

Company Limited by Guarantee
Registration number: 08563159 (England and Wales)

THE FOREST SCHOOL ACADEMY TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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THE FOREST SCHOOL ACADEMY TRUST
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THE FOREST SCHOOL ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Members in office on the date the financial statements are approved	<ul style="list-style-type: none">• Mr D Auger• Mrs P Bray• Mr R Bungay• Mrs S Swindley
Members who have served between 1 July 2014 and 31 August 2015	<ul style="list-style-type: none">• Mr A W Crawford (1 July 2014 – 1 Feb 2015)• Mr J Crouch (1 July 2014 – 28 January 2015)• Mr P Dane (1 July 2014 – 1 July 2015)• Mr G Duggleby• Mr J Lole• Mr P Phull
Trustees (governors) in office on the date the financial statements are approved	<ul style="list-style-type: none">• Mr D Auger – Chair of Governors (from Feb 2015)• Mrs P Bray• Mr R Bungay• Mrs A McMenamin• Mrs P Mehring• Mr M Miccoli• Ms M Sandell• Mr R Sedgwick• Mrs A Southard• Mrs S Swindley
Trustees (governors) who have served between 1 July 2014 and 31 August 2015	<ul style="list-style-type: none">• Mr A W Crawford• Mr J Crouch• Mrs S Breidenstein• Mr P Dane• Mr G Duggleby• Mr J Lole• Mr R Marchant• Mr P Phull• Mrs C Ryall• Mrs S Searle
Company Secretary	<ul style="list-style-type: none">• Mrs J Blaney
Senior Leadership Team	<ul style="list-style-type: none">• Principal – Ms M Sandell• Assistant Director – Mr J Hannam• Assistant Director – Mr M Hodges• Assistant Director – Mr R Bertrand• Assistant Director – Mr S Jackman• Assistant Director – Mr A Bainbridge

THE FOREST SCHOOL ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Principal and Registered Office	The Forest School Robinhood Lane Winnersh RG41 5NE
Company Registered Number	8563159
Independent Auditor	Crowe Clark Whitehill LLP Aquis House 49-51 Blagrove Street Reading RG1 1PL
Bankers	Lloyds Bank plc Market Place Reading RG1 2EQ
Solicitors	Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham GL50 1YD

THE FOREST SCHOOL ACADEMY TRUST
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 July 2014 to 31 August 2015, the comparatives relate to the 14 month period to 31 August 2014. The annual report serves the purposes of both a governors' (trustees) report, and a directors' report under company law.

The trust operates a secondary Academy in the village of Winnersh, within Wokingham Borough. The Academy has 1161 pupils, aged 11-18 on roll. The pupil capacity is 1450 as a result of the new 6th form build.

Structure, Governance and Management

a) Constitution

The Forest School Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of The Forest School Academy Trust are also the directors of the charitable company for the purposes of the company law.

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 and of the cost charges and expenses of winding up and for the adjustment of the rights of contributories amongst themselves.

c) Trustees Indemnities

The Trust provides indemnity insurance to governors in accordance with, and subject to the conditions of sections 232 to 235 of The Companies Act 2006, Section 189 of the Charities Act 2011 and any other provision of law applicable to charitable companies, and such indemnity is limited accordingly.

Methods of recruitment, appointment or election of governors

The Academy's Governing Body comprises of 9 Appointed or Co-opted Governors, up to 3 Staff Governors (including the Principal), a minimum of 2 and a maximum of 7 Parent Governors and, the Principal, where the Principal elects not to be a Governor.

The governing body may also appoint Associate Members operating within the remit of such but without voting rights.

Parent governors are elected by the parents of the current pupils of the Academy Trust. As provided for in the Articles of Association, the Members appointed the then current parent governors on the basis they had been elected to serve as parent governors of the former Forest School.

Staff governors are elected by the staff currently employed at the Academy Trust. As provided for in the Articles of Association, the Members appointed the then current staff governors on the basis they had been elected to serve as staff governors of the former Forest School.

With regard to the appointment of other governors the Members will give due consideration to the skills and experience mix of the governors in order to ensure the governing body has the necessary expertise to contribute fully to the Academy's further development.

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REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015

All governors are appointed to serve for a period of four years, with the Chair and Vice Chair elected annually. The Governors who served during the year were:

Name	Status	Date appointed as Governor	Date appointed/ resigned as Director	End of term of office
David Auger	Appointed Governor	01.12.13	Appointed 1 December 2013	December 2017
Prue Bray	Member/Appointed Governor	01.09.10	Appointed 10 June 2013	August 2018
Sian Breidenstein	Parent Governor	02.12.11	Elected 10 June 2013 Resigned 30 November 2015	December 2015
Richard Bungay	Parent Governor	05.04.15	Elected 5 April 2015	April 2019
Alan Crawford	Member/Appointed Governor	20.10.11	Appointed 10 June 2013 Resigned 1 February 2015	October 2015
John Crouch	Member/Appointed Governor	01.12.13	Appointed 1 December 2013 Resigned 28 January 2015	December 2017
Paul Dane	Member/Parent Governor	24.10.12	Elected 10 June 2013 Resigned 1 July 2015	October 2016
Glenn Duggleby	Member/Appointed Governor	10.02.10	Appointed 10 June 2013 Resigned 22 October 2015	July 2018
James Lole	Member/Parent Governor	02.12.11	Elected 10 June 2013 Resigned 30 November 2015	December 2015
Raa Marchant	Staff Governor	10.06.13	Elected 10 June 2013 Resigned 20 January 2015	June 2018
Anna McMenamin	Appointed Governor	01.07.10	Appointed 10 June 2013	July 2018
Phiala Mehring	Appointed Governor	14.06.10	Appointed 19 June 2013	June 2018
Mario Miccoli	Staff Governor	25.06.14	Elected 25 June 2014	June 2018
Paul Phull	Member/Parent Governor	24.10.12	Elected 10 June 2013 Resigned 30 November 2015	October 2016
Carol Ryall	Staff Governor	09.03.15	Elected 09 March 2015 Resigned 22 July 2015	July 2015
Mary Sandell	Staff Governor	01.09.14	Appointed 1 September 2014	September 2018
Sara Searle	Parent Governor	02.12.11	Elected 10 June 2013 Resigned 20 January 2015	December 2015

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Richard Sedgwick	Appointed Governor	01.12.13	Appointed 1 December 2013	December 2017
Alison Southard	Parent Governor	05.04.15	Elected 5 April 2015	April 2019
Sarah Swindley	Appointed Governor	01.10.14	Appointed 1 October 2014	October 2018

Policies and procedures adopted for the induction and training of Governors

All new governors participate in an induction programme issued with a range of information and guidance relevant to the role. There is a "mentor" system in place to support governors over their first year.

Organisational structure

The Forest School has a structure of a Governing (Trustees) Body and a Senior Leadership Team led by the Principal.

The governors are responsible for appointing the Principal, for strategic direction, establishing general policy and for adopting an annual school budget.

