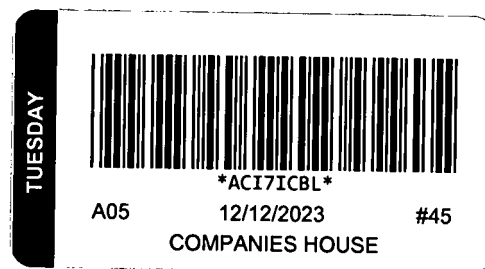




FOREST ACADEMY
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**



FOREST ACADEMY
(A company limited by guarantee)

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FOREST ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Andrew
C Goldstone
K Major (resigned 27 April 2023)
M Hopes (resigned 1 July 2023)
Mrs P Richardson
S Coburn
F Podar (appointed 11 October 2023)

Governors / Trustees

A C Grimes¹
M A Crowther (appointed 28 February 2023)
H J Mack (appointed 7 July 2023)
F Podar (appointed 11 October 2022, resigned 11 October 2023)
H Morley (resigned 3 May 2023)
L La Fond (resigned 4 May 2023)
P A Richardson, Chair
C Egan (resigned 5 October 2023)
J Norton (resigned 2 May 2023, re-appointed 12 July 2023)
A Coyne
V Hopes (resigned 15 November 2022)
M Rickard

¹ Head Teacher and Accounting Officer

FOREST ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Company registered number

07400940

Company name

Forest Academy

Principal and registered office

Bury Road, Brandon, Suffolk, IP24 0FP

Company secretary

N White

Senior management team

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

Independent auditors

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

Bankers

Lloyds TSB Commercial, PO Box 1000, BX1 1LT

Solicitors

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

FOREST ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (known as 'Governors') present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Governors' report and a Directors' report under company law.

Structure, governance and management

a. Constitution

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

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

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

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

d. Policies adopted for the induction and training of Governors

Governors have committed to regular training sessions each year from a recognised consultant via face-to-face or electronic means and to also attend any other relevant development sessions.

FOREST ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Organisational structure

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

The Members provide broad oversight of the Board of Governors including appointing auditors, Governors (except elected / appointed Parent Governors and Co-opted Governors), receiving and reviewing annual accounts, and having final authority over the conduct of the academy. They typically meet once a year at the Annual General Meeting.

The Governors are responsible for setting general policy in conformance with the academy's Vision and Mission; adopting an annual plan and budget; monitoring the academy by the use of budgets and continual oversight / monitoring of school activities; and making major decisions about the direction of the academy, capital expenditure, and Head Teacher appointment. They are engaged with senior leadership continually.

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

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

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

FOREST ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 2023 are summarised below:

- Improve progress, attainment, and behaviour in KS1;
- Effective use of funding to support all pupils and specifically disadvantaged/vulnerable pupils ;
- Improve progress and attainment in all year groups, all subjects;
- Develop positive 'Behaviour for Life';
- Improve support for SEND pupils;
- Increase pupil voice;
- Improve physical space in EYFS and KS1;
- Improve feedback and home learning;
- 'Pupil empowered learning' through the development of oracy skills;
- Improve governance;
- Utilise external expertise and increase collaboration;
- Agree the future academy structure;
- Staff development and best utilisation of staff.

b. Objectives, strategies and activities

Our motto is: Learning for Life

The academy's mission statement:

To be able to walk into any classroom, at any time, and see and hear all children enjoying their learning, making good progress and attaining well, with adults and children on a continuous journey to improve teaching and learning. We will ensure every child can thrive, no matter what their background.

The academy's vision:

Our children will journey through our school, building a memory bank of learning experiences that positively impact on them for their future. The skills and knowledge they learn will prepare them not only for their next steps in education, but for life.

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.

FOREST ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

a. Key performance indicators

July 2022

Early Years GLD 61%

Key Stage 1

	Reading	Writing	Maths
Expected+	61%	47%	75%
Greater Depth	15%	4%	12%

Key Stage 2

	Reading	Writing	Maths	RWM Combined
Expected+	71%	73%	75%	60%
Greater Depth	23%	5%	13%	2%

b. Going concern

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

The school has received support from the West Suffolk Inclusion Team in the form of a whole year SEMH/SEND support for Year 1 as this cohort faces exceptional challenges.

