



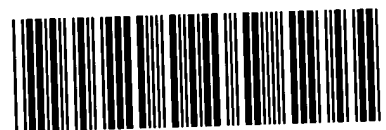
Forest Academy

**FOREST ACADEMY**

**(A company limited by guarantee)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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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 2018**

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**Members**

M Andrew  
R G Hodgkinson  
C Goldstone (appointed 12 November 2018)  
A Harris (resigned 20 June 2018)  
S Munro (appointed 12 November 2018)

**Trustees**

R G Hodgkinson, Chair until 11 November 2018  
E J Peck (resigned 5 November 2017)  
A C Grimes<sup>1</sup>  
T Branch (resigned 23 September 2017)  
L Rourke  
C Goldstone, Vice Chair  
M Andrew  
A Harris (resigned 20 June 2018)  
R Silkstone  
H Morley (appointed 15 November 2017)  
S Munro, Chair (appointed 12 November 2018)

<sup>1</sup> 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, Deputy Headteacher  
H Morley, Deputy Headteacher  
Z Huff, Senior Teacher  
A Cronk, Senior Teacher

**Independent auditors**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Bankers**

Lloyds TSB Commercial, PO Box 1000, BX1 1LT

**Solicitors**

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

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**FOREST ACADEMY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their Annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 2018 are summarised below:

- To monitor attainment and progress closely across all year groups and with a focus on progress.
- 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 continue to 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.
- 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 budgets of both schools are closely monitored and funds allocated effectively.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 Trustees 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 November 2017, Ofsted judged the academy as 'requires improvement'. The end of year results for Year 6 are evidence of the rapid improvement in teaching and learning.

Early years GLD	Forest
(national % in brackets)	62.1% (71%)

**Achievement at the end of Key Stage 1**

Subject	<i>Expected +</i>		<i>Greater Depth</i>	
	Forest Academy	National Average	Forest Academy	National Average
Reading	70%	74%	23.2%	25%
Writing	71%	65%	23.2%	16%
Maths	70%	73%	25%	21%
RWM	64%	64%	23%	11%

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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Y1 Phonics screening - % achieving expected standard	Forest Academy	National
	83.6%	81%

Achievement at the end of Key Stage 2 (National Provisional Figures)

End of Y6 (national in brackets)	Reading	GPS	Writing	Maths	Combined
Expected	86% (75%)	81% (78%)	86% (78%)	88% (76%)	86% (64%)
Higher	38% (28%)	36% (34%)	36% (20%)	29% (24%)	21% (10%)
Average scaled score	Forest Academy	National			
Reading	108	105			
GPS	106	106			
Mathematics	107	104			

**PROGRESS KS2**

Progress	Overall (2017)	School 2018
Reading	-6.1	-1.9
Writing	-4.4	-1.4
Math	-4.4	-2.1

**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 £95,000 being approximately one month's salary costs. As at 31 August 2018, the academy had free reserves (total funds less the amount held in fixed assets, designated and restricted funds) of **£110,435 (2017 - £102,811)**.

**b. DEFICIT**

The balance sheet includes a deficit on the Pension Reserve of **£181,000 (2017 - £216,000)** being the academy's FRS 102 valuation of it's share of the Local Government Pension Scheme (see note 22 for further details).

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 Governors have a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. The decision to join another MAT (DEMAT) has been put on hold. We have met with DFE and they have stated that with there is not an urgent need to move forward as the school has significantly raised attainment in Year 6. Furthermore, it would put an additional financial pressure on the budget. 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 to provide a good education and have monthly budget updates to monitor spending.

**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. Fund raising activities are monitored by is monitored by the SLT 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.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

Priorities for 2018/19 are:

- To clarify and secure the long term sustainable future of Forest as a standalone academy, and the partnership with Elveden C or E Primary Academy.
- To develop a strong governing body who will lead the school strategically in all areas.
- To ensure leaders' and Trustees' 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 29 November 2018 and signed on its behalf by:

  
.....  
**S Munro, Chair**

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**FOREST ACADEMY**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Forest 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 3 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
R G Hodgkinson, Chair until 11 November 2018	3	3
A C Grimes	3	3
T Branch	1	3
L Rourke	3	3
C Goldstone, Vice Chair	3	3
M Andrew	3	3
A Harris	1	2
R Silkstone	3	3
H Morley	3	3
S Munro, Chair	0	0

There have been no key changes in the composition of Trustees or the coverage of our work. The Trustees have become more effective as their experience has increased. Increasingly, the joint collaboration of Trustees from the two schools is providing more support to the headteachers. Furthermore, the Trustees are holding the headteachers to account e.g. in their shared drive to raise standards.

