACADEMY
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	1,117	5,060	121	6,298	4,383
Capital Grants - DFC	-	-	8,221	8,221	8,084
Total 2021	<u>1,117</u>	<u>5,060</u>	<u>8,342</u>	<u>14,519</u>	<u>12,467</u>
<i>Total 2020</i>	<u>4,383</u>	<u>-</u>	<u>8,084</u>	<u>12,467</u>	

FOREST ACADEMY
(A company limited by guarantee)

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

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,383,274	1,383,274	1,233,828
Other DfE/ESFA grants				
Pupil Premium	-	130,522	130,522	110,674
SEN	-	88,567	88,567	78,667
Universal Infant Free School Meals	-	54,575	54,575	54,033
Teachers' pension grant	-	55,535	55,535	53,830
Teachers' pay grant	-	19,655	19,655	19,051
PE and Sports	-	19,110	19,110	18,890
Rates relief	-	8,141	8,141	8,141
	-	1,759,379	1,759,379	1,577,114
Other Government grants				
Early Years funding	-	79,316	79,316	130,694
Suffolk County Council - new class	-	67,487	67,487	64,847
Other Local Authority	-	5,900	5,900	-
	-	152,703	152,703	195,541
Other income from the academy's academy's educational operations	36,468	-	36,468	47,972
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	29,920	29,920	-
Academies emergency support	-	17,671	17,671	-
	-	47,591	47,591	-
	36,468	1,959,673	1,996,141	1,820,627
Total 2020	40,972	1,779,655	1,820,627	

£29,920 was received in relation to Covid Catch-up Premium and £26,488 was spent during the year.

£17,671 was received in relation to Covid Academies Emergency Support and it was all spent during the year.

FOREST ACADEMY
(A company limited by guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Elveden Primary recharge	18,807	-	18,807	19,401
School fund (excluding trips)	10,684	-	10,684	15,552
Insurance reclaims	5,303	-	5,303	4,075
Other	-	-	-	3,784
Total 2021	34,794	-	34,794	42,812
<i>Total 2020</i>	<i>41,812</i>	<i>1,000</i>	<i>42,812</i>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Interest	171	171	1,053
<i>Total 2020</i>	<i>1,053</i>	<i>1,053</i>	

FOREST ACADEMY
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Academy's educational operations:					
Direct costs	1,487,737	-	160,980	1,648,717	1,426,215
Allocated support costs	279,265	183,381	223,831	686,477	623,264
Exceptional item (note 8)	-	(2,026,264)	-	(2,026,264)	-
Total 2021	<u>1,767,002</u>	<u>(1,842,883)</u>	<u>384,811</u>	<u>308,930</u>	<u>2,049,479</u>
<i>Total 2020</i>	<u>1,483,343</u>	<u>175,070</u>	<u>391,066</u>	<u>2,049,479</u>	

8. Exceptional item

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Impairment reversal	(2,026,264)	(2,026,264)	-

Following a desktop valuation carried out by DTZ on behalf of the Education Funding Agency, an impairment charge against the book value of land and buildings of £2,026,264 was expensed in the year ended 31 August 2012. A further desktop valuation carried out by Montagu Evans on behalf of the Department for Education as at 31 August 2020 showed that the impairment to the net book value was no longer required. The impairment charge of £2,026,264 previously charged has therefore been reversed in the Statement of Financial Activities in the year ended 31 August 2021.

FOREST ACADEMY
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Academy's educational operations	1,648,717	686,477	2,335,194	2,049,479
<i>Total 2020</i>	1,426,215	623,264	2,049,479	

FOREST ACADEMY
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	1,449,877	1,221,102
Teaching resources	106,005	106,639
Agency staff	37,860	28,149
Elveden Primary recharge	21,742	33,923
Curriculum services	13,841	6,255
Staff development and training	8,392	21,147
Pension finance costs	11,000	9,000