The school building was improved for accessibility and security with support from Suffolk County Council in acknowledgement of the changing needs and growth of the school.

The school increased the provision in the Nursery to accept up to 60 children and provide 30hr provision and lunch cover to support working parents. The environment has been improved to encourage a greater intake.

The school has made a significant investment in solar panels and LED lighting to reduce costs and carbon emissions.

The school has received funding from the DfEs Connect the Classroom project which has enabled the wifi provision throughout the school to be significantly improved and future proofed.

The school took advantage of the fully funded NPQ programmes with 10 members of teaching staff achieving the nationally recognised qualifications.

The school received a Small Community Grant from Suffolk County Council to support mental health and wellbeing. This enabled the school to train a number of staff to be Thrive practitioners.

The Headteacher has engaged with SLIN (Suffolk Leading Improvement Network) and secured funding for WalkThrus CPD for the whole school over 3 years.

FOREST ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Financial review

Total income for the year was £2,486,707 and total expenditure was £2,543,370 giving a deficit net movement in funds before the actuarial gain of £321,000. This deficit is after a depreciation charge of £148,647 and Local Government Pension Scheme current service costs of £131,000 (compared with employer contributions of £106,000). The academy recorded a net cash outflow of £66,399.

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 £160,000 being approximately one month's staff costs. As at 31 August 2023, the academy had free reserves (total funds less the amount held in fixed assets, designated and restricted funds) of **£287,201** (2022 - £257,817). The funds held in excess of the target free reserves will be utilised for capital projects relating to major energy saving investments which have been planned for the 2023/24 academic year.

b. Principal risks and uncertainties

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

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

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

c. Deficit

The Balance Sheet includes a balance on the Pension Reserve of £Nil (2022 - £34,000 deficit) being an actuarial valuation of the academy's share of the Local Government Pension Scheme (see note 25 for further details).

Fundraising

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

FOREST ACADEMY
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

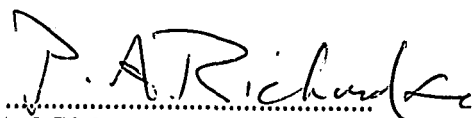
- Phonics: Introduce and embed Little Wandle Phonics.
- Development of oracy skills: Children develop the skills and confidence to speak correctly.
- Improve progress and attainment in writing: Children develop technical skills to write clear, well-structured sentences and extended pieces.
- SEND: School to further develop a clear, sustainable offer.
- Behaviour: Constant focus on 'Learning for Life' through revisiting our expectations, positive relationship practices, Zones of Regulation, restorative practices, Building Learning Power.
- Develop affordable activities and opportunities that have a lasting educational/character building impact.
- Embed Thrive: To support the emotional development and mental wellbeing of all children.
- MAT exploration: Governors to be proactive in exploring different MAT options.
- Premises/Financial management: To ensure the site and buildings are well maintained and we are taking necessary steps to meet government carbon neutral targets and reduce running costs.
- Development of staff: Introduction of WalkThrus CPD to ensure all staff have the most current research based understanding of effective practice.
- EYFS: Ensure the long term sustainability by filling all spaces and managing costs.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 5 December 2023 and signed on its behalf by:



P A Richardson
Chair

FOREST ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Forest Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The Board of Governors has formally met 8 times during the year.

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

Governor	Meetings attended	Out of a possible
A C Grimes	8	8
M A Crowther	5	5
F Podar	5	8
H Morley	6	6
L La Fond	3	6
P A Richardson, Chair	8	8
C Egan	2	8
J Norton	6	6
A Coyne	7	8
V Hopes	0	1
M Rickard	4	8

The Board of Governors meet at least 6 times a year to ensure oversight of funds for the school. Governors are also provided with monthly budget reports which are shared on 'GovernorHub' and in all of the full governing board meetings so Governors are able to raise any questions they have. This ensures that effective oversight of funds is in place and Governors always have an up to date understanding of the current financial position of the academy.

There have been changes in the composition of both Members and Governors and the coverage of Governors' work. The Governors are determined to become more effective in their oversight and support roles as their experience increases. The Governors have adopted the Circle Model of Governance and retain an Audit & Risk committee.