The governing body meet at least 3 times a year. It establishes an overall framework for governance of the Academy Trust, formulates a structure of committees and task groups, as well as statutory panels. Monitoring of committee activities is through the minutes of the meetings. It also establishes Terms of Reference for Committees. Working groups are set up from time to time to address specific time bound issues.

The following decisions are reserved for the governing body:

1. To determine proposals for the closure or change of category of the Academy Trust.
2. To amend the constitution.
3. To appoint or remove, the Chair and/or Vice Chair.
4. To appoint the Clerk to the Governors.
5. To appoint the Secretary to the Academy Trust.
6. To suspend governors.
7. To delegate specific responsibilities to any governor, Committee, the Principal or other specific post holder.
8. To determine and annually review terms of reference, constitution and membership of committees.
9. To publish an annual report.
10. To make arrangements for staff dismissal appeals.
11. To appoint the Principal.
12. To approve the School Development Plan.
13. To monitor the annual Register of Interests of governors.

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There are four governor committees:

- a) **Strategy Committee** – has an oversight of the annual school development plan, strategic direction, and self-evaluation. See terms of reference for further detail.
- b) **Operations Committee** – addresses all financial matters as well as responsibility for the maintenance and development of the site and buildings. See terms of reference for further detail.
- c) **Education Committee** – addresses matters relating to curriculum, pupil welfare, behaviour management, pupil achievement and all aspects relating to staff recruitment, retention and performance management. See terms of reference for further detail.
- d) **Admissions Committee** – deals with all matters relating to pupil admissions, including in year admissions, appeals and Sixth Form admissions. See terms of reference for further detail.

The Principal is the Accounting Officer, as required by the Funding Agreement with the DfE. The responsibilities of the Accounting Officer are defined in the Governance Statement on page 16.

Risk management

The governing body have implemented a number of systems to assess risk. This has included the control of finance, but also has addressed diverse dimensions including teaching, academic standards, health & safety, school trips, reputation and pupil welfare. The Forest Academy Trust has an effective system of internal financial control and this is explained below.

The key controls used by the Academy Trust to actively manage risk are:

- Formal agendas for governor meetings.
- Terms of reference for committees.
- A school development plan with clear objectives.
- Robust self-evaluation of progress towards objectives.
- Comprehensive budget planning, review and monitoring and evaluation.
- Clear financial delegation.
- Formal written policies reviewed on either an annual or biennial basis.
- Clear safeguarding and vetting processes as required by law to protect children and young people.
- Rigorous tracking of pupil progress and clear, prompt intervention to impact on pupil learning.
- Comprehensive planning and review of admissions processes.
- Use of external bodies such as auditors and the EVOLVE educational visits system to advise and inform.

The governing body is therefore satisfied that major risks have been adequately mitigated where necessary. It is however recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Connected organisations including related party relationships

The Forest School is a member of The Wokingham Secondary Federation, a “soft” partnership of seven 11-18 secondary schools, two special schools and a Pupil Referral Unit. The principal areas of impact lie in leadership, collaboration and development, curriculum development, continuous professional development, careers advice and guidance, subject networks and school based teacher training.

The Forest School is also a member of the Wellington College Teaching Partnership which serves to develop teacher training as well as a range of teaching and learning initiatives.

We are also a member of PiXL, a network that exists to promote collaboration on teaching and learning.

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Connected organisations including related party relationships (continued)

The aspiration of the school to deliver an outstanding curriculum is significantly benefitted through collaboration with diverse external organisations. These include Bracknell & Wokingham College, Foundry College and some businesses.

Careers advice and guidance is supported by Adviza and diverse business organisations. Central Berkshire Education Business Partnership has delivered a week long work experience placements for all Y11 pupils. Some Y12 pupils have undertaken extended work placements through Learning to Work.

The Forest School's active participation in the LA/Federation's Behaviour Support service and re-integration panel supports its ethos that all must be enabled to make progress.

We have active links with the University of Reading, especially relating to teacher training but also in the relation to STEM provision.

We also have a significant partnership with Reading Football Club. We are the chosen school to educate their 14-16 year old Academy players, a total of approximately 25.

Objectives and activities

The Academy's objectives are specifically restricted to the following:

- a) To advance 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 and offer a broad and balanced curriculum.
- b) To promote for the benefit of the inhabitants of Wokingham and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

The principle aim of the Academy Trust is to provide high quality learning opportunities that enable all young people to fulfil their intellectual potential, as well as developing into responsible, caring and well-balanced young people.

We aim "to prepare learners for life", the School has a 2014-15 School Development Plan.

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High quality learning and achievement

1. To develop greater **independence in our learners**, through more effective differentiation, more pupil-led classroom activities and the setting of extended homework tasks.
2. To strengthen the quality of written **feedback to learners**, using focused and specific comments which allow each pupil to make continued progress and reach his/her full potential.
3. To revise and improve the **planning and delivery of lessons**, so that teachers and pupils can take more calculated risks in the classroom, to provide maximum enjoyment, involvement and fun, and thus a conducive learning environment.
4. Pupils ambition, progress and success are epitomised through stretching **targets** of 4 levels of progress between key stages 2 and 4 and ALPS targets at key stage 5, helping to secure a 'value added' of greater than 1,000 and the vast majority of subjects in ALPS Red.
5. To make more progress in '**narrowing the gap**', through improved pupil-tracking, targeted and timely intervention and evaluation, and a focused discussion that brings together both academic and pastoral perspectives to benefit the individual.
6. To initiate the new programme of study for **PSHEE**, and provide maximum learning opportunities through the dedicated, consistent and high standard of delivery expected by pastoral teams.

High quality leadership and management

7. To continue to evolve the **curriculum** offering relevant and engaging programmes of study to all pupils across the key stages and a breadth of **extra-curricular activities** that help develop pupils **spiritual, moral, social, cultural and economic** wellbeing for their future success.
8. To strengthen **succession planning** at all levels of leadership and in all key positions across the school through coaching, internships, distributive leadership and collective re-articulation of our shared vision and main drivers.
9. To further develop **Continuous Professional Development**, so that the training needs of all staff, both as a collective and as individuals, can be effectively met, so that staff are both equipped and empowered to meet the needs of the pupils. This will include the development of **coaching**, so that staff can both support and learn from each other, and the sharing of best practice can be a real strength.
10. To engage fully in the Federation "Schools Direct" Teacher training partnership and the Teaching School Partnership with Wellington College as well as associated research and pupil focused initiatives.
11. To develop the practice of **subject and pastoral leaders**, and specifically in the evaluation of the effectiveness of teaching and the tracking of academic progress, through a sharper focus on the pastoral responsibilities of curriculum staff and the curriculum responsibilities of pastoral staff.

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12. Governors and senior leaders appreciate the responsibilities and opportunities available as an **Academy Trust** and seize opportunities to strengthen and improve, within funding constraints, the quality of educational provision and prioritise the need to secure value for money.
13. That governors, leaders and managers all ensure that there is robust compliance with new financial accountability arrangements so that the Academy Trust's finances are managed in a transparent and effective way.
14. Governors to more robustly and consistently perform their **"link" role**, engaging directly with pupil and parent views where relevant and be conversant with standards and issues in the link role.
15. To develop a robust **five year asset management plan** based on a 2013 condition survey that improves the quality of the learning and working environment.

