Registered number: 07400940

FOREST ACADEMY

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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FOREST ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Members

M Pritchard (resigned 26 April 2017)
M Andrew
R G Hodgkinson
A C Grimes
A Harris (appointed 8 May 2017)

Trustees

P Brooks, Chair to 7 November 2016 (resigned 7 November 2016)
R G Hodgkinson, Chair from 14 November 2016 (appointed 14 November 2016)
E J Peck (resigned 5 November 2017)
J V Jones, Staff Trustee (resigned 31 December 2016)
A C Grimes[1]
T Branch (resigned 23 September 2017)
L Rourke
C Goldstone
M Pritchard (resigned 27 April 2017)
M Andrew
A Harris (appointed 8 May 2017)
R Silkstone (appointed 15 May 2017)

[1] Executive Principal and Accounting Officer

Company registered number

07400940

Company name

Forest Academy

Principal and registered office

Bury Road, Brandon, Suffolk, IP24 0FP

Company secretary

N Cogan

Senior management team

A Grimes, Executive Principal
S Gough, Acting Assistant Headteacher
H Morley, Acting Assistant Headteacher
Z Huff, Senior Teacher
A Cronk, Senior Teacher

Independent auditors

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

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Bankers

LLoyds TSB Commercial, PO Box 1000, BX1 1LT

Solicitors

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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 trust.

The Trustees of Forest Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Forest Academy.

Details of the Trustees who served during the 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 TRUSTEES

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

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

e. PAY POLICY FOR 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 and following review by the Personnel committee.

f. ORGANISATIONAL STRUCTURE

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

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.

The Senior Managers are the Principal, two Assistant Headteachers and two senior teachers. These managers 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 Managers 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.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

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 2017 are summarised below:

- To monitor attainment and progress closely across all year groups and with a focus on progress from year 2-6.
- To ensure outcomes are good or better in all areas/subjects including the arts, humanities and sciences.
- To ensure progress measures for KS1 to KS2 improve across both schools.
- To plan, monitor and evaluate all Pupil Premium spending to ensure maximum impact.
- To develop the governing bodies of both schools, building on strengths and consider reconstitution
- To provide effective CPD, which is linked to PM, for all to ensure staff are motivated, respected and effective and provide long term sustainability across the schools.
- To ensure the KS1 unit at Forest progresses within the stated time frame
- To ensure the budgets of both schools are closely monitored and funds allocated effectively.

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.

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

The academy is committed to observing the importance of performance indicators to ensure that it continues to strive for both educational and financial excellence.

In its last inspection in June 2014, Ofsted concluded that the academy was a 'Good' school.

KS1 - as at July 2017

Subject	*Expected +* Forest Academy	National Average	*Greater Depth* Forest Academy	National Average
Reading	73%	74%	12.5 %	25%
Writing	66%	65%	10%	16%
Maths	76%	73%	22%	21%
RWM	66%	64%	10%	11%

KS2 - as at July 2017

End of Y6 *(national in brackets)*	Reading	GPS	Writing	Maths	Combined
Expected	**67%** (71%)	**74%** (77%)	**67%**(76%)	**79%**(75%)	**57%**(61%)
Higher	**19%**(25%)	**19%**(31%)	**24%**(18%)	**21%**(23%)	**7%**(9%)

RWM - Reading, writing and mathematics.
GPS - Grammar, punctuation and spelling.

Financial review

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 £99,000 being approximately one month's salary costs. As at 31 August 2017, the academy had free reserves (total funds less the amount held in fixed assets, designated and restricted funds) of **£102,811** (*2016 - £77,428*).

b. DEFICIT

The balance sheet includes a deficit on the Pension Reserve of **£216,000** (*2016 - £336,000*) being the academy's FRS 102 valuation of it's share of the Local Government Pension Scheme (see note 22 for further details).

c. 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.