The processes in place to manage conflicts of interest include maintaining an up to date and complete register of interests and declarations of pecuniary or other interests are made at the start of every full Board of Governors meeting and every committee meeting. The information on the register is used in the day to day management and governance of the academy.

FOREST ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- employing staff with sufficient skills and experience to meet the needs of our pupils;
- providing CPD to ensure all staff improve their practice over time and are motivated to develop professionally;
- purchasing resources which are engaging and inspire children to learn;
- ensuring we provide affordable activities and opportunities that have a lasting educational/character building impact;
- maintaining the school buildings and site to a high standard to be safe and conducive to learning;
- purchasing appropriate external support to manage the school effectively e.g. financial, HR, maintenance and premises.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Forest Academy for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

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

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

FOREST ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Governors has decided to employ School's Choice 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 and strategic management systems. The checks carried out in the current period included:

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

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

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

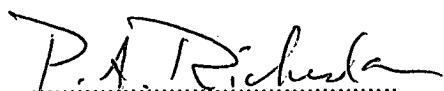
Review of effectiveness

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

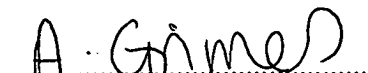
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the senior leaders within the academy who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors.

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

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



P A Richardson
Chair



A C Grimes
Accounting Officer

Date: 5 December 2023

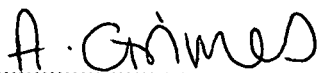
FOREST ACADEMY
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Forest Academy I have considered my responsibility to notify the academy Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, including for estates safety and management, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy Board of Governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academy Trust Handbook 2022.

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


.....
A C Grimes
Accounting Officer

Date: 5 December 2023

FOREST ACADEMY
(A company limited by guarantee)

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



P A Richardson
Chair

Date: 5 December 2023

FOREST ACADEMY
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Forest Academy (the 'academy') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of Governors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the academy and considered that the most significant are the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, the Charities SORP 2019, the Companies Act 2006, the Charities Act 2011, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the academy complies with these requirements by discussions with management and those charged with governance.

FOREST ACADEMY
(A company limited by guarantee)

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

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

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

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

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

Use of our report

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



Alice Lynch BSc ACA DChA (Senior statutory auditor)

for and on behalf of

MA Partners Audit LLP

Chartered Accountants

Statutory Auditor

7 The Close

Norwich

Norfolk

NR1 4DJ

Date: 10 December 2023

FOREST ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Forest Academy's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Forest Academy's funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

FOREST ACADEMY
(A company limited by guarantee)

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

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

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Governors and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the academy'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 academy and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with Part 8: Schedule of requirements (the "musts") of the Academy Trust Handbook 2022.

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.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners Audit LLP

MA Partners Audit LLP
Chartered Accountants
Statutory Auditor
7 The Close
Norwich
Norfolk
NR1 4DJ

Date: 10 December 2023

FOREST ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	5,042	-	61,904	66,946	15,602
Other trading activities	5	34,338	-	-	34,338	22,306
Investments	6	4,034	-	-	4,034	182
Charitable activities		43,704	2,337,685	-	2,381,389	2,270,899
Total income		87,118	2,337,685	61,904	2,486,707	2,308,989
Expenditure on:						
Charitable activities	7	-	2,394,723	148,647	2,543,370	2,545,104
Total expenditure		-	2,394,723	148,647	2,543,370	2,545,104
Net income/(expenditure)		87,118	(57,038)	(86,743)	(56,663)	(236,115)
Transfers between funds	18	(87,706)	(33,892)	121,598	-	-
Net movement in funds before other recognised gains/(losses)		(588)	(90,930)	34,855	(56,663)	(236,115)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	25	-	321,000	-	321,000	1,219,000
Pension surplus not recognised	25	-	(261,000)	-	(261,000)	-
Net movement in funds		(588)	(30,930)	34,855	3,337	982,885

FOREST ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	287,789	48,904	3,455,075	3,791,768	<i>2,808,883</i>
Net movement in funds	(588)	(30,930)	34,855	3,337	<i>982,885</i>
Total funds carried forward	287,201	17,974	3,489,930	3,795,105	<i>3,791,768</i>