High standards of behaviour

16. To improve **behaviour for learning** in classrooms, by raising staff and pupil expectations of behaviour and developing a more consistent approach to behaviour management strategies across the school.

A caring and safe environment

17. To strive to further improve on a **safe environment for learners**, where bullying is not tolerated and where pastoral care is outstanding.

And finally:

18. Whilst focusing on the above, we must ensure we **maintain excellence and a sense of pride in our practices** as they currently exist.

Public benefit

The Governing Body confirm compliance with their duty in Section 17(5) of the Charities Act 2011, and in particular to pay due regard to guidance issued by the Charity Commission on public benefit guidance on advancing education. The Academy Trust provides education to children and young people that is:

- o Broad and balanced.
- o Promotes spiritual, moral, cultural mental and physical development of children and young people.
- o Prepares children and young people for the opportunities, responsibilities and experiences of later life.
- o Promotes, sustains and increases individual and collective knowledge and understanding of specific subjects, skills and experiences.

The Academy Trust is an 11-18 boys' comprehensive school that admits girls to its Sixth Form. It draws from across Wokingham Borough, as well as Bracknell and Reading. It has a fully mixed ability intake. It employs Wokingham Borough Council to manage admissions – further details are available on our website.

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STRATEGIC REPORT

Achievements and performance

a) Advanced Level

The results below are only for A-Levels and exclude vocational qualifications which are an increasing part of our successful curriculum that offers breadth and depth. Such a curriculum has seen pupils from other local school choose The Forest as their post 16 provider as their home schools are increasingly making their curriculum narrower and more academic.

The 2015 vocational results showed a 100% success rate across the different subjects and when combined with the A2 outcomes do show a stronger picture at the A* - B area in particular.

85% of the cohort achieved a place at university, with only a small number going through the clearing process. Fewer students are taking a 'gap' year and the number in apprenticeship is growing. On first check, there are currently no students registered as NEET

Overall however, this cohort underachieved at AS in Y12, adjusting too slowly to the various changes in assessment. While they made better progress in Y13 the grades at the upper end are depressed compared to the past. There is too much variability between subjects despite investment of time in trying to address past imbalances. For 2015/16 two formal mock sittings are again in the calendar and this together with improved tracking, intervention and fine grading should help improve both AS and A2 results in 2016.

Advanced Level Trends; excluding vocational	2010	2011	2012	2013	2014	2015
Number of pupils (2 or more entries)	74	78	88	73	76	74
Average GCSE score on entry	6.2	6.2	6.4	6.2	5.99	6.01
Average QCA score on entry	47.2	47.0	48.3	47.3	45.96	46.06
% grades A*-A	20.1%	27.4%	24.7%	23.1%	14.8%	19.7%
% grades A*-B	47.2%	55.7%	50.6%	54.8%	41.3%	43.4%
% grades A*-C	72.9%	76.5%	78.0%	80.3%	67.0%	68.0%
% grades A*-E	96.9%	98.7%	98.4%	96.2%	100.0%	98.2%
Average point score per pupil						
ALPS school grade		5	5	5		5
ALPS T score	6.00	2.67	6.00	4.67	6.0	5.0
ALPS 3 year T score		4.22	4.89	4.44		5.22

(Aug 2014)

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b) GCSE 2015

The 2015 headline 5A*-C in EM is outstanding at 66% compared to boys nationally at 50% in 2014. This strong performance is reflected in mathematics with 82% A*-C compared to what is likely to be mid-60% nationally, for boys, when the data is released by DfE. In English the result was 77% A*-C compared to what is likely to be low-60% nationally. Other EBacc subjects, namely sciences, humanities and languages are also likely to outperform boys nationally.

The progress made by pupils, measured in levels of progress (LOP) are also outstanding when compared to boys nationally. The DfE expect pupils to make 3LOP from key stage 2. In mathematics 82% of pupils made 3LOP with 52% making 4LOP and in English this was 80% and 33% respectively.

It is worth noting that DfE limited the number of vocational qualifications allowed in performance tables to two approved qualifications whereas previously this was unlimited. As a result of this change the College provision, which was outstandingly successful, is not reflected in these results yet two pupils secured motor mechanic apprenticeships with Ferrari and the Volkswagen group respectively as a result of the courses taken and the outcomes.

GCSE Trends for EFA Oct 2015 (Pre-Raise on Line, academic with vocational, unless otherwise stated)						
	2010	2011	2012	2013	2014	2015
Number of students	196	192	197	201	193	181
5+ A*-C grades	76%	81%	81%	73%	73%	71%
5+ A*-G	96%	97%	95%	97%	95%	95%
% of all grades were at A*/A; <u>ONLY ACADEMIC</u>	21%	22%	18%	22%	18%	23%
% achieving 5+ A*-C grades inc English & Maths	62%	61%	69%	63%	66%	66%
% achieving Ebacc	n/a	15%	13%	19%	18%	20%
% achieving 3+ levels of progress in Maths	75%	77%	73%	76%	76%	82%
% achieving 4+ levels of progress in Maths	42%	41%	34%	42%	44%	52%
% achieving 3+ levels of progress in English	75%	72%	74%	79%	77%	80%
% achieving 4+ levels of progress in English	36%	37%	28%	40%	42%	33%
Average points score per student	420	442	421	432	401	400

Other Achievements

a) School site and buildings

- Works started on our new 320 strong Sixth Form centre in January 2015. The new building was completed by July 2015 and opened in September 2016.
- Other works include: new bike sheds, new flooring in the English Block, new drama studio and the incorporation of a new printing solution in the whole school.

b) Pupils

The staff and children of the school remain highly supportive of charitable events. Orchestrated largely by the School Council but supported by staff initiatives, the school raised a total of £12,419.91.

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The school continues to support the learning and wider experiences of its pupils through trips. These trips cover a wide range from residential to day trips, overseas to UK based, cultural to adventurous activities and so on. Students from yr10 and yr11 took part in a World Challenge trip to Peru.

Developing pupil leaders and leadership opportunities remains an important focus for the school. The opportunities are varied and reach across years 7 to 13. These opportunities begin early at the Forest with our "Young Ambassadors." The "Sports Leaders" programme begins in Year 8 and runs right through their school life. The school runs a great number of primary school events through our SSCO and these events are ideal opportunities for our youngsters to develop their leadership skills and take some of the responsibility for the welfare and safety of the visiting pupils from year 5 and 6.