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

d. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future or until the successful completion of joining the DEMAT. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

a. FUTURE DEVELOPMENTS

Priorities for 2017/18 are:

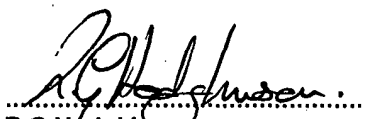
- The development of clear, robust systems and processes to raise standards higher by increasing progress.
- To increase progress between Yr 2 and Yr 6 with more children achieving greater depth in reading, writing and mathematics.
- To plan, monitor and evaluate all Pupil Premium spending to ensure maximum impact.
- To ensure all staff are developed and supported to be successful and effective.
- To continue working with Achievement For All to ensure vulnerable groups achieve in line with non-pupil premium children.
- The KIND team effectively supports vulnerable children and families
- To develop the governing bodies of both schools, building on strengths and move forward with joining DEMAT.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2017 and signed on its behalf by:



R G Hodgkinson
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, 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.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A C Grimes	6	6
L Rourke	6	6
M Andrew	6	6
R G Hodgkinson	5	6
E J Peck	5	6
T Branch	5	6
M Pritchard	2	6
C Goldstone	4	4
R Silkstone	3	4
A Harris	2	2
J V Jones	1	1

REVIEW OF VALUE FOR MONEY

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

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

All expenditure is focused on improving standards through:

- Ensuring consistency, through a range of CPD, across all age phases to implement school policies and procedures.
- Identifying new ways to overcome specific barriers to learning for disadvantaged pupils, this includes counselling, ELSA support, Lexia, Accelerated reader.
- Being part of the SEND Hub to support all children to achieve.
  By targeting resources carefully, we aim to close the gap between disadvantaged pupils and all others.
- To ensure the school is well resourced for all children to receive a high quality education.
- Governors play an active role in overseeing all financial decisions. They evaluate decisions taken in the

light of their impact on pupil achievement and progress. They monitor expenditure to ensure that the school is secure financially and that risks are minimised.

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 ongoing 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint TWR Accountants Limited, an independent firm of accountants, as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account / bank reconciliations

On a termly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 work of the executive managers 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 Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2017 and signed on their behalf, by:

R G Hodgkinson
Chair of Trustees

A. Grimes
A C Grimes
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Forest Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

A. Grimes

A C Grimes
Accounting Officer

Date: 18 December 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2017 and signed on its behalf by:

R G Hodgkinson
Chair of Trustees

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

OPINION

We have audited the financial statements of Forest Academy for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 Auditor's 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.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 Auditor's 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

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S 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 Auditor's 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.

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. The description forms part of our Auditor's report.



Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners LLP

Chartered Accountants
Statutory Auditor

7 The Close
Norwich
Norfolk
NR1 4DJ
20 December 2017

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

In accordance with the terms of our engagement letter dated 14 August 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Forest Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Forest Academy and the 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, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FOREST ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

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 Trustees and management;
- Performing an evaluation of the general control environment;
- 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 *Annex C: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2016.

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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MA Partners LLP

Chartered Accountants
Statutory Auditor

7 The Close
Norwich
Norfolk
NR1 4DJ

20 December 2017

FOREST ACADEMY

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
INCOME FROM:						
Donations and capital grants	2	**637**	**-**	**887,717**	**888,354**	*790*
Charitable activities	3	**27,035**	**1,502,686**	**-**	**1,529,721**	*1,428,349*
Other trading activities	4	**37,448**	**4,800**	**-**	**42,248**	*41,064*
Investments	5	**155**	**-**	**-**	**155**	*501*
TOTAL INCOME		**65,275**	**1,507,486**	**887,717**	**2,460,478**	*1,470,704*
EXPENDITURE ON:						
Charitable activities		**16,122**	**1,562,407**	**82,832**	**1,661,361**	*1,509,288*
TOTAL EXPENDITURE	8	**16,122**	**1,562,407**	**82,832**	**1,661,361**	*1,509,288*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		**49,153**	**(54,921)**	**804,885**	**799,117**	*(38,584)*
Transfers between Funds	18	**(15,590)**	**7,119**	**8,471**	**-**	*-*
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		**33,563**	**(47,802)**	**813,356**	**799,117**	*(38,584)*
Actuarial gains/(losses) on defined benefit pension schemes	22	**-**	**173,000**	**-**	**173,000**	*(162,000)*
NET MOVEMENT IN FUNDS		**33,563**	**125,198**	**813,356**	**972,117**	*(200,584)*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**81,839**	**(221,381)**	**845,844**	**706,302**	*906,886*
TOTAL FUNDS CARRIED FORWARD		**115,402**	**(96,183)**	**1,659,200**	**1,678,419**	*706,302*

The notes on pages 22 to 44 form part of these financial statements.