**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:

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**GOVERNANCE STATEMENT (continued)**

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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.
- Trustees 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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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**FOREST ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint TWR Accountants Limited ("TWR"), 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 on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

TWR 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 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.

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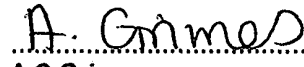
**GOVERNANCE STATEMENT (continued)**

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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 29 November 2018 and signed on their behalf, by:

  
.....  
**S Munro, Chair**

  
.....  
**A C Grimes**  
**Accounting Officer**

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**FOREST ACADEMY**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Forest Academy I have considered my responsibility to notify the academy trust board of trustees 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 trust, 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 2017.

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 2017.

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. C. Grimes  
A C Grimes  
Accounting Officer

Date: 29 November 2018

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**FOREST ACADEMY**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 29 November 2018 and signed on its behalf by:

  
.....  
**S Munro, Chair**

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

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**OPINION**

We have audited the financial statements of Forest Academy (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 2018 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 2017 to 2018 issued by the Education & 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**

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.

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

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report 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' 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**

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**RESPONSIBILITIES OF TRUSTEES**

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

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

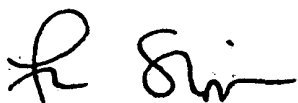
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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



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  
10 December 2018

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 14 August 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 dated 15 January 2013, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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.

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**FOREST ACADEMY**  
(A company limited by guarantee)

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

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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 2017.

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 2017 to 31 August 2018 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

10 December 2018

**FOREST ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	1,178	-	1,178	888,354
Charitable activities	3	32,270	1,483,536	-	1,515,806	1,529,721
Other trading activities	4	43,863	-	-	43,863	42,248
Investments	5	107	-	-	107	155
<b>TOTAL INCOME</b>		<b>76,240</b>	<b>1,484,714</b>	<b>-</b>	<b>1,560,954</b>	<b>2,460,478</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		16,473	1,556,834	122,179	1,695,486	1,661,361
<b>TOTAL EXPENDITURE</b>	8	<b>16,473</b>	<b>1,556,834</b>	<b>122,179</b>	<b>1,695,486</b>	<b>1,661,361</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	59,767 (31,754)	(72,120) 14,169	(122,179) 17,585	(134,532) -	799,117 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		28,013	(57,951)	(104,594)	(134,532)	799,117
Actuarial gains on defined benefit pension schemes	22	-	99,000	-	99,000	173,000
<b>NET MOVEMENT IN FUNDS</b>		<b>28,013</b>	<b>41,049</b>	<b>(104,594)</b>	<b>(35,532)</b>	<b>972,117</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		115,402	(96,183)	1,659,200	1,678,419	706,302
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>143,415</b>	<b>(55,134)</b>	<b>1,554,606</b>	<b>1,642,887</b>	<b>1,678,419</b>

The notes on pages 23 to 45 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		1,554,606		1,659,200
<b>CURRENT ASSETS</b>					
Stocks	15	1,179		1,326	
Debtors	16	86,675		84,868	
Cash at bank and in hand		276,418		255,558	
		<u>364,272</u>		<u>341,752</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	(94,991)		(106,533)	
<b>NET CURRENT ASSETS</b>			<u>269,281</u>		<u>235,219</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,823,887</u>		<u>1,894,419</u>
Defined benefit pension scheme liability	22		(181,000)		(216,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>1,642,887</u></u>		<u><u>1,678,419</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	18	125,866		119,817	
Restricted fixed asset funds	18	1,554,606		1,659,200	
Restricted income funds excluding pension liability		<u>1,680,472</u>		<u>1,779,017</u>	
Pension reserve		(181,000)		(216,000)	
Total restricted income funds			<u>1,499,472</u>		<u>1,563,017</u>
Unrestricted income funds	18		<u>143,415</u>		<u>115,402</u>
<b>TOTAL FUNDS</b>			<u><u>1,642,887</u></u>		<u><u>1,678,419</u></u>

The financial statements on pages 20 to 45 were approved by the Trustees, and authorised for issue, on 29 November 2018 and are signed on their behalf, by:

  
S Munro, Chair

The notes on pages 23 to 45 form part of these financial statements.