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

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

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

BALANCE SHEET
AS AT 31 AUGUST 2023

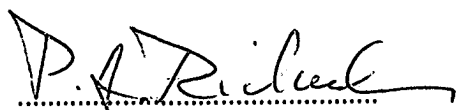
	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	3,483,644	3,422,888
		<u>3,483,644</u>	<u>3,422,888</u>
Current assets			
Stocks	15	1,379	533
Debtors	16	88,541	65,374
Cash at bank and in hand		485,408	551,807
		<u>575,328</u>	<u>617,714</u>
Creditors: amounts falling due within one year	17	(263,867)	(214,834)
Net current assets		<u>311,461</u>	<u>402,880</u>
Total assets less current liabilities		<u>3,795,105</u>	<u>3,825,768</u>
Net assets excluding pension asset / liability		<u>3,795,105</u>	<u>3,825,768</u>
Defined benefit pension scheme asset / liability	25	-	(34,000)
Total net assets		<u><u>3,795,105</u></u>	<u><u>3,791,768</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	3,489,930	3,455,075
Restricted income funds	18	17,974	82,904
		<u>3,507,904</u>	<u>3,537,979</u>
Restricted funds excluding pension asset	18		
Pension reserve	18	-	(34,000)
Total restricted funds	18	<u>3,507,904</u>	<u>3,503,979</u>
Unrestricted income funds	18	<u>287,201</u>	<u>287,789</u>
Total funds		<u><u>3,795,105</u></u>	<u><u>3,791,768</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

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

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



P A Richardson
Chair

Date: 5 December 2023

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

FOREST ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	77,066	168,416
Cash flows from investing activities	21	(143,465)	(69,412)
Change in cash and cash equivalents in the year		(66,399)	99,004
Cash and cash equivalents at the beginning of the year		551,807	452,803
Cash and cash equivalents at the end of the year	22, 23	<u>485,408</u>	<u>551,807</u>

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

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

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

FOREST ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold land	- over lease term
Leasehold buildings	- 5%
Furniture and equipment	- 20%
Plant and machinery	- 10%
Computer equipment	- 25%

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

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

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

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

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

1.7 Stocks

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Financial instruments

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

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

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

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

FOREST ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

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

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	5,042	-	5,042	7,090
Capital Grants	-	61,904	61,904	8,512
Total 2023	5,042	61,904	66,946	15,602
<i>Total 2022</i>	<i>1,207</i>	<i>14,395</i>	<i>15,602</i>	

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the academy's educational operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,718,795	1,718,795	1,563,320
Other DfE/ESFA grants				
Pupil Premium	-	149,428	149,428	137,920
Universal Infant Free School Meals	-	56,093	56,093	58,746
Supplementary Grant	-	52,107	52,107	21,711
Mainstream Schools Additional Grant	-	25,142	25,142	-
PE and Sports	-	19,390	19,390	19,200
Rates relief	-	4,071	4,071	7,327
Teachers' pension grant	-	3,798	3,798	6,123
Teachers' pay grant	-	1,344	1,344	2,167
Other ESFA grants	-	4,857	4,857	4,948
	-	2,035,025	2,035,025	1,821,462
Other Government grants				
SEN funding	-	132,834	132,834	145,890
Early Years funding	-	109,849	109,849	130,671
Growth funding - new class	-	-	-	67,487
Other LA funding	-	25,900	25,900	7,929
	-	268,583	268,583	351,977
Other income from the academy's academy's educational operations	43,704	3,791	47,495	74,496
COVID-19 additional funding (DfE/ESFA)				
Catch-up & Recovery Premium	-	14,536	14,536	12,615
School-led Tutoring	-	15,750	15,750	8,621
Other COVID-19 funding	-	-	-	1,728
	-	30,286	30,286	22,964
Total 2023	43,704	2,337,685	2,381,389	2,270,899
Total 2022	63,623	2,207,276	2,270,899	

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the academy's educational operations (continued)

The academy received £14,536 of funding for Covid Recovery Premium and costs of £16,663 have been incurred in respect of this funding in the current year. Including the balance brought forward, funds of £Nil have been carried forward to be spent in 2023/24.