FOREST ACADEMY

(A company limited by guarantee)
REGISTERED NUMBER: 07400940

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		**1,659,200**		*845,844*
CURRENT ASSETS					
Stocks	15	**1,326**		*1,044*	
Debtors	16	**84,868**		*132,695*	
Cash at bank and in hand		**255,558**		*200,417*	
		341,752		*334,156*	
CREDITORS: amounts falling due within one year	17	**(106,533)**		*(137,698)*	
NET CURRENT ASSETS			**235,219**		*196,458*
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,894,419**		*1,042,302*
Defined benefit pension scheme liability	22		**(216,000)**		*(336,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**1,678,419**		*706,302*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	**119,817**		*114,619*	
Restricted fixed asset funds	18	**1,659,200**		*845,844*	
Restricted income funds excluding pension liability		**1,779,017**		*960,463*	
Pension reserve		**(216,000)**		*(336,000)*	
Total restricted income funds			**1,563,017**		*624,463*
Unrestricted income funds	18		**115,402**		*81,839*
TOTAL FUNDS			**1,678,419**		*706,302*

The financial statements on pages 19 to 44 were approved by the Trustees, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:

R G Hodgkinson
Chair of Trustees

The notes on pages 22 to 44 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	*2016 £*
Cash flows from operating activities			
Net cash provided by operating activities	20	**63,457**	*154,324*
Cash flows from investing activities:			
Dividends, interest and rents from investments		**155**	*501*
Purchase of tangible fixed assets		**(8,471)**	*(20,938)*
Net cash used in investing activities		**(8,316)**	*(20,437)*
Change in cash and cash equivalents in the year		**55,141**	*133,887*
Cash and cash equivalents brought forward		**200,417**	*66,530*
Cash and cash equivalents carried forward	21	**255,558**	*200,417*

The notes on pages 22 to 44 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Forest Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a private company limited by guarantee. The members and Trustees of the company are named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.6 Fund accounting

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 and include grants from the Education and Skills Funding Agency.

1.7 Termination payments

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Academy Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

1.8 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land	-	over lease term
Leasehold buildings	-	5% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

1. ACCOUNTING POLICIES (continued)

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 EFA 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.

1.9 Stocks

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

1.10 Liabilities and provisions

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

1.11 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 costs 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 instruments.

1. ACCOUNTING POLICIES (continued)

1.12 Taxation

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

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016* £
Donations	**637**	**-**	**887,717**	**888,354**	*790*
Total 2016	*790*	-	-	*790*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
DfE/ESFA grants				
General Annual Grant (GAG)	-	**1,082,623**	**1,082,623**	*1,029,436*
Pupil Premium	-	**103,690**	**103,690**	*111,820*
Universal Infant Free School Meals	-	**54,188**	**54,188**	*42,826*
PE and Sports grant	-	**9,290**	**9,290**	*9,310*
Devolved Formula Capital	-	**7,913**	**7,913**	*7,805*
Rates relief	-	**7,616**	**7,616**	*14,256*
Reception Baseline Assessment	-	-	-	*158*
	-	**1,265,320**	**1,265,320**	*1,215,611*
Other government grants				
Early Years funding	-	**128,445**	**128,445**	*124,219*
Suffolk County Council - New class	-	**60,984**	**60,984**	*35,458*
SEN income	-	**35,937**	**35,937**	*17,034*
Pupil Premium - LAC	-	-	-	*1,698*
	-	**225,366**	**225,366**	*178,409*
Other income from the academy trust's educational operations				
Catering	**18,856**	-	**18,856**	*18,903*
Trips	**8,179**	-	**8,179**	*15,426*
Other funding	-	**12,000**	**12,000**	-
	27,035	**12,000**	**39,035**	*34,329*
	27,035	**1,502,686**	**1,529,721**	*1,428,349*
Total 2016	*69,945*	*1,358,404*	*1,428,349*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
School Fund (excluding trips)	**16,123**	**-**	**16,123**	*14,028*
Elveden Primary recharge	**15,590**	**-**	**15,590**	*16,165*
Other	**735**	**4,800**	**5,535**	*5,872*
Insurance reclaims	**5,000**	**-**	**5,000**	*4,999*
	37,448	**4,800**	**42,248**	*41,064*
Total 2016	*39,064*	*2,000*	*41,064*	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Interest	**155**	**-**	**155**	*501*
Total 2016	*501*	*-*	*501*	