**FOREST ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>38,338</b>	63,457
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		107	155
Purchase of tangible fixed assets		<b>(17,585)</b>	(8,471)
<b>Net cash used in investing activities</b>		<b>(17,478)</b>	(8,316)
<b>Change in cash and cash equivalents in the year</b>		<b>20,860</b>	55,141
Cash and cash equivalents brought forward		<b>255,558</b>	200,417
<b>Cash and cash equivalents carried forward</b>	21	<b>276,418</b>	255,558

The notes on pages 23 to 45 form part of these financial statements.

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 2017 to 2018 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.

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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.

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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/donor and include grants from the Department for Education Group.

**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
Furniture and fixtures	-	20% straight line

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 incorporating income and expenditure account.

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**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 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.

**1.11 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.

**1.12 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.

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 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.

**1.14 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.

**1.15 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.

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

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.

**1.16 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 2018. 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.

**FOREST ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	1,178	-	1,178	888,354
<i>Total 2017</i>	637	-	887,717	888,354	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,108,286	1,108,286	1,082,623
Early Years funding	-	107,265	107,265	128,445
Pupil Premium	-	95,070	95,070	103,690
Universal Infant Free School Meals	-	45,448	45,448	54,188
PE and Sports grant	-	19,300	19,300	9,290
SEN income	-	17,619	17,619	35,937
Devolved Formula Capital	-	8,052	8,052	7,913
Rates relief	-	7,839	7,839	7,616
	-	1,408,879	1,408,879	1,429,702
<b>Other government grants</b>				
Suffolk County Council - New class	-	63,569	63,569	60,984
Other Local Authority grants	-	1,088	1,088	-
	-	64,657	64,657	60,984
<b>Other income from the academy trust's educational operations</b>				
Catering	21,033	-	21,033	18,856
Trips	11,237	-	11,237	8,179
Other funding	-	10,000	10,000	12,000
	32,270	10,000	42,270	39,035
	32,270	1,483,536	1,515,806	1,529,721
<i>Total 2017</i>	27,035	1,502,686	1,529,721	

**FOREST ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
School Fund (excluding trips)	25,625	-	25,625	16,123
Elveden Primary recharge	13,908	-	13,908	15,590
Other	3,576	-	3,576	5,535
Insurance reclaims	754	-	754	5,000
	<u>43,863</u>	<u>-</u>	<u>43,863</u>	<u>42,248</u>
<i>Total 2017</i>	<u>37,448</u>	<u>4,800</u>	<u>42,248</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest	107	-	107	155
	<u>155</u>	<u>-</u>	<u>155</u>	
<i>Total 2017</i>	<u>155</u>	<u>-</u>	<u>155</u>	

**6. DIRECT COSTS**

	Total 2018 £	Total 2017 £
Pension interest	6,000	8,000
Teaching resources	66,947	80,166
Staff development and training	10,391	11,375
Curriculum services	9,148	9,680
Additional educational services	16,506	42,977
Agency staff	1,954	6,514
Wages and salaries	818,077	839,694
National insurance	64,514	65,138
Pension cost	122,040	127,927
	<u>1,115,577</u>	<u>1,191,471</u>
<i>Total 2017</i>	<u>1,191,471</u>	