The "Safe Schools Leaders" group goes from strength to strength. These young men provided tremendous support through the transition process and worked alongside tutors to help settle the new pupils into school life.

c) Sports achievements

- Athletics – Borough Champions at Y8 and Y10 runners up Y7 and Y9. Y7&8 Combined Reading School League winners, ESAA T&F Cup Regional B Finalists (Winners), Y9&10 Combined Reading School League winners, ESAA T&F Cup Regional A Finalists (3rd Place)
- Cricket – Y7, Y8, Y9, Y10 East Berkshire league and cup. Winners (all years)
- Rugby – Y7 Berkshire Championships Runners Up, Wokingham Floodlight League winners, U15 Berks Cup winners, 1st XV Berks Cup runners up
- Football – Y 8 Last 64 in National Cup, Y9 last 32 in National Cup; Y10 East Berks Cup, last 64 in National Cup 1st XI won Thames Valley League, Berks Cup runners up.

d) Staff

- 6 graduate trainees successfully achieved Qualified Teacher Status (QTS) during 2014/15 and all were successful in finding employment. 3 within the local area.
- 4 Newly Qualified Teachers (NQTs) successfully passed their induction year.
- Several staff made significant contributions to the wider professional development of teachers across the Wokingham Secondary Federation and within Reading University.
- The successful programme of continuous professional development for teachers has continued, delivered by a wide range of colleagues. Some external consultants have ably briefed all colleagues on core pedagogic issues on whole school INSET days.
- The governing body will, where possible, recognise and reward the impact of colleagues and place a priority on succession planning. This year, Mr Bainbridge was promoted to the post of Assistant Director, a continuing example of such commitment.

Key Financial Performance Indicators and Financial Review

Financial report for the year

During the year The Forest School Academy Trust received income £6,974,275 in respect of funding for the Academy's educational operations, included in this was £652,257 of capital grants to put towards capital projects.

The Forest School Academy Trust generated its own funds for unrestricted use through the letting of sports facilities. Income for this totalled £20,870.

In addition £8,360 was received in respect of bank interest.

Total income therefore amount to £7,017,508. Expenditure amounted to £6,401,862 in respect of operating the Academy Trust.

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Financial Position

The Forest School Academy Trust held fund balances at 31 August 2015 of £12,164,711 comprising a deficit £904,588 of restricted general funds, £12,520,412 of restricted fixed asset funds, and £548,887 of unrestricted funds (the last of which represents the level of free reserves held by Forest).

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Despite the school having made a deficit in the year, budgets are being prepared for the coming years which return the school to a surplus position. The Governors are optimistic that negotiations with the EFA will ensure that their funding, and timing of funding, will ensure that the schools' liabilities will be settled as and when they fall due. The Governors are also mindful that the Local Government Pension Scheme liability included within the financial statements is a technical requirement and not an amount that has been requested for payment. Future pension payments will be budgeted for and paid using future EFA funding. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Reserves Policy

The Governors review the reserve levels of the Academy Trust annually. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services, to maintain and enhance the school's premises and infrastructure and to fund future projects. The Governors intend to review the reserves policy annually to ensure that this aim can be achieved.

In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employer's pension contributions over a number of years. This year a deficit of £600,000 has been recognised in the accounts; this does not represent an immediately realisable liability that requires payment.

Investment Policy

The Forest School Academy Trust has an investment policy whose aim is the security of financial deposits and adequate liquidity to meet its on-going financial obligations. The Academy seeks to maximise its investment income subject to ensuring funds are only invested with financial institutions who have an investment grade rating (BBB+ or higher) and are authorised to conduct financial business in the UK by the Prudent Regulation Authority.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by The Forest School Academy Trust are Financial, Health and Safety, Reputational and Safeguarding.

- The financial risk of the misappropriation of funds (fraud) is managed through having an effective system of internal controls with appropriate segregation of duties.
- The Trust has considerable reliance on continued Government funding through the EFA. The Trust has effective budgetary controls to ensure funding is used appropriately.
- The Trust follows all known Health and Safety guidance.
- The continuing success of the Trust is reliant on the quality of its staff. The Trustees monitor and review policies and procedures to ensure continued development and training of staff.
- The Trust has comprehensive safeguarding and vetting processes as required by law to protect children and young people.

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Plans for Future Periods

• **Future priorities**

1. Increase the % of pupils with 5 A*-C (inc E&M) to 75%, aspiring to 4 LoP, through a CPD focus on effective feedback and 'challenge', and through a relentless focus on effective tracking and intervention (PiXL-style).
2. Close the PP gap by 10% (against 2014 KS4 outcomes), through improved feedback, tracking and intervention (as above), by the recruitment of intervention tutors in science and maths, and by focusing on PP pupils in *all* year groups.
3. Develop the effectiveness of differentiation strategies *and* teacher confidence in differentiation, through CPD, developmental lesson observations and a focus on differentiation in PM targets, so that all lessons are at least good in this respect.
4. Increase the frequency of learning walks and develop their format and structure, so that they become a means of improving pedagogy and behaviour for learning.
5. Begin to develop a skills-based curriculum in KS3, working with the Humanities faculty in the first instance.
6. Improve pupils' behaviour, through the implementation of pupil and teacher charters, and by developing a clear system of consequences for poor behaviour, to allow staff to manage behaviour confidently and consistently, so that behaviour meets the criteria of the Ofsted framework.
7. Focus CPD on the role of the tutor, making our expectations of the role explicit, so that inconsistencies in practice are reduced and the overall quality of tutoring is improved.
8. Successfully implement mixed-ability teaching in Year 7, for all subjects except mathematics.
9. Develop our middle leaders, by devising, delivering and evaluating an in-house CPD programme.
10. Develop a system of support and challenge for underperforming teachers, to improve teacher competencies and pupil progress.
11. Focus CPD on the teaching of Sixth Formers, increase the numbers of lesson observations of KS5 lessons, and reinforce our expectations of teaching in the sixth form, to achieve Alps RED overall and no subjects in BLUE.
12. Improve the culture of the Sixth Form, through coaching, assemblies and leadership development for the senior prefect team.

Disclosure of information to Auditors

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all necessary steps to make themselves aware of any relevant audit information and to ensure that the auditor is made aware of that information.


The auditors, Crowe Clark Whitehill LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Report of the Governors incorporating a strategic report was approved by the members of the Governing Body, as the company directors on 9 December 2015 and signed on its behalf by:

Mr D Auger
Chair of Governors



Ms M Sandell
Accounting Officer



THE FOREST SCHOOL ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Forest School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year (1 July 2014 – 31 August 2015) at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Auger	5	5
P Bray	5	5
S Breidenstein	2	5
R Bungay (elected May 2015)	2	2
A W Crawford (resigned Feb 2015)	3	3
J Crouch (resigned Jan 2015)	2	2
P Dane (resigned July 2015)	2	5
G Duggleby	3	5
J Lole	2	5
A McMenamin	5	5
P Mehring	5	5
M Miccoli	4	5
P Phull	5	5
C Ryall (appointed March 2015; resigned July 2015)	2	5
S Searle (resigned Jan 2015)	0	2
R Sedgwick	5	5
A Southard (elected May 2015)	2	2
S Swindley (appointed October 2014)	5	5

Governance Review

No formal review has been conducted during the year 1 September 2014 to 31 August 2015 on the impact and effectiveness of the board of trustees. A review will be scheduled in the next financial year.

The Operations Committee is a sub-committee of the main board of trustees. Its purpose is to oversee the management of annual budgets, school income and expenditure, and ensure financial compliance with the Academies Financial Handbook as issued by the EFA.