6. DIRECT COSTS

	Total 2017 £	*Total 2016 £*
Pension interest	**8,000**	*6,000*
Teaching resources	**80,166**	*70,667*
Staff development and training	**11,375**	*24,917*
Curriculum services	**9,680**	*13,032*
Payments to other schools	**-**	*18,437*
Additional educational services	**42,977**	*16,780*
Agency staff	**6,514**	*15,460*
Wages and salaries	**839,694**	*767,211*
National insurance	**65,138**	*53,090*
Pension cost	**127,927**	*90,928*
	1,191,471	*1,076,522*
At 31 August 2016	*1,076,522*	

7. SUPPORT COSTS

	Total 2017 £	*Total 2016 £*
Rates	**10,269**	*6,532*
Advertising and recruitment	**3,594**	*3,524*
Light, heat and water	**28,439**	*18,047*
Admin costs	**29,122**	*18,981*
Bank charges	**122**	*39*
Insurances	**19,530**	*27,109*
Maintenance of property and equipment	**18,616**	*28,778*
Catering costs	**82,303**	*74,474*
Computer costs	**5,392**	*7,159*
Staff travel, subsistence and expenses	**(137)**	*3,006*
School fund and Friends expenditure	**16,547**	*29,043*
Auditors' remuneration - audit of financial statements	**4,150**	*4,050*
Auditors' remuneration - other	**8,011**	*5,827*
Legal and professional fees	**1,325**	*4,605*
Loss on disposal of fixed assets	**-**	*130*
Wages and salaries	**98,198**	*79,482*
National insurance	**4,814**	*3,314*
Pension cost	**56,763**	*21,116*
Depreciation	**82,832**	*97,550*
	469,890	*432,766*
At 31 August 2016	*432,766*	

During the year ended 31 August 2017, the academy incurred Governance costs of £13,486 *(2016 - £14,482)*.

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	*Total 2016 £*
Academy's educational operations:					
Direct costs	**1,032,759**	**-**	**158,712**	**1,191,471**	*1,076,522*
Support costs	**159,775**	**105,393**	**204,722**	**469,890**	*432,766*
	1,192,534	**105,393**	**363,434**	**1,661,361**	*1,509,288*
Total 2016	*1,015,141*	*101,938*	*392,209*	*1,509,288*	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	*2016*
	£	*£*
Depreciation of tangible fixed assets:		
- owned or leased	**82,832**	*97,550*
Auditors' remuneration - audit	**4,150**	*4,050*
Auditors' remuneration - other services	**8,011**	*5,827*

10. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	**908,312**	*816,351*
Social security costs	**69,952**	*56,404*
Operating costs of defined benefit pension schemes	**184,690**	*112,044*
	1,162,954	*984,799*
Supply teacher costs	**28,825**	*30,342*
Staff restructuring costs	**755**	-
	1,192,534	*1,015,141*

Staff restructuring costs comprise:

Severance payments	**755**	-

Included in staff restructuring costs is one non-statutory/non-contractual severance payment of £755 (*2016 - £nil*).

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

	2017	2016
	No.	No.
Management	**1**	*1*
Teachers	**17**	*15*
Administration and support	**39**	*38*
	57	*54*

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Management	**1**	*1*
Teachers	**14**	*14*
Administration and support	**22**	*19*
	37	*34*

10. STAFF COSTS (continued)

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

	2017 No.	*2016* *No.*
In the band £60,001 - £70,000	**1**	*1*

Employer pension contributions of **£11,312** (*2016 - £10,665*) were made to the Teachers' Pension Scheme on behalf of the above employee.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was **£291,407** (*2016 - £180,623*).