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Clubs income	30,601	30,601	13,299
Catering (visitors & staff)	1,588	1,588	761
Elveden Primary recharges	-	-	7,526
Other trading activities	2,149	2,149	720
Total 2023	<u>34,338</u>	<u>34,338</u>	<u>22,306</u>
<i>Total 2022</i>	<u>22,306</u>	<u>22,306</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Interest	4,034	4,034	182
Total 2022	<u>182</u>	<u>182</u>	

FOREST ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Academy's educational operations:					
Direct costs	1,739,726	-	146,252	1,885,978	1,708,042
Support costs	190,811	190,353	276,228	657,392	837,062
Total 2023	<u>1,930,537</u>	<u>190,353</u>	<u>422,480</u>	<u>2,543,370</u>	<u>2,545,104</u>
<i>Total 2022</i>	<u>1,956,480</u>	<u>195,131</u>	<u>393,493</u>	<u>2,545,104</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Academy's educational operations	<u>1,885,978</u>	<u>657,392</u>	<u>2,543,370</u>	<u>2,545,104</u>
<i>Total 2022</i>	<u>1,708,042</u>	<u>837,062</u>	<u>2,545,104</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	1,739,726	1,558,125
Teaching resources	80,814	76,627
Curriculum services	31,948	18,455
Trip expenditure	20,493	31,497
Staff development and training	12,997	22,118
Agency staff	-	1,220
Total 2023	1,885,978	1,708,042

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	190,811	397,135
Depreciation	148,647	138,290
Catering	109,952	85,170
General admin costs	66,802	67,614
Maintenance of property and equipment	40,274	50,232
Light, heat and water	37,457	36,189
Governance costs	21,473	17,864
Technology costs	18,570	7,222
Insurance	9,440	8,246
Rates	8,141	7,327
Staff travel, subsistence and expenses	3,376	2,302
Pension finance costs	1,000	18,000
Bank charges	749	584
Advertising and recruitment	700	887
Total 2023	657,392	837,062

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	62	-	No individual items above £5,000

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	13,165	12,148
Depreciation of tangible fixed assets	148,647	138,290
Fees paid to auditors for:		
- audit	7,500	4,200
- other services	5,100	3,816
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	1,464,031	1,330,575
Social security costs	130,057	110,069
Pension costs	336,449	514,616
	<u>1,930,537</u>	<u>1,955,260</u>
Agency staff costs	-	1,220
	<u><u>1,930,537</u></u>	<u><u>1,956,480</u></u>

b. Staff numbers

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

	2023 No.	2022 No.
Management	3	3
Teachers	20	17
Administration and support	45	52
	<u>68</u>	<u>72</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Management	3	3
Teachers	16	17
Administration and support	30	32
	<u>49</u>	<u>52</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy comprise the Governors and the leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £399,803 (2022 £379,049).

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

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

		2023	2022
		£	£
A C Grimes	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
H Morley	Remuneration	55,000 -	55,000 -
		60,000	60,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2023, expenses totaling £760 were reimbursed or paid directly to 2 Governors (2022 - £515 to 2 Governors).

13. Governors' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	4,223,996	360,373	-	170,219	4,754,588
Additions	99,642	7,893	97,518	4,350	209,403
At 31 August 2023	4,323,638	368,266	97,518	174,569	4,963,991
Depreciation					
At 1 September 2022	890,734	301,198	-	139,768	1,331,700
Charge for the year	104,481	24,906	5,094	14,166	148,647
At 31 August 2023	995,215	326,104	5,094	153,934	1,480,347
Net book value					
At 31 August 2023	3,328,423	42,162	92,424	20,635	3,483,644
At 31 August 2022	3,333,262	59,175	-	30,451	3,422,888

15. Stocks

	2023 £	2022 £
Uniform	1,379	533

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FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	896	4,456
VAT repayable	2,077	8,236
Prepayments and accrued income	85,568	52,682
	<u>88,541</u>	<u>65,374</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	15,944	3,202
Other taxation and social security	28,454	24,237
Other creditors	35,838	23,782
Accruals and deferred income	183,631	163,613
	<u>263,867</u>	<u>214,834</u>