In addition the Operations Committee monitors matters to do with the site and buildings, human resources and IT.

Six meetings were convened during the year. During this time one governor were appointed to the committee; Mr R Bungay. Following the resignation of the current Chair, Mr J Crouch, Mr P Phull was appointed to Chair during the meeting of 25 March 2014.

THE FOREST SCHOOL ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Mr Crawford also resigned his post as governor, and from this committee, as he became an employee of The Academy Trust in February 2015. Mr Auger transferred to another committee after the meeting of 4 February 2015. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Auger (transferred to another committee Feb 2015)	3	6
P Bray	6	6
R Bungay (elected April 2015)	2	2
A W Crawford (resigned Feb 2015)	3	6
J Crouch (resigned Jan 2015)	2	2
J Lole	4	6
R Marchant (resigned Jan 2015)	2	2
P Phull	6	6
R Sedgwick	6	6

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available.

We set out below how we have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Value for money in schools goes beyond the principles of economy, efficiency and effectiveness and develops into the idea that close partnership with those served by the School and the effective use of resources leads to the raising of education standards and continuous improvement.

The principles of best value are:

Challenge – Is The Forest School's Financial Performance effective? Why and how is a service provided? Does The Forest still need the service? Can it be delivered differently?

Compare – How does The Forest School's financial and pupil performance compare with the performance of other schools?

Consult – How does The Forest School seek the views of stakeholders on school services?

Compete – How does The Forest School seek secure, efficient, effective and quality services? Is The Forest School getting value for money from suppliers?

THE FOREST SCHOOL ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Best value is a consideration in all purchasing decisions and an integral part of The Forest School's planning cycle. The cycle begins with departmental and school improvement planning which feeds into the budget setting process in the spring and summer terms.

The four principles of best value are applied when making decisions about:

Recruitment, Retention and Performance of staff

Staff should be deployed to provide best value in terms of quality of teaching, quality of learning, staff-student ratio and curriculum management. The timetable process has been rigorously reviewed and entwined with budgetary processes and the need for a complete restructuring of the teaching staff has been identified. A new structure has been developed and the process of implementation commenced in December 2015, for implementation in September 2016.

Deployment of resources, including ICT

Equipment, materials and services are deployed to provide students and staff with resources that support quality of teaching and learning.

Teaching

The quality of curriculum provision and teaching is reviewed to provide students with a curriculum which meets the requirements of the National Curriculum as appropriate. Teaching should build on previous learning and incorporate high expectations of students' achievement. Particular focus is given to rigorously reviewing KS4 & KS5 provision against changing national directives. Provision is also planned through partnership with external providers.

Learning

The quality of students' learning is reviewed by cohort, class and group, to provide teaching that enables students to achieve nationally expected progress. Subject reviews, "book looks" and observation and evaluation of classroom practice contribute, as do parent and student surveys.

Purchasing

Procedures are in place for assessing need and obtaining goods and services that provide best value in terms of suitability, efficiency, time and cost. Procurement guidelines included in the Financial Handbook are followed to ensure best value. Measures already in place include competitive tendering procedures for goods and services, and procedures for accepting best value quotations and purchasing goods or services from known, reliable suppliers. For longer term contracts, consideration will be given to the ability of the supplier to sustain the supply or service for the duration of the contract.

Students' Welfare

The quality of The Forest School environment and ethos is regularly reviewed to provide a supportive environment conducive to learning and recreation.

Health & Safety

In order to provide a safe working environment for pupils, staff and visitors the quality of The Forest Schools' environment and equipment is regularly reviewed, risk assessments are in place as needed.

Monitoring and Evaluation of Best Value Criteria

The following mechanisms are applied in order to secure best value:

- Performance management, including an annual performance review of the Principal by the Governing Body.
- Annual Appraisal and target setting meetings between the Leadership Group and curriculum managers.
- Internal Teaching and Learning evaluation under the internal Self Evaluation Form process.
- Annual Budget Planning.
- Analysis of The Forest School's Student performance data.
- Benchmarking and regular information sharing among Business Managers of similar schools.
- OfSTED inspection reports.
- Classroom observations under Performance Management.
- Reports to the Governing Body.

THE FOREST SCHOOL ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

- Review by Link Governors responsible for specific aspects of The Forest School.
- Governor committees holding Senior Leadership Team colleagues to account through reporting.

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 trust 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 The Forest School Academy Trust Limited for the year 1 July 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 July 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Richard Sedgwick, a Governor, as responsible officer (RO);

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

The Responsible Officer's work programme has been fully delivered and no material control issues have arisen.

In particular the checks carried out in the current period included:

THE FOREST SCHOOL ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Reviewing and testing where appropriate the following areas;

- Accounting systems and reporting
- Income
- Payroll
- Purchasing
- Assets
- Liabilities
- Other financial major processes

On an annual basis, the reviewer reports to the board of trustees, through the operations committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

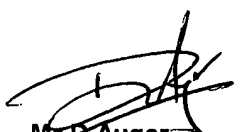
Review of Effectiveness

As Accounting Officer the Principal has had 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Operations Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 9 December 2015 and signed on its behalf by:


Mr B Auger
Chair of Governors


Ms M Sandell
Accounting Officer

THE FOREST SCHOOL ACADEMY TRUST
STATEMENT ON REGULATORY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of The Forest School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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, this will be notified to the board of trustees and EFA.

M. C. Sandell

Ms M Sandell
Accounting Officer

9 December 2015

THE FOREST SCHOOL ACADEMY TRUST
GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who are also directors of The Forest School Academy Trust for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities Statement Of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity 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 requirement both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 governing body on 9 December 2015 and signed on its behalf by:


.....
Mr D Anger
Chair of Governors

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE FOREST SCHOOL ACADEMY TRUST**

We have audited the financial statements of The Forest School Academy Trust for the year ended 31 August 2015 which the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies' Accounts Direction 2014/15 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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, including the Academies' Accounts Direction 2014/15 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- 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

Alastair Lyon

Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditors
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

16 December 2015

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF THE FOREST SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The Forest School Academy Trust during the year 1 September 2014 to 31 August 2015 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 the governing body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Academy Trust and the EFA 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 the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Forest School Academy Trust funding agreement with the Secretary of State of Education and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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 trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

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Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill

Crowe Clark Whitehill LLP

Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

16 December 2015

THE FOREST SCHOOL ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Un-restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	2015 Total £	14 month period 2014 Total £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	14,003	-	-	14,003	10,000
Voluntary income – transfer from local authority conversion		-	-	-	-	10,776,063
Activities for generating funds	3	20,870	-	-	20,870	26,203
Investment income	4	8,360	-	-	8,360	4,610
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	5	-	6,322,018	652,257	6,974,275	8,007,302
Total incoming resources		43,233	6,322,018	652,257	7,017,508	18,824,178
Resources expended						
Cost of generating funds:						
Fundraising trading		4,128	-	-	4,128	5,094
Charitable activities:						
Academy's educational operations	8	-	6,198,106	189,028	6,387,134	7,168,855
Governance costs	12	-	10,600	-	10,600	44,164
Total resources expended	6	4,128	6,208,706	189,028	6,401,862	7,218,113
Net incoming/(outgoing) resources before transfers		39,105	113,312	463,229	615,646	11,606,065
Gross transfers between funds		-	(741,867)	741,867	-	-
Net income / (expenditure) for the year		39,105	(628,555)	1,205,096	615,646	11,606,065
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes		-	8,000	-	8,000	(65,000)
Net movement in funds		39,105	(620,555)	1,205,096	623,646	11,541,065
Funds bought forward at 1 September 2014		509,782	(284,033)	11,315,316	11,541,065	-
Funds carried forward at 31 August 2015	16	548,887	(904,588)	12,520,412	12,164,711	11,541,065

All the Academy's activities are derived from acquisitions and continuing operations during the above financial period.