FOREST ACADEMY
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	279,265	234,092
Depreciation	130,374	129,933
Catering	70,581	60,737
Administration	59,082	59,584
Maintenance of property and equipment	41,667	37,075
Light, heat and water	33,340	29,685
Computer	12,858	7,887
Insurance	12,581	20,482
School fund and Friends	10,834	21,451
Governance costs	16,490	9,203
Rates	8,140	8,076
Advertising and recruitment	6,423	1,519
Staff travel, subsistence and expenses	4,343	3,172
Bank charges	499	368
Total 2021	686,477	623,264

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	5,212	2,899
Depreciation of tangible fixed assets	130,374	129,933
Fees paid to auditors for:		
- audit	4,000	4,325
- other services	3,711	3,868

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,248,126	1,057,575
Social security costs	93,144	82,698
Pension costs	387,872	309,969
	<u>1,729,142</u>	<u>1,450,242</u>
Agency staff costs	37,860	28,149
Staff restructuring costs	-	4,952
	<u>1,767,002</u>	<u>1,483,343</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	-	4,952
	<u>-</u>	<u>4,952</u>

b. Staff numbers

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

	2021 No.	2020 No.
Management	3	1
Teachers	18	16
Administration and support	44	42
	<u>65</u>	<u>59</u>

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

11. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Management	3	1
Teachers	16	15
Administration and support	27	24
	46	40

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy comprise the Governors and the leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £388,645 (2020 £341,684).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Governors' remuneration and expenses

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

		2021	2020
		£	£
A C Grimes	Remuneration	75,000 -	<i>75,000 -</i>
		80,000	<i>80,000</i>
	Pension contributions paid	15,000 -	<i>15,000 -</i>
		20,000	<i>20,000</i>
H Morley	Remuneration	55,000 -	<i>55,000 -</i>
		60,000	<i>60,000</i>
	Pension contributions paid	10,000 -	<i>10,000 -</i>
		15,000	<i>15,000</i>
L Rourke	Remuneration	15,000 -	<i>15,000 -</i>
		20,000	<i>20,000</i>
	Pension contributions paid	0 - 5,000	<i>0 - 5,000</i>

During the year ended 31 August 2021, expenses totaling £92 were reimbursed or paid directly to 1 Governor (2020 - £1,067 to 2 Governors).

13. Governors' and Officers' insurance

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

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

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	4,183,047	313,413	136,796	4,633,256
Additions	3,756	21,628	21,196	46,580
Disposals	-	(812)	(2,542)	(3,354)
At 31 August 2021	<u>4,186,803</u>	<u>334,229</u>	<u>155,450</u>	<u>4,676,482</u>
Depreciation				
At 1 September 2020	2,715,381	262,842	114,431	3,092,654
Charge for the year	100,234	16,832	13,308	130,374
On disposals	-	(812)	(2,542)	(3,354)
Impairment charge	(2,026,264)	-	-	(2,026,264)
At 31 August 2021	<u>789,351</u>	<u>278,862</u>	<u>125,197</u>	<u>1,193,410</u>
Net book value				
At 31 August 2021	<u><u>3,397,452</u></u>	<u><u>55,367</u></u>	<u><u>30,253</u></u>	<u><u>3,483,072</u></u>
At 31 August 2020	<u><u>1,467,666</u></u>	<u><u>50,571</u></u>	<u><u>22,365</u></u>	<u><u>1,540,602</u></u>

15. Stocks

	2021 £	2020 £
Uniform	<u><u>912</u></u>	<u><u>1,071</u></u>

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

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	1,333	1,447
VAT repayable	3,010	78,042
Prepayments and accrued income	44,125	46,937
	48,468	126,426
	48,468	126,426

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	32,646	25,037
Other taxation and social security	21,344	19,038
Other creditors	30,102	25,223
Accruals and deferred income	101,280	83,346
	185,372	152,644
	185,372	152,644

	2021 £	2020 £
Deferred income at 1 September 2020	73,268	34,213
Resources deferred during the year	82,385	73,268
Amounts released from previous periods	(73,268)	(34,213)
	82,385	73,268
	82,385	73,268

At the balance sheet date the academy trust was holding funds received in advance relating to grants for the next academic year.