	2023 £	2022 £
Deferred income at 1 September 2022	24,040	-
Resources deferred during the year	89,296	106,425
Amounts released from previous periods	(24,040)	(82,385)
	<u>89,296</u>	<u>24,040</u>

At the Balance Sheet date the Academy was holding funds received in advance relating to grants and trips for the next academic year as follows:

- £34,351 UIFSM
- £8,814 DFC
- £42,467 High Needs Top up
- £3,664 trip income

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
School Fund	29,972	-	-	(29,972)	-	-
General funds						
General Funds	257,817	87,118	-	(57,734)	-	287,201
Total Unrestricted funds	287,789	87,118	-	(87,706)	-	287,201

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted general funds						
General Annual Grant (GAG)	62,019	1,718,795	(1,581,705)	(189,790)	-	9,319
Pupil Premium	-	149,428	(175,048)	25,620	-	-
Supplementary Grant	-	52,107	(52,107)	-	-	-
Early Years	7,487	109,849	(118,548)	1,212	-	-
Rates Relief	6,222	4,071	(8,141)	-	-	2,152
Universal Infant Free School Meals	-	56,093	(56,093)	-	-	-
PE and Sport grant	-	19,390	(13,754)	-	-	5,636
MSAG	-	25,142	(25,142)	-	-	-
Tesco UK Grant Groundwork	873	291	-	(1,100)	-	64
Academic Mentor Grant	1,973	-	(1,973)	-	-	-
Other DFE grants	803	4,857	(4,857)	-	-	803
Maths Hub	1,400	3,500	(21,779)	16,879	-	-
School-led Tutoring	-	15,750	(23,037)	7,287	-	-
SEN funding	-	132,834	(132,834)	-	-	-
Teachers' Pay and Pension grants	-	5,142	(5,142)	-	-	-
Covid Catch-up- & Recovery Premium	2,127	14,536	(16,663)	-	-	-
Other LA grants	-	25,900	(25,900)	-	-	-
Pension reserve	(34,000)	-	(132,000)	106,000	60,000	-
	48,904	2,337,685	(2,394,723)	(33,892)	60,000	17,974

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
School building	2,509,586	-	(48,581)	-	-	2,461,005
Capital expenditure from GAG	38,026	-	(17,910)	31,051	-	51,167
Capital expenditure - play equipment	4,183	-	(6,171)	2,908	-	920
Capital expenditure from unrestricted funds	-	-	(2,646)	84,702	-	82,056
Connect the classroom	-	35,280	-	-	-	35,280
Capital expenditure from Devolved Formula Capital (DFC)	22,646	-	(6,644)	49,358	-	65,360
Unspent DFC	26,387	8,536	-	(34,923)	-	-
Capital expenditure from Pupil Premium	34,298	-	(6,312)	1,559	-	29,545
Capital expenditure from CIF	110,736	-	(6,834)	-	-	103,902
Capital expenditure from Early years	27,165	-	(5,418)	1,792	-	23,539
Capital expenditure from SEN funding	6,666	-	(1,934)	(547)	-	4,185
Capital expenditure from New Block	665,787	-	(44,386)	-	-	621,401
Capital expenditure from Breakfast club	655	-	(312)	-	-	343
Go Fund Me	121	-	-	-	-	121

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Refurbished laptops	4,936	-	(1,316)	-	-	3,620
Donations for all weather surface	3,883	-	-	-	-	3,883
Additional capital funding	-	18,088	(183)	(14,302)	-	3,603
	<u>3,455,075</u>	<u>61,904</u>	<u>(148,647)</u>	<u>121,598</u>	<u>-</u>	<u>3,489,930</u>
Total Restricted funds	<u>3,503,979</u>	<u>2,399,589</u>	<u>(2,543,370)</u>	<u>87,706</u>	<u>60,000</u>	<u>3,507,904</u>
Total funds	<u>3,791,768</u>	<u>2,486,707</u>	<u>(2,543,370)</u>	<u>-</u>	<u>60,000</u>	<u>3,795,105</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 to/from the GAG:

- £106,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme;
- £32,704 to restricted fixed asset funds representing capital items purchased using GAG funds;
- £26,920 to Pupil Premium to clear the deficit arising;
- £16,879 to Maths Hub to clear the deficit arising;
- £7,287 to School Led Tutoring to clear deficit.