**FOREST ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**7. SUPPORT COSTS**

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Rates	7,198	10,269
Advertising and recruitment	400	3,594
Light, heat and water	43,559	28,439
Admin costs	29,475	29,122
Bank charges	569	122
Insurances	22,038	19,530
Maintenance of property and equipment	27,413	18,616
Catering costs	80,460	82,303
Computer costs	5,046	5,392
Staff travel, subsistence and expenses	2,222	(137)
School fund and Friends expenditure	21,174	16,547
Auditors' remuneration - audit of financial statements	4,200	4,150
Auditors' remuneration - other	18,007	8,011
Legal and professional fees	790	1,325
Wages and salaries	118,742	98,198
National insurance	6,183	4,814
Pension cost	70,254	56,763
Depreciation	122,179	82,832
	<u><u>579,909</u></u>	<u><u>469,890</u></u>
<i>Total 2017</i>	<u><u>469,890</u></u>	

During the year ended 31 August 2018, the academy incurred Governance costs of £13,486 (2016 - £14,482).

**8. EXPENDITURE**

	<b>Staff costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Academy's educational operations:					
Direct costs	1,006,585	-	108,992	1,115,577	1,191,471
Support costs	195,179	171,137	213,593	579,909	469,890
	<u><u>1,201,764</u></u>	<u><u>171,137</u></u>	<u><u>322,585</u></u>	<u><u>1,695,486</u></u>	<u><u>1,661,361</u></u>
<i>Total 2017</i>	<u><u>1,199,048</u></u>	<u><u>105,393</u></u>	<u><u>363,434</u></u>	<u><u>1,667,875</u></u>	

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**FOREST ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned or leased	<b>122,179</b>	<b>82,831</b>
Auditors' remuneration - audit	<b>4,200</b>	<b>4,150</b>
Auditors' remuneration - other services	<b>18,007</b>	<b>8,011</b>
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**FOREST ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	936,819	937,137
Social security costs	70,697	69,952
Operating costs of defined benefit pension schemes	192,294	184,690
	<u>1,199,810</u>	<u>1,191,779</u>
Agency staff costs	1,954	6,514
Staff restructuring costs	-	755
	<u><u>1,201,764</u></u>	<u><u>1,199,048</u></u>

Staff restructuring costs comprise:

Severance payments	-	755
	<u><u>-</u></u>	<u><u>755</u></u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs is one non-statutory/non-contractual severance payment of £Nil (2017 - £755).

**c. Staff numbers**

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

	2018 No.	2017 No.
Management	1	1
Teachers	14	17
Administration and support	38	39
	<u>53</u>	<u>57</u>
	<u><u>53</u></u>	<u><u>57</u></u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Management	1	1
Teachers	14	14
Administration and support	23	22
	<u>38</u>	<u>37</u>
	<u><u>38</u></u>	<u><u>37</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS (continued)**

**d. Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>0</b>	<b>1</b>
In the band £70,001 - £80,000	<b>1</b>	<b>0</b>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was **£315,675** (2017 - £320,152).

**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
A Grimes	Remuneration	<b>70,000-75,000</b>	<b>65,000-70,000</b>
	Pension contributions paid	<b>10,000-15,000</b>	<b>10,000-15,000</b>
J Jones	Remuneration		<b>5,000-10,000</b>
	Pension contributions paid		<b>0-5,000</b>

During the year ended 31 August 2018, expenses totalling £203 (2017 - £235) were reimbursed to 1 Trustee (2017 - 1).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees 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 Trustees and officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**13. OTHER FINANCE INCOME**

	2018 £	2017 £
Interest income on pension scheme assets	11,000	7,000
Interest on pension scheme liabilities	(17,000)	(15,000)
	<u>(6,000)</u>	<u>(8,000)</u>

**14. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	4,037,717	239,016	121,724	4,398,457
Additions	-	3,649	13,936	17,585
At 31 August 2018	<u>4,037,717</u>	<u>242,665</u>	<u>135,660</u>	<u>4,416,042</u>
<b>Depreciation</b>				
At 1 September 2017	2,423,774	205,700	109,783	2,739,257
Charge for the year	92,967	18,331	10,881	122,179
At 31 August 2018	<u>2,516,741</u>	<u>224,031</u>	<u>120,664</u>	<u>2,861,436</u>
<b>Net book value</b>				
At 31 August 2018	<u>1,520,976</u>	<u>18,634</u>	<u>14,996</u>	<u>1,554,606</u>
At 31 August 2017	<u>1,613,943</u>	<u>33,316</u>	<u>11,941</u>	<u>1,659,200</u>