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

		2017 £	*2016* *£*
A Grimes	Remuneration	**65,000-70,000**	*60,000-65,000*
	Pension contributions paid	**10,000-15,000**	*10,000-15,000*
J Jones	Remuneration	**5,000-10,000**	*15,000-20,000*
	Pension contributions paid	**0-5,000**	*0-5,000*

During the year ended 31 August 2017, expenses totaling £1,750 (2016 - £1,562) we reimbursed to 1 Trustee (2016 - 2).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £130 *(2016 - £733).*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

13. OTHER FINANCE INCOME

	2017 £	*2016 £*
Interest income on pension scheme assets	**7,000**	*10,000*
Interest on pension scheme liabilities	**(15,000)**	*(16,000)*
	(8,000)	*(6,000)*

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	**3,150,000**	**235,245**	**117,024**	**3,502,269**
Additions	**887,717**	**3,771**	**4,700**	**896,188**
At 31 August 2017	**4,037,717**	**239,016**	**121,724**	**4,398,457**
Depreciation				
At 1 September 2016	**2,375,192**	**184,254**	**96,979**	**2,656,425**
Charge for the year	**48,582**	**21,446**	**12,804**	**82,832**
At 31 August 2017	**2,423,774**	**205,700**	**109,783**	**2,739,257**
Net book value				
At 31 August 2017	**1,613,943**	**33,316**	**11,941**	**1,659,200**
At 31 August 2016	*774,808*	*50,991*	*20,045*	*845,844*

15. STOCKS

	2017 £	*2016 £*
Uniform	**1,326**	*1,044*

16. DEBTORS

	2017	2016
	£	£
Trade debtors	**4,150**	*9,259*
Other debtors	**53,190**	*56,999*
Prepayments and accrued income	**27,528**	*66,437*
	84,868	*132,695*

17. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**26,105**	*14,815*
Other taxation and social security	**15,725**	*13,383*
Other creditors	**16,838**	*11,497*
Accruals and deferred income	**47,865**	*98,003*
	106,533	*137,698*

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	**61,498**	*19,757*
Resources deferred during the year	**31,610**	*61,498*
Amounts released from previous years	**(61,498)**	*(19,757)*
Deferred income at 31 August 2017	**31,610**	*61,498*

The Universal Infant Free School Meal and Growth funding received in July 2017 which relates to the 2017/18 academic year has been deferred.

18. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
School Fund	**4,411**	**24,302**	**(16,122)**	**-**	**-**	**12,591**
General funds						
General Funds	**77,428**	**40,973**	**-**	**(15,590)**	**-**	**102,811**
Total Unrestricted funds	**81,839**	**65,275**	**(16,122)**	**(15,590)**	**-**	**115,402**

Restricted funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	**3,420**	**1,082,623**	**(1,052,752)**	**(30,882)**	**-**	**2,409**
Devolved Formula Capital (DFC)	**-**	**7,913**	**(7,913)**	**-**	**-**	**-**
Pupil Premium	**53,532**	**103,690**	**(134,776)**	**(4,000)**	**-**	**18,446**
Early Years	**48,696**	**128,445**	**(100,830)**	**-**	**-**	**76,311**
Rates Relief	**7,724**	**7,616**	**(10,269)**	**-**	**-**	**5,071**
Universal Infant Free School Meals	**-**	**54,188**	**(54,188)**	**-**	**-**	**-**
New class funding	**-**	**60,984**	**(60,984)**	**-**	**-**	**-**
SEN funding	**1,247**	**29,937**	**(25,377)**	**-**	**-**	**5,807**
PE and Sports grant	**-**	**9,290**	**(5,666)**	**-**	**-**	**3,624**
CASSA funding	**-**	**4,800**	**(4,800)**	**-**	**-**	**-**
Dual Placement funding	**-**	**6,000**	**(6,000)**	**-**	**-**	**-**
Sensory Area	**-**	**12,000**	**(6,852)**	**3,001**	**-**	**8,149**
Pension reserve	**(336,000)**	**-**	**(92,000)**	**39,000**	**173,000**	**(216,000)**
	(221,381)	**1,507,486**	**(1,562,407)**	**7,119**	**173,000**	**(96,183)**

18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
School Building Fund	**774,809**	**-**	**(48,581)**	**-**	**-**	**726,228**
Capital expenditure from GAG	**46,149**	**-**	**(24,298)**	**7,472**	**-**	**29,323**
Capital expenditure from DFC	**4,994**	**-**	**(2,494)**	**-**	**-**	**2,500**
Capital expenditure from Early Years funding	**15,357**	**-**	**(5,229)**	**-**	**-**	**10,128**
Capital expenditure from Pupil Premium	**4,303**	**-**	**(2,151)**	**-**	**-**	**2,152**
Capital expenditure from SEN funding	**232**	**-**	**(79)**	**-**	**-**	**153**
New Block	**-**	**887,717**	**-**	**-**	**-**	**887,717**
Sensory Area	**-**	**-**	**-**	**999**	**-**	**999**
	845,844	**887,717**	**(82,832)**	**8,471**	**-**	**1,659,200**
Total restricted funds	**624,463**	**2,395,203**	**(1,645,239)**	**15,590**	**173,000**	**1,563,017**
Total of funds	**706,302**	**2,460,478**	**(1,661,361)**	**-**	**173,000**	**1,678,419**