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.

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
Designated funds						
School Fund	31,326	21,089	(22,443)	-	-	29,972
General funds						
General Funds	191,588	66,229	-	-	-	257,817
Total Unrestricted funds	222,914	87,318	(22,443)	-	-	287,789

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted general funds						
General Annual Grant (GAG)	-	1,563,320	(1,383,823)	(117,478)	-	62,019
Pupil Premium	26,183	137,920	(137,114)	(26,989)	-	-
Supplementary Grant	-	21,711	(21,711)	-	-	-
Early Years	8,859	130,671	(113,132)	(18,911)	-	7,487
Rates Relief	6,222	7,327	(7,327)	-	-	6,222
Universal Infant Free School Meals	-	58,746	(58,746)	-	-	-
PE and Sport grant	15,076	19,200	(34,276)	-	-	-
MSAG	-	67,487	(67,487)	-	-	-
Tesco UK Grant	-	873	-	-	-	873
Groundwork	-	873	-	-	-	873
Small restricted donations	198	-	(198)	-	-	-
Academic Mentor Grant	-	9,000	(7,027)	-	-	1,973
Other DFE grants	-	4,948	(4,145)	-	-	803
Maths Hub	500	1,000	(100)	-	-	1,400
School-led Tutoring	-	8,621	(8,621)	-	-	-
SEN funding	6,057	145,890	(148,797)	(3,150)	-	-
Teachers' Pay and Pension grants	-	8,290	(8,290)	-	-	-
Covid Recovery Premium	3,432	12,615	(13,920)	-	-	2,127
Thrive	-	1,728	(1,728)	-	-	-
Other LA grants	-	7,929	(7,929)	-	-	-
Pension reserve	(991,000)	-	(360,000)	98,000	1,219,000	(34,000)
	<u>(924,473)</u>	<u>2,207,276</u>	<u>(2,384,371)</u>	<u>(68,528)</u>	<u>1,219,000</u>	<u>48,904</u>

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted fixed asset funds						
School building	2,558,167	-	(48,581)	-	-	2,509,586
Capital expenditure from GAG	34,939	-	(16,391)	19,478	-	38,026
Capital expenditure - play equipment	10,174	-	(5,991)	-	-	4,183
Capital expenditure from Devolved Formula Capital (DFC)	16,607	-	(2,475)	8,514	-	22,646
Unspent DFC	26,389	8,512	-	(8,514)	-	26,387
Capital expenditure from Pupil Premium	13,003	-	(5,694)	26,989	-	34,298
Capital expenditure from CIF	117,570	-	(6,834)	-	-	110,736
Capital expenditure from Early years	12,794	-	(4,540)	18,911	-	27,165
Capital expenditure from SEN funding	5,384	-	(1,868)	3,150	-	6,666
Capital expenditure from New Block	710,173	-	(44,386)	-	-	665,787
Capital expenditure from Breakfast club	936	-	(281)	-	-	655
Go Fund Me	121	-	-	-	-	121
Refurbished laptops	4,185	2,000	(1,249)	-	-	4,936
Donations for all weather surface	-	3,883	-	-	-	3,883
	<u>3,510,442</u>	<u>14,395</u>	<u>(138,290)</u>	<u>68,528</u>	<u>-</u>	<u>3,455,075</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Total Restricted funds	2,585,969	2,221,671	(2,522,661)	-	1,219,000	3,503,979
Total funds	2,808,883	2,308,989	(2,545,104)	-	1,219,000	3,791,768

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	3,483,644	3,483,644
Current assets	290,865	269,363	15,100	575,328
Creditors due within one year	(3,664)	(251,389)	(8,814)	(263,867)
Total	287,201	17,974	3,489,930	3,795,105

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	3,422,888	3,422,888
Current assets	287,789	297,738	32,187	617,714
Creditors due within one year	-	(214,834)	-	(214,834)
Provisions for liabilities and charges	-	(34,000)	-	(34,000)
Total	287,789	48,904	3,455,075	3,791,768