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

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
School Fund	25,257	14,562	(8,493)	-	-	31,326
General funds						
General Funds - all funds	145,740	57,988	(7,846)	(4,294)	-	191,588
Total Unrestricted funds	170,997	72,550	(16,339)	(4,294)	-	222,914

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

18. Statement of funds (continued)

**Restricted
general funds**

General Annual Grant (GAG)	-	1,383,274	(1,279,283)	(103,991)	-	-
Pupil Premium	26,499	130,522	(119,358)	(11,480)	-	26,183
Early Years	68,774	79,316	(133,448)	(5,783)	-	8,859
Rates Relief	6,221	8,141	(8,140)	-	-	6,222
Universal Infant Free School Meals	-	54,575	(54,575)	-	-	-
PE and Sport grant	25,295	19,110	(29,329)	-	-	15,076
New Class funding	-	67,487	(67,487)	-	-	-
Small restricted donations	198	-	-	-	-	198
Other Local Authority grants	-	5,400	(5,400)	-	-	-
Dual Placement funding	13,500	-	(13,500)	-	-	-
Maths Hub	-	500	-	-	-	500
SEN funding	44,934	88,567	(123,612)	(3,832)	-	6,057
Teachers' Pension grant	-	55,535	(55,535)	-	-	-
Teachers' Pay grant	-	19,655	(19,655)	-	-	-
Covid Catch-up Premium	-	29,920	(26,488)	-	-	3,432
Covid Academies Emergency Support	-	17,671	(17,671)	-	-	-
Refurbished laptops	-	5,060	-	(5,060)	-	-
Pension reserve	(574,000)	-	(235,000)	87,000	(269,000)	(991,000)
	(388,579)	1,964,733	(2,188,481)	(43,146)	(269,000)	(924,473)

FOREST ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

Restricted fixed asset funds

School building fund	580,484	-	1,977,683	-	-	2,558,167
Capital expenditure from GAG	26,172	-	(12,518)	21,285	-	34,939
Capital expenditure - playground equipment	17,971	-	(7,797)	-	-	10,174
Capital expenditure from Devolved Formula Capital (DFC)	17,572	-	(965)	-	-	16,607
Unspent DFC	18,168	8,221	-	-	-	26,389
Capital expenditure from Pupil Premium	4,974	-	(3,451)	11,480	-	13,003
Capital expenditure from CIF	124,404	-	(6,834)	-	-	117,570
Capital expenditure from Early years	10,626	-	(3,615)	5,783	-	12,794
Capital expenditure from SEN funding	2,393	-	(841)	3,832	-	5,384
Capital expenditure from New Block	754,559	-	(44,386)	-	-	710,173
Capital expenditure from Sensory Area	199	-	(199)	-	-	-
Capital expenditure from Breakfast club	1,248	-	(312)	-	-	936
Go Fund Me	-	121	-	-	-	121
Refurbished I pads	-	-	(875)	5,060	-	4,185
	1,558,770	8,342	1,895,890	47,440	-	3,510,442

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	1,170,191	1,973,075	(292,591)	4,294	(269,000)	2,585,969
Total funds	1,341,188	2,045,625	(308,930)	-	(269,000)	2,808,883

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

The General Annual Grant (GAG) is for the normal running costs of the Academy. The following transfers have been made from the GAG: £87,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme. A further transfer was made to the GAG fund from unrestricted reserves of £91,900 to clear the deficit arising on the GAG fund.

The Devolved Formula Capital fund relates to funding for the cost of minor capital works and ICT replacement.

The Pupil Premium income has been provided by the ESFA to help raise the attainment of disadvantaged pupils.

The Early Years funding has been received from the Local Authority to provide a nursery facility.

The PE and Sport grant represents funding received towards the cost of improving PE provision.