The notes on pages 29 – 46 form part of these financial statements

THE FOREST SCHOOL ACADEMY TRUST


BALANCE SHEET

31 AUGUST 2015

COMPANY NUMBER: 08563159

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	13	<u>12,520,412</u>	<u>10,765,843</u>
Current assets			
Debtors	14	234,459	160,449
Cash at bank and in hand		<u>578,244</u>	<u>1,618,108</u>
Total current assets		812,703	1,778,557
Current liabilities			
Creditors: amounts falling due within one year	15	<u>(466,404)</u>	<u>(403,335)</u>
Net current assets		<u>346,299</u>	<u>1,375,222</u>
Total assets less current liabilities		<u>12,866,711</u>	<u>12,141,065</u>
Non current liabilities			
Pension scheme liability	27	<u>(702,000)</u>	<u>(600,000)</u>
Net assets including pension liability		<u>12,164,711</u>	<u>11,541,065</u>
Funds of the Academy Trust:			
Restricted funds			
General funds		(202,588)	315,967
Pension reserve		(702,000)	(600,000)
Restricted fixed asset fund		<u>12,520,412</u>	<u>11,315,316</u>
Total restricted funds	16	11,615,824	11,031,283
Unrestricted income fund			
General funds	16	<u>548,887</u>	<u>509,782</u>
Total funds		<u>12,164,711</u>	<u>11,541,065</u>

The financial statements were approved by the Directors and authorised for issue on 9 December 2015 and are signed on their behalf by



Mr D Auger
Chair of Governors

The notes on pages 29 – 46 form part of these financial statements

THE FOREST SCHOOL ACADEMY TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cashflow from operating activities	22	244,657	689,999
Cash transferred on conversion to an academy trust		-	474,063
Returns on investments and servicing of finance	23	6,819	3,899
Capital expenditure	24	<u>(1,291,340)</u>	<u>450,147</u>
(Decrease)/increase in cash		(1,039,864)	1,618,108
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash		<u>(1,039,864)</u>	<u>1,618,108</u>
Change in net funds			
Net funds at 1 September 2014		<u>1,618,108</u>	-
Net funds at 31 August 2015	25	<u><u>578,244</u></u>	<u><u>1,618,108</u></u>

All of the cash flows are derived from acquisitions in the current financial year

The notes on pages 29 – 46 form part of these financial statements

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The governors make this assessment in respect of a period of 12 months from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with certainty.

Grants Receivable

Grants receivable 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 year is shown in the relevant funds on the balance sheet.

General Annual Grant

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital Grants

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the Balance Sheet in the restricted fixed asset fund.

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable, where there is certainty of receipt and it is measureable.

Donations

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

Other income

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

Interest receivable is included within the statement of financial activities on a receivable basis.

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

In respect of buildings transferred to the Academy from its previous form as a Local Authority School, the depreciated replacement cost has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to a particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more, which have been acquired since the Academy was established 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 the expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Tangible Fixed Assets (continued)

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

Leasehold buildings	2%
Fixtures and fittings	20%
Computer equipment	33%
Temporary buildings	10%

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

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

Leased assets

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

Taxation

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

Teachers' Pension Scheme

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each period.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors.

Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	<i>Total 14 month period 2014 £</i>
Donations	<u>14,003</u>	<u>-</u>	<u>14,003</u>	<u>10,000</u>
	<u>14,003</u>	<u>-</u>	<u>14,003</u>	<u>10,000</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	<i>Total 14 month period 2014 £</i>
Rental income	<u>20,870</u>	<u>-</u>	<u>20,870</u>	<u>26,203</u>
	<u>20,870</u>	<u>-</u>	<u>20,870</u>	<u>26,203</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	<i>Total 14 month period 2014 £</i>
Short term deposits	<u>8,360</u>	<u>-</u>	<u>8,360</u>	<u>4,610</u>
	<u>8,360</u>	<u>-</u>	<u>8,360</u>	<u>4,610</u>

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Fund £	Restricted Fund £	Restricted Fixed Asset fund £	Total 2015 £	Total 14 month period 2014 £
DfE/EFA capital grant					
EFA Capital Grant	-	-	627,096	627,096	627,096
Devolved Formula Capital	-	-	<u>25,161</u>	<u>25,161</u>	<u>23,170</u>
DfE/EFA revenue grants					
General Annual Grant	-	5,629,759	-	5,629,759	6,595,003
Other DfE/EFA grants	-	<u>304,952</u>	-	<u>304,952</u>	<u>290,464</u>
Other Government grants					
Local authority grants	-	144,582	-	144,582	4,092
Special Educational projects	-	<u>31,293</u>	-	<u>31,293</u>	<u>26,762</u>
Income from trips and other educational purposes	-	<u>211,432</u>	-	<u>211,432</u>	<u>440,715</u>
	<u>-</u>	<u>6,322,018</u>	<u>652,257</u>	<u>6,974,275</u>	<u>8,007,302</u>

6. RESOURCES EXPENDED

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 14 month period 2014 £
Costs of activities for generating funds	-	-	4,128	4,128	5,094
Academy's educational operations					
Direct costs	4,278,769	189,028	656,798	5,124,595	5,968,679
Allocated support costs	588,086	488,058	186,395	1,262,539	1,200,176
Governance costs including allocated support costs	-	-	<u>10,600</u>	<u>10,600</u>	<u>44,164</u>
Total	<u>4,866,855</u>	<u>677,086</u>	<u>857,921</u>	<u>6,401,862</u>	<u>7,218,113</u>

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1).