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2016* £
Designated funds						
School Fund	*5,476*	*29,454*	*(30,519)*	-	-	*4,411*
	5,476	*29,454*	*(30,519)*	-	-	*4,411*
General funds						
General Funds	*12,747*	*80,846*	-	*(16,165)*	-	*77,428*
	12,747	*80,846*	-	*(16,165)*	-	*77,428*
Total Unrestricted funds	*18,223*	*110,300*	*(30,519)*	*(16,165)*	-	*81,839*

18. STATEMENT OF FUNDS (continued)

Restricted funds

	Balance at 1 September 2015 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2016* £
General Annual Grant (GAG)	-	*1,029,436*	*(997,174)*	*(28,842)*	-	*3,420*
Devolved Formula Capital	-	*7,805*	*(7,805)*	-	-	-
Pupil Premium	*86,576*	*113,518*	*(146,562)*	-	-	*53,532*
Early Years	*34,501*	*124,219*	*(100,970)*	*(9,054)*	-	*48,696*
Rates Relief	-	*14,256*	*(6,532)*	-	-	*7,724*
Universal Infant Free School Meals	*42,826*	*(42,826)*	-	-	-	-
SEN funding	-	*17,034*	*(15,477)*	*(310)*	-	*1,247*
PE and Sports	-	*9,310*	*(16,743)*	*7,433*	-	-
Dual Placement	-	*2,000*	*(2,000)*	-	-	-
Pension reserve	*(155,000)*	-	*(45,000)*	*26,000*	*(162,000)*	*(336,000)*
	8,903	*1,274,752*	*(1,338,263)*	*(4,773)*	*(162,000)*	*(221,381)*

Restricted fixed asset funds

	Balance at 1 September 2015 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2016* £
School Building Fund	*823,389*	-	*(48,580)*	-	-	*774,809*
Capital expenditure from GAG	*67,155*	-	*(32,580)*	*11,574*	-	*46,149*
Capital maintenance funding	*6,567*	-	*(6,567)*	-	-	-
Capital expenditure from DFC	*7,488*	-	*(2,494)*	-	-	*4,994*
Capital expenditure from Early Years funding	*11,532*	-	*(5,229)*	*9,054*	-	*15,357*
Capital expenditure from Pupil Premium	*6,455*	-	*(2,152)*	-	-	*4,303*
Capital expenditure from SEN funding	-	-	*(78)*	*310*	-	*232*
	922,586	-	*(97,680)*	*20,938*	-	*845,844*
Total restricted funds	*931,489*	*1,274,752*	*(1,435,943)*	*16,165*	*(162,000)*	*624,463*
Total of funds	*949,712*	*1,385,052*	*(1,466,462)*	-	*(162,000)*	*706,302*

18. STATEMENT OF FUNDS (continued)

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: **£39,000** to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme and **£7,472** representing fixed asset additions from GAG funding. The following transfers have been made to GAG during the year: **£15,590** from unrestricted funds, being income from Elveden Church of England Primary Academy for staff costs.

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. **£4,000** of the funding received has been transferred to the Sensory Area Fund.

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.

A grant of **£12,000** was received from Tesco to be used to help fund a multisensory outdoor learning area. Of the expenditure incurred prior to 31 August 2017, **£999** has been used to purchase fixed assets and a transfer has therefore been made to the restricted fixed asset fund.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,659,200	1,659,200
Current assets	112,158	229,593	-	341,751
Creditors due within one year	3,244	(109,776)	-	(106,532)
Provisions for liabilities and charges	-	(216,000)	-	(216,000)
	115,402	(96,183)	1,659,200	1,678,419