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(56,663)	(236,115)
Adjustments for:		
Depreciation	148,647	138,290
Capital grants from DfE and other capital income	(61,904)	(8,512)
Interest receivable	(4,034)	(182)
Defined benefit pension scheme cost less contributions payable	25,000	244,000
Defined benefit pension scheme finance cost	1,000	18,000
(Increase)/decrease in stocks	(846)	379
Increase in debtors	(23,167)	(16,906)
Increase in creditors	49,033	29,462
Net cash provided by operating activities	77,066	168,416

21. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	4,034	182
Purchase of tangible fixed assets	(209,403)	(78,106)
Capital grants from DfE Group	61,904	8,512
Net cash used in investing activities	(143,465)	(69,412)

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	268,836	308,571
Notice deposits (less than 3 months)	216,572	243,236
Total cash and cash equivalents	485,408	551,807

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	551,807	(66,399)	485,408
	<u>551,807</u>	<u>(66,399)</u>	<u>485,408</u>

24. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>22,315</u>	<u>75,968</u>

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £34,228 were payable to the schemes at 31 August 2023 (2022 - £22,270) and are included within creditors.

Teachers' Pension Scheme

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £194,772 (2022 - £177,364).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £138,000 (2022 - £128,000), of which employer's contributions totalled £106,000 (2022 - £98,000) and employees' contributions totalled £32,000 (2022 - £30,000). The agreed contribution rates for future years are 20.1 - 20.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.95	3.75
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.7	21.9
Females	24.2	24.3
<i>Retiring in 20 years</i>		
Males	22.1	22.9
Females	25.4	26.1

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate -0.1%	35	34
Pension increase rate +0.1%	35	34

Share of scheme assets

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

	At 31 August 2023	At 31 August 2022
	£	£
Equities	933,240	766,360
Corporate bonds	353,500	247,940
Property	113,120	112,700
Cash and other liquid assets	14,140	-
Total market value of assets	1,414,000	1,127,000

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

The actual return on scheme assets was £160,000 (2022 - £(9,000)).

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

	2023 £	2022 £
Current service cost	(131,000)	(342,000)
Interest income	51,000	18,000
Interest cost	(52,000)	(36,000)
Total amount recognised in the Statement of Financial Activities	(132,000)	(360,000)

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

	2023 £	2022 £
At 1 September	1,161,000	2,003,000
Current service cost	131,000	342,000
Interest cost	52,000	36,000
Employee contributions	32,000	30,000
Actuarial gains	(212,000)	(1,246,000)
Benefits paid	(11,000)	(4,000)
At 31 August	1,153,000	1,161,000

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

	2023 £	2022 £
At 1 September	1,127,000	1,012,000
Interest income	51,000	18,000
Actuarial gains/(losses)	109,000	(27,000)
Employer contributions	106,000	98,000
Employee contributions	32,000	30,000
Benefits paid	(11,000)	(4,000)
At 31 August	1,414,000	1,127,000

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

The fair value of the pension plan assets at 31 August 2023 is in excess of the present value of the defined benefit obligation at that date. This gives rise to a surplus of £261,000.

The surplus is recognised in the financial statements only to the extent that the Trust can recover that surplus, either through a reduction in future contributions or through a refund to the Trust.

The Trust is unable to determine that future contributions will be reduced and it is not possible for the Trust to receive a refund, as the specific conditions for this have not been met. Therefore, the surplus of £261,000 is not recognised as an asset at 31 August 2023.

26. Operating lease commitments

At 31 August 2023 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	10,835	9,490
Later than 1 year and not later than 5 years	16,185	25,434
	<u>27,020</u>	<u>34,924</u>

27. 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 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 cease to be a Member.

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28. Related party transactions

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

Income related party transactions

During the year, income of £2,700 was received from Elveden Church of England Primary Academy for educational services provided. C Goldstone, a Member, is also a Member of Elveden Church of England Primary Academy.

Expenditure related party transactions

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

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

During the year, £823 was paid to J Grimes, the son of A Grimes, a Governor, for ICT repairs services provided to the academy.

During the year, £210 was paid to Elveden Church of England Primary Academy for educational resources. C Goldstone, a Member, is also a Member of Elveden Church of England Primary Academy.