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

7. SURPLUS FOR THE YEAR

Surplus for the year is stated after charging:-

	2015 £	14 month period 2014 £
Operating leases	5,782	3,856
Fees payable to auditor - audit	10,600	10,275
- other services	6,675	4,750
- VAT advisory	-	65
Depreciation	<u>189,028</u>	<u>197,276</u>

8. ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted Funds £	Restricted Fixed Asset Fund £	Total 2015 £	Total 14 month period 2014 £
Direct costs				
Teaching and educational support staff costs	4,278,769	-	4,278,769	4,998,691
Depreciation	-	189,028	189,028	197,276
Educational supplies	94,748	-	94,748	95,841
Examination fees	102,671	-	102,671	104,004
Staff development	20,222	-	20,222	35,206
Technology costs	106,080	-	106,080	55,178
Other direct costs	<u>333,077</u>	<u>-</u>	<u>333,077</u>	<u>482,483</u>
	<u>4,935,567</u>	<u>189,028</u>	<u>5,124,595</u>	<u>5,968,679</u>
Allocated support costs				
Support staff costs	588,086	-	588,086	526,429
Recruitment and support	31,691	-	31,691	32,002
Maintenance of premises and equipment	178,399	-	178,399	99,471
Cleaning	97,527	-	97,527	123,227
Rent & rates	23,923	-	23,923	25,929
Insurance	64,669	-	64,669	75,157
Technology	55,939	-	55,939	72,202
Energy costs	107,944	-	107,944	113,126
Professional and consultancy costs	48,438	-	48,438	10,916
Security and transport	803	-	803	3,742
Catering	32,004	-	32,004	18,238
Bank interest and charges	1,541	-	1,541	711
Other support costs	<u>31,575</u>	<u>-</u>	<u>31,575</u>	<u>99,026</u>
	<u>1,262,539</u>	<u>-</u>	<u>1,262,539</u>	<u>1,200,176</u>
	<u>6,198,106</u>	<u>189,028</u>	<u>6,387,134</u>	<u>7,168,855</u>

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

9. STAFF COSTS

	2015 £	14 month period 2014 £
Staff costs during the year were:		
Wages and salaries	3,909,035	4,490,149
Social security costs	289,223	331,846
Other pension costs	<u>634,577</u>	<u>672,878</u>
	4,832,835	5,494,873
Supply staff costs	<u>34,020</u>	<u>30,247</u>
	<u>4,866,855</u>	<u>5,525,120</u>

	2015 No.	14 month period 2014 No.
Charitable Activities		
Teachers	81	99
Administration and support	<u>68</u>	<u>49</u>
	<u>149</u>	<u>148</u>

	2015 No.	14 month period 2014 No.
The number of employees whose emoluments fell within the following bands was:		
£70,001 - £80,000	1	1
£100,000 - £110,000	<u>-</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for this member of staff amounted to £10,464 (2014: £25,919).

Of the above employees earning more than £60,000 per annum, none participated in the Local Government Pension Scheme during the year ended 31 August 2015.

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10. GOVERNORS' REMUNERATION AND EXPENSES

Head Teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as governors. The value of the Head Teacher's remuneration was £70,000 to £75,000 (2014: *in respect of the previous Head Teacher £105,000 - £110,000 for the 14 month period*). Employer's pension contributions £10,000 - £15,000 (2014: *in respect of previous Head Teacher £10,000 - £15,000 for the 14 month period*) The value of staff governors' remuneration was as follows:

R Micoli		
	Remuneration	£45,000 to £50,000 (2014: £5,000 - £10,000 for the 14 month period)
	Employer's pension contributions	£5,000 - £10,000 (2014: £0 - £5,000 for the 14 month period)
C Ryall (appointed 9 March 2015, resigned 22 July 2015)		
	Remuneration	£10,000 - £15,000
	Employer's pension contributions	£0 - £5,000
R Marchant		
	Remuneration	£10,000 - £15,000 (2014: £30,000 - £35,000 for the 14 month period)
	Employer's pension contributions	£0 - £5,000 (£5,000 - £6,000 for the 14 month period)

During the year ended 31 August 2015 no travel and subsistence expenses were reimbursed (2014: £Nil).

Related party transactions involving governors are set out in note 26.

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was approximately £294 (2014: £304).

The cost of insurance is included in total insurance costs within the financial statements.

12. GOVERNANCE COSTS

	2015 £	14 month period 2014 £
Audit fees	10,600	10,275
Legal & HR	<u>-</u>	<u>33,889</u>
	<u>10,600</u>	<u>44,164</u>

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

13. TANGIBLE FIXED ASSETS

	Leasehold land and buildings	Assets in the course of const- ruction	Fixtures and Fittings	Computer Equipment	Total 2015
	£	£	£	£	£
Cost					
At 1 September 2014	10,793,294	74,033	1,396	94,396	10,963,119
Additions	-	1,837,024	46,485	60,088	1,943,597
Transfers	<u>1,900,011</u>	<u>(1,900,011)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2015	<u>12,693,305</u>	<u>11,046</u>	<u>47,881</u>	<u>154,484</u>	<u>12,906,716</u>
Depreciation					
At 1 September 2014	164,229	-	279	32,768	197,276
Charge in year	<u>149,006</u>	<u>-</u>	<u>4,786</u>	<u>35,236</u>	<u>189,028</u>
At 31 August 2015	<u>313,235</u>	<u>-</u>	<u>5,065</u>	<u>68,004</u>	<u>386,304</u>
Net book value					
At 31 August 2015	<u>12,380,070</u>	<u>11,046</u>	<u>42,816</u>	<u>86,480</u>	<u>12,520,412</u>
At 31 August 2014	<u>10,629,065</u>	<u>74,033</u>	<u>1,117</u>	<u>61,628</u>	<u>10,765,843</u>

14. DEBTORS

	2015 £	2014 £
Trade debtors	4,294	13,099
Other debtors	70,603	55,325
Prepayments and accrued income	<u>159,562</u>	<u>92,025</u>
	<u>234,459</u>	<u>160,449</u>

15. CREDITORS: amounts falling due within one year

	2015 £	2014 £
Trade creditors	161,606	1,851
Other creditors	81,115	77,249
Social security and other taxes	85,824	85,119
Accruals	<u>137,859</u>	<u>239,116</u>
	<u>466,404</u>	<u>403,335</u>

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

16. STATEMENT OF FUNDS

	<i>Balance at 1 September 2014 £</i>	Incoming Resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
Restricted General Funds					
General Annual Grant	315,967	5,629,759	(5,406,447)	(741,867)	(202,588)
Other DfE/EFA grants	-	304,952	(304,952)	-	-
Other government grants	-	175,875	(175,875)	-	-
Income from trips and other educational purposes	-	211,432	(211,432)	-	-
Pension reserve	<u>(600,000)</u>	<u>-</u>	<u>(110,000)</u>	<u>8,000</u>	<u>(702,000)</u>
	<u>(284,033)</u>	<u>6,322,018</u>	<u>(6,208,706)</u>	<u>(733,867)</u>	<u>(904,588)</u>
Restricted Fixed Asset Fund					
DfE/EFA grant	549,473	652,257	-	(1,201,730)	-
Fixed Assets	<u>10,765,843</u>	<u>-</u>	<u>(189,028)</u>	<u>1,943,597</u>	<u>12,520,412</u>
	<u>11,315,316</u>	<u>652,257</u>	<u>(189,028)</u>	<u>741,867</u>	<u>12,520,412</u>
Total restricted funds	<u>11,031,283</u>	<u>6,974,275</u>	<u>(6,397,734)</u>	<u>8,000</u>	<u>11,615,824</u>
Unrestricted Funds					
Unrestricted funds	<u>509,782</u>	<u>43,233</u>	<u>(4,128)</u>	<u>-</u>	<u>548,887</u>
Total funds	<u>11,541,065</u>	<u>7,017,508</u>	<u>(6,401,862)</u>	<u>8,000</u>	<u>12,164,711</u>

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

Restricted General Funds - EFA grants (including GAG), which must be used to meet the cost of running The Forest School Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward.