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	*Restricted funds*	*Restricted fixed asset funds*	*Total funds*
	2016	*2016*	*2016*	*2016*
	£	*£*	*£*	*£*
Tangible fixed assets	-	-	*845,844*	*845,844*
Current assets	*123,353*	*210,803*	-	*334,156*
Creditors due within one year	*(41,514)*	*(96,184)*	-	*(137,698)*
Provisions for liabilities and charges	-	*(336,000)*	-	*(336,000)*
	81,839	*(221,381)*	*845,844*	*706,302*

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	*2016*
	£	*£*
Net income/(expenditure) for the year (as per Statement of Financial Activities)	**799,117**	*(38,584)*
Adjustment for:		
Depreciation charges	**82,832**	*97,550*
Dividends, interest and rents from investments	**(155)**	*(501)*
Loss on the sale of fixed assets	**-**	*130*
(Increase)/decrease in stocks	**(282)**	*4,898*
Decrease/(increase) in debtors	**47,827**	*(16,923)*
(Decrease)/increase in creditors	**(31,165)**	*88,754*
Defined benefit pension scheme cost less contributions payable	**45,000**	*13,000*
Defined benefit pension scheme finance cost	**8,000**	*6,000*
Other capital donations	**(887,717)**	-
Net cash provided by operating activities	**63,457**	*154,324*

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	*2016*
	£	*£*
Cash in hand	**255,558**	*200,417*
Total	**255,558**	*200,417*

22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £16,769 were payable to the schemes at 31 August 2017 *(2016 - 11,500)* and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £100,548 *(2016 - £73,967)*.

22. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £52,000 *(2016 - £35,000)*, of which employer's contributions totalled £39,000 *(2016 - £26,000)* and employees' contributions totalled £13,000 *(2016 - £9,000)*. The agreed contribution rates for future years are 17.5% - 18.4% for employers and 5.5% - 12.5% for employees.

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

	2017	*2016*
Discount rate for scheme liabilities	**2.50 %**	*2.10 %*
Rate of increase in salaries	**2.70 %**	*4.10 %*
Rate of increase for pensions in payment / inflation	**2.40 %**	*2.10 %*

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

	2017	*2016*
Retiring today		
Males	**21.9**	*22.4*
Females	**24.4**	*24.4*
Retiring in 20 years		
Males	**23.9**	*24.3*
Females	**26.4**	*26.9*

Sensitivity analysis	**At 31 August 2017 £**	*At 31 August 2016 £*
Discount rate -0.1%	**19,800**	*22,400*
Salary increase rate +0.1%	**1,400**	*9,400*
Pension increase rate +0.1%	**18,200**	*12,200*

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	*Fair value at 31 August 2016 £*
Equities	**278,120**	*220,000*
Corporate bonds	**85,890**	*64,000*
Property	**40,900**	*32,000*
Cash and other liquid assets	**4,090**	*3,000*
Total market value of assets	**409,000**	*319,000*

The actual return on scheme assets was £45,000 *(2016 - £45,000).*

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	*2016 £*
Current service cost	**(84,000)**	*(39,000)*
Interest income	**7,000**	*10,000*
Interest cost	**(15,000)**	*(16,000)*
Total	**(92,000)**	*(45,000)*

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	*2016 £*
Opening defined benefit obligation	**655,000**	*396,000*
Current service cost	**84,000**	*39,000*
Interest cost	**15,000**	*16,000*
Employee contributions	**13,000**	*9,000*
Actuarial (gains)/losses	**(135,000)**	*197,000*
Benefits paid	**(7,000)**	*(2,000)*
Closing defined benefit obligation	**625,000**	*655,000*

22. PENSION COMMITMENTS (continued)

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

	2017	*2016*
	£	*£*
Opening fair value of scheme assets	**319,000**	*241,000*
Interest income	**7,000**	*10,000*
Actuarial losses	**38,000**	*35,000*
Employer contributions	**39,000**	*26,000*
Employee contributions	**13,000**	*9,000*
Benefits paid	**(7,000)**	*(2,000)*
Closing fair value of scheme assets	**409,000**	*319,000*

23. 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.

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust 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 Trustees in common.

A total of **£15,590** was receivable from Elveden in the year to 31 August 2017 (*2016 - £16,165*) for the supply of teaching and administration services. A total of **£600** was payable to Elveden in the year to 31 August 2017 (*2016 - £18,437*).

At 31 August 2017 Forest Academy was owed **£3,656** (*2016 - £2,209*).