**15. STOCKS**

	2018 £	2017 £
Uniform	<u>1,179</u>	<u>1,326</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**16. DEBTORS**

	2018 £	2017 £
Trade debtors	2,475	4,150
VAT recoverable	56,508	53,190
Prepayments and accrued income	27,692	27,528
	<u>86,675</u>	<u>84,868</u>

**17. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	25,333	26,105
Other taxation and social security	14,928	15,725
Other creditors	16,757	16,838
Accruals and deferred income	37,973	47,865
	<u>94,991</u>	<u>106,533</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	31,610	61,498
Resources deferred during the year	26,512	31,610
Amounts released from previous years	(31,610)	(61,498)
Deferred income at 31 August 2018	<u>26,512</u>	<u>31,610</u>

The Universal Infant Free School Meal and Growth funding received in July 2018 which relates to the 2018/19 academic year has been deferred.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Designated funds</b>						
School Fund	12,591	36,862	(16,473)	-	-	32,980
<b>General funds</b>						
General Funds	102,811	39,378	-	(31,754)	-	110,435
Total Unrestricted funds	115,402	76,240	(16,473)	(31,754)	-	143,415
<b>Restricted funds</b>						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	2,409	1,108,286	(1,073,451)	(37,244)	-	-
Devolved Formula Capital (DFC)	-	8,052	-	7,913	-	15,965
Pupil Premium	18,446	95,070	(83,775)	(5,500)	-	24,241
Early Years	76,311	107,265	(121,484)	-	-	62,092
Rates Relief	5,071	7,839	(7,198)	-	-	5,712
Universal Infant Free School Meals	-	45,448	(45,448)	-	-	-
New class funding	-	63,569	(63,569)	-	-	-
SEN funding	5,807	17,619	(23,426)	-	-	-
PE and Sports grant	3,624	19,300	(11,668)	-	-	11,256
Dual Placement funding	-	10,000	(10,000)	-	-	-
Sensory Area	8,149	-	(1,549)	-	-	6,600
Small restricted donations	-	1,178	(1,178)	-	-	-
Other Local Authority grants	-	1,088	(1,088)	-	-	-
Pension reserve	(216,000)	-	(113,000)	49,000	99,000	(181,000)
	(96,183)	1,484,714	(1,556,834)	14,169	99,000	(55,134)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
School Building Fund	726,228	-	(48,581)	-	-	677,647
Capital expenditure from GAG	29,323	-	(17,684)	12,291	-	23,930
Capital expenditure from DFC	2,500	-	(2,494)	(6)	-	-
Capital expenditure from Early Years funding	10,128	-	(5,230)	-	-	4,898
Capital expenditure from Pupil Premium	2,152	-	(3,527)	5,500	-	4,125
Capital expenditure from SEN funding	153	-	(77)	-	-	76
New Block	887,717	-	(44,386)	-	-	843,331
Sensory Area	999	-	(200)	(200)	-	599
	<u>1,659,200</u>	<u>-</u>	<u>(122,179)</u>	<u>17,585</u>	<u>-</u>	<u>1,554,606</u>
Total restricted funds	<u>1,563,017</u>	<u>1,484,714</u>	<u>(1,679,013)</u>	<u>31,754</u>	<u>99,000</u>	<u>1,499,472</u>
Total of funds	<u>1,678,419</u>	<u>1,560,954</u>	<u>(1,695,486)</u>	<u>-</u>	<u>99,000</u>	<u>1,642,887</u>

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: £49,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme and £12,085 representing fixed asset additions from GAG funding. A further transfer was made to the GAG fund from unrestricted reserves of £31,754 to clear the deficit arising on the GAG fund.

A transfer of £7,913 was made out of GAG representing last years Devolved Formula Capital as this amount is still unspent at the year end.