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

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

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
Designated funds						
School Fund	28,127	24,614	(25,924)	(1,560)	-	25,257
General funds						
General Funds - all funds	166,749	63,606	(37,964)	(46,651)	-	145,740
Total Unrestricted funds	194,876	88,220	(63,888)	(48,211)	-	170,997

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

18. Statement of funds (continued)

**Restricted
general funds**

General Annual Grant (GAG)	-	1,233,828	(1,182,729)	(51,099)	-	-
Pupil Premium	21,524	110,674	(105,699)	-	-	26,499
Devolved Formula Capital (DFC)	30,527	-	(100)	(30,427)	-	-
Early Years	83,042	130,694	(136,878)	(8,084)	-	68,774
Rates Relief	6,156	8,141	(8,076)	-	-	6,221
Universal Infant Free School Meals	-	54,033	(54,033)	-	-	-
PE and Sport grant	12,600	18,890	(6,195)	-	-	25,295
New Class funding	-	64,847	(64,847)	-	-	-
Tesco Sensory Area	3,000	1,000	(4,000)	-	-	-
Small restricted donations	259	-	(61)	-	-	198
Dual Placement funding	6,500	7,000	-	-	-	13,500
SEN funding	1,617	78,667	(32,159)	(3,191)	-	44,934
Teachers' Pension grant	-	53,830	(53,830)	-	-	-
Teachers' Pay grant	-	19,051	(19,051)	-	-	-
Pension reserve	(423,000)	-	(188,000)	73,000	(36,000)	(574,000)
	<u>(257,775)</u>	<u>1,780,655</u>	<u>(1,855,658)</u>	<u>(19,801)</u>	<u>(36,000)</u>	<u>(388,579)</u>

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

18. Statement of funds (continued)

**Restricted fixed
asset funds**

School building fund	629,065	-	(48,581)	-	-	580,484
Capital expenditure from GAG	13,409	-	(11,987)	24,750	-	26,172
Capital expenditure - playground equipment	23,961	-	(5,990)	-	-	17,971
Capital expenditure from Devolved Formula Capital (DFC)	-	8,084	(2,771)	12,259	-	17,572
Unspent DFC	-	-	-	18,168	-	18,168
Capital expenditure from Pupil Premium	8,093	-	(3,119)	-	-	4,974
Capital expenditure from CIF	131,238	-	(6,834)	-	-	124,404
Capital expenditure from Early years	7,497	-	(4,955)	8,084	-	10,626
Capital expenditure from SEN funding	-	-	(798)	3,191	-	2,393
Capital expenditure from New Block	798,945	-	(44,386)	-	-	754,559
Capital expenditure from Sensory Area	399	-	(200)	-	-	199
Capital expenditure from Breakfast club	-	-	(312)	1,560	-	1,248
	<u>1,612,607</u>	<u>8,084</u>	<u>(129,933)</u>	<u>68,012</u>	<u>-</u>	<u>1,558,770</u>
Total Restricted funds	<u>1,354,832</u>	<u>1,788,739</u>	<u>(1,985,591)</u>	<u>48,211</u>	<u>(36,000)</u>	<u>1,170,191</u>

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

Total funds	<u>1,549,708</u>	<u>1,876,959</u>	<u>(2,049,479)</u>	<u>-</u>	<u>(36,000)</u>	<u>1,341,188</u>
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	3,483,072	3,483,072
Current assets	225,418	249,395	27,370	502,183
Creditors due within one year	(2,504)	(182,868)	-	(185,372)
Provisions for liabilities and charges	-	(991,000)	-	(991,000)
Total	<u>222,914</u>	<u>(924,473)</u>	<u>3,510,442</u>	<u>2,808,883</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	1,540,602	1,540,602
Current assets	170,997	338,065	18,168	527,230
Creditors due within one year	-	(152,644)	-	(152,644)
Provisions for liabilities and charges	-	(574,000)	-	(574,000)
Total	<u>170,997</u>	<u>(388,579)</u>	<u>1,558,770</u>	<u>1,341,188</u>

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

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

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	1,736,695	(172,520)
Adjustments for:		
Depreciation	(1,895,890)	129,933
Capital grants from DfE and other capital income	(8,221)	(8,084)
Interest receivable	(171)	(1,053)
Defined benefit pension scheme cost less contributions payable	137,000	106,000
Defined benefit pension scheme finance cost	11,000	9,000
Decrease/(increase) in stocks	159	(264)
Decrease in debtors	77,958	12,514
Increase in creditors	30,224	14,024
Net cash provided by operating activities	88,754	89,550

21. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	171	1,053
Purchase of tangible fixed assets	(44,076)	(57,928)
Capital grants from DfE Group	8,221	8,084
Net cash used in investing activities	(35,684)	(48,791)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	60,827	197,861
Notice deposits (less than 3 months)	391,976	201,872
Total cash and cash equivalents	452,803	399,733

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

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	399,733	53,070	452,803
	<u>399,733</u>	<u>53,070</u>	<u>452,803</u>

24. Pension commitments

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

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

Contributions amounting to £29,357 were payable to the schemes at 31 August 2021 (2020 - £23,298) and are included within creditors.

Teachers' Pension Scheme

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

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

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

24. Pension commitments (continued)

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 2024.

The employer's pension costs paid to TPS in the year amounted to £164,743 (2020 - £130,552).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £112,000 (2020 - £95,000), of which employer's contributions totalled £87,000 (2020 - £73,000) and employees' contributions totalled £25,000 (2020 - £22,000). The agreed contribution rates for future years are 17.5 - 19.1 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme since that date. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.5	24.1
<i>Retiring in 20 years</i>		
Males	23.2	22.7
Females	26.4	25.6

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate -0.1%	59	42
Pension increase rate +0.1%	58	41

Share of scheme assets

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

	2021	<i>2020</i>
	£	£
Equities	667,920	451,900
Corporate bonds	253,000	199,200
Property	70,840	68,900
Cash and other liquid assets	20,240	46,000
Total market value of assets	1,012,000	766,000

The actual return on scheme assets was £138,000 (2020 - £92,000).

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

24. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	(224,000)	(179,000)
Interest income	14,000	12,000
Interest cost	(25,000)	(21,000)
Total amount recognised in the Statement of Financial Activities	(235,000)	(188,000)

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

	2021 £	2020 £
At 1 September	1,340,000	1,013,000
Current service cost	224,000	179,000
Interest cost	25,000	21,000
Employee contributions	25,000	22,000
Actuarial losses	393,000	116,000
Benefits paid	(4,000)	(11,000)
At 31 August	2,003,000	1,340,000

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

	2021 £	2020 £
At 1 September	766,000	590,000
Interest income	14,000	12,000
Actuarial gains	124,000	80,000
Employer contributions	87,000	73,000
Employee contributions	25,000	22,000
Benefits paid	(4,000)	(11,000)
At 31 August	1,012,000	766,000

FOREST ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	12,148	2,899
Later than 1 year and not later than 5 years	34,924	3,141
	<u>47,072</u>	<u>6,040</u>

26. Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

FOREST ACADEMY
(A company limited by guarantee)

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

27. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year services were provided between the academy and Elveden Church of England Primary Academy ("Elveden"), an academy with Governors in common.

A total of £18,807 was receivable from Elveden in the year to 31 August 2021 (2020 - £19,401) for the supply of teaching and administration services. A total of £21,742 was payable to Elveden in the year to 31 August 2021 (2020 - £33,923) for the supply of teaching.

At 31 August 2021 Forest Academy owed £2,352 (2020 - owed £2,078).

J Noakes, sister of A Grimes, a Governor, is employed by the academy trust as a Teaching Assistant. J Noakes's appointment was made in open competition and A Grimes was not involved in the decision-making process regarding appointment. J Noakes is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Governor.

A Noakes, brother of A Grimes, a Governor, is a director of Ebac Plumbing & Heating Limited. During the year £NIL (2020 - £1,623) was payable to Ebac Plumbing & Heating Limited for plumbing services provided.

S Egan, wife of C Egan, a Governor, is employed by the academy trust as a Teacher. S Egan's appointment was made in open competition and C Egan was not involved in the decision-making process regarding appointment. S Egan is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Governor.

M Norton, wife of J Norton, a Governor, is employed by the academy trust as a Teacher. M Norton's appointment was made in open competition and J Norton was not involved in the decision-making process regarding appointment. M Norton is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Governor.