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 that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>Designated funds</b>						
School Fund	4,411	24,302	(16,122)	-	-	12,591
General Funds	77,428	40,973	-	(15,590)	-	102,811
<b>Restricted funds</b>						
	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
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)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
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
	<u>845,844</u>	<u>887,717</u>	<u>(82,832)</u>	<u>8,471</u>	<u>-</u>	<u>1,659,200</u>
Total restricted funds	<u>624,463</u>	<u>2,395,203</u>	<u>(1,645,239)</u>	<u>15,590</u>	<u>173,000</u>	<u>1,563,017</u>
Total of funds	<u>706,302</u>	<u>2,460,478</u>	<u>(1,661,361)</u>	<u>-</u>	<u>173,000</u>	<u>1,678,419</u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	1,554,606	1,554,606
Current assets	143,415	220,856	-	364,271
Creditors due within one year	-	(94,990)	-	(94,990)
Provisions for liabilities and charges	-	(181,000)	-	(181,000)
	<u>143,415</u>	<u>(55,134)</u>	<u>1,554,606</u>	<u>1,642,887</u>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
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)
	<u>115,402</u>	<u>(96,183)</u>	<u>1,659,200</u>	<u>1,678,419</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(134,532)</b>	<b>799,117</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>122,179</b>	<b>82,832</b>
Dividends, interest and rents from investments	<b>(107)</b>	<b>(155)</b>
Decrease/(increase) in stocks	<b>147</b>	<b>(282)</b>
(Increase)/decrease in debtors	<b>(1,807)</b>	<b>47,827</b>
Decrease in creditors	<b>(11,542)</b>	<b>(31,165)</b>
Defined benefit pension scheme cost less contributions payable	<b>58,000</b>	<b>45,000</b>
Defined benefit pension scheme finance cost	<b>6,000</b>	<b>8,000</b>
Other capital donations	<b>-</b>	<b>(887,717)</b>
<b>Net cash provided by operating activities</b>	<b><u>38,338</u></b>	<b><u>63,457</u></b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>276,418</b>	<b>255,558</b>
<b>Total</b>	<b><u>276,418</u></b>	<b><u>255,558</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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.

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

**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.
- 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%.

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 £86,896 (2017 - £100,548).

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**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](http://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 an unfunded 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 2018 was £64,000 (2017 - £52,000), of which employer's contributions totalled £49,000 (2017 - £39,000) and employees' contributions totalled £15,000 (2017 - £13,000). 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.

**Suffolk Pension Fund**

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.4	26.4

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate -0.1%	22,400	19,800
Salary increase rate +0.1%	1,200	1,400
Pension increase rate +0.1%	21,000	18,200

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**22. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2018 £</b>	<i>Fair value at 31 August 2017 £</i>
Equities	305,040	278,120
Corporate bonds	132,840	85,890
Property	49,200	40,900
Cash and other liquid assets	4,920	4,090
	<u>492,000</u>	<u>409,000</u>
Total market value of assets	<u>492,000</u>	<u>409,000</u>

The actual return on scheme assets was £22,000 (2017 - £45,000).

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

	<b>2018 £</b>	<i>2017 £</i>
Current service cost	(107,000)	(84,000)
Interest income	11,000	7,000
Interest cost	(17,000)	(15,000)
	<u>(113,000)</u>	<u>(92,000)</u>
Total	<u>(113,000)</u>	<u>(92,000)</u>

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

	<b>2018 £</b>	<i>2017 £</i>
Opening defined benefit obligation	625,000	655,000
Current service cost	107,000	84,000
Interest cost	17,000	15,000
Employee contributions	15,000	13,000
Actuarial gains	(88,000)	(135,000)
Benefits paid	(3,000)	(7,000)
	<u>673,000</u>	<u>625,000</u>
Closing defined benefit obligation	<u>673,000</u>	<u>625,000</u>

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**FOREST ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**22. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	409,000	319,000
Interest income	11,000	7,000
Actuarial losses	11,000	38,000
Employer contributions	49,000	39,000
Employee contributions	15,000	13,000
Benefits paid	(3,000)	(7,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	492,000	409,000
	<hr/>	<hr/>

**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 trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 **£13,908** was receivable from Elveden in the year to 31 August 2018 (2017 - £15,590) for the supply of teaching and administration services. A total of **£Nil** was payable to Elveden in the year to 31 August 2018 (2017 - £600).

At 31 August 2018 Forest Academy was owed **£1,543** (2017 - £3,656).