Restricted Fixed Asset Funds – represents the value of fixed assets used to achieve the School's charitable objectives.

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

The transfer from General Annual Grant represents funds spent on items of a capital nature during the year.

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2015 £	Total 2014 £
Fixed assets	-	-	12,520,412	12,520,412	10,765,843
Current assets	548,887	263,816	-	812,703	1,778,557
Current liabilities	-	(466,404)	-	(466,404)	(403,335)
Pension scheme liability	-	(702,000)	-	(702,000)	(600,000)
	<u>548,887</u>	<u>(904,588)</u>	<u>12,520,412</u>	<u>12,164,711</u>	<u>11,541,065</u>

18. CAPITAL COMMITMENTS

At 31 August 2015 there were capital commitments of £44,275 (2014: £36,364).

19. FINANCIAL COMMITMENTS

Operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Other		
Expiring within one year	1,158	-
Expiring within two and five years inclusive	<u>21,605</u>	<u>3,856</u>
	<u>22,763</u>	<u>3,856</u>

20. CONTINGENT LIABILITIES

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

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

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy.
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

21. MEMBERS' LIABILITIES

Every member of the charitable company undertakes such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member or within one period after he or she ceases to be a member, for the payment of the Trusts debts and liabilities before he or she ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of contributions amongst themselves.

22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net income	623,646	11,541,065
Capital grant	(652,257)	(650,266)
Interest paid	1,541	711
Interest received	(8,360)	(4,610)
In kind support - buildings	-	(10,763,000)
Transfer on conversion	-	(474,063)
Depreciation charges	189,028	197,276
(Increase)/decrease in debtors	(74,010)	(160,449)
Increase/(decrease) in creditors	63,069	403,335
Movement in pension liability	<u>102,000</u>	<u>600,000</u>
Net cash inflow	<u><u>244,657</u></u>	<u><u>689,999</u></u>

23. RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2015 £	2014 £
Interest paid	(1,541)	(711)
Interest received	<u>8,360</u>	<u>4,610</u>
Net cash inflow from returns on investment and servicing of finance	<u><u>6,819</u></u>	<u><u>3,899</u></u>

24. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS

Capital expenditure and financial investments		
Purchase and transfer of tangible fixed assets	(1,943,597)	(200,119)
Capital grants received	<u>652,257</u>	<u>650,266</u>
Net cash (outflow)/inflow from capital expenditure	<u><u>(1,291,340)</u></u>	<u><u>450,147</u></u>

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

25. ANALYSIS OF CHANGES IN NET FUNDS

	<i>At 1 September 2014 £</i>	Cash Flows £	<i>At 31 August 2015 £</i>
Cash at bank	<u>1,618,108</u>	<u>(1,039,864)</u>	<u>578,244</u>

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of governors being linked to local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arms-length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

In 2014 the previous Head Teacher and Governor, Mr K Quine (resigned 31 August 2014), was also a trustee of Aspire@Wokingham, a local charity. In the previous period the School worked with Aspire@Wokingham and during 2014 income of £35,685 was recognised with expenditure of £35,865. The balance outstanding at 31 August 2014 was £14,276.

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

27. PENSIONS AND SIMILAR OBLIGATIONS

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 Royal County of Berkshire Pension Scheme. Both are defined-benefit schemes.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £416,840 (2014: £486,466) and at the year-end £57,892 (2014: £59,778) was accrued in respect of contributions to this scheme.

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

THE FOREST SCHOOL ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £163,173 (2014: £178,889), of which employer's contributions totalled £120,737 (2014: £131,682) and employees' contributions totalled £42,436 (2014: £47,205), at the year-end £14,538 (2014: £13,107) was accrued in respect of contributions to this scheme. The agreed contribution rates for future years are 20.3 per cent for employers and from 5.5 to 7.5 for employees depending on salary.

The LGPS obligation relates to the employees of the academy trust, 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 in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.'

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

Principal actuarial assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.5%	4.5%
Rate of increase of pensions in payment / inflation	2.7%	2.7%
Discount rate for scheme liabilities	4.0%	3.9%
Expected return on scheme assets at 31 August	5.9%	5.9%

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

	At 31 August 2015	At 31 August 2014
Retiring today - males	22.8	22.7
Retiring today - females	26.1	26.0
Retiring in 20 years - males	25.1	24.9
Retiring in 20 years - females	28.4	28.3

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27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	6.7%	321	6.7%	226
Gilts	3.0%	10	3.0%	6
Other bonds	3.6%	90	3.6%	79
Property	5.9%	96	5.9%	65
Cash	2.9%	35	2.9%	18
Commodities	6.7%	27	6.7%	46
Infrastructure	3.6%	30	3.6%	24
Longevity Insurance	2.9%	(28)	2.9%	(20)
Target Return Portfolio	6.7%	<u>127</u>	6.7%	<u>90</u>
Total market value of assets		708		534
Present value of scheme liabilities				
- Funded		<u>(1,410)</u>		<u>(1,134)</u>
Deficit in the scheme		<u>(702)</u>		<u>(600)</u>

The actual return on scheme assets was £15,000 (2014: £50,000).

The amounts included within the Statement of Financial Activities would be as follows:

	2015 £'000	2014 £'000
Current service cost	<u>216</u>	<u>186</u>
Total operating charge	<u>216</u>	<u>186</u>
Analysis of pension finance (income) / costs		
Expected return on scheme assets	(36)	(30)
Interest on pension liabilities	<u>49</u>	<u>49</u>
Pension finance (income) / costs	<u>13</u>	<u>19</u>

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27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2015	2014
	£'000	£'000
At 1 September 2014	1,134	792
Current service cost	216	186
Interest cost	49	49
Employee contributions	43	49
Estimated benefits	(3)	(27)
Actuarial (gain)/loss	(29)	85
At 31 August 2015	<u>1,410</u>	<u>1,134</u>

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

	2015	2014
	£'000	£'000
At 1 September 2014	534	331
Expected return on assets	36	30
Actuarial (loss)/gain	(21)	20
Estimated benefits paid	(3)	(27)
Employer contributions	119	131
Employee contributions	43	49
At 31 August 2015	<u>708</u>	<u>534</u>

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27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The history of experience adjustments is as follows:

	2015	2014
	£'000	£'000
Present value of defined benefit obligations	(1,410)	(1,134)
Fair value of share of scheme assets	<u>708</u>	<u>534</u>
Deficit in the scheme	<u>(702)</u>	<u>(600)</u>
Experience adjustments on share of scheme assets		
Amount £'000*	<u>(21)</u>	<u>20</u>
Experience adjustments on scheme liabilities:		
Amount £'000*	<u>-</u>	<u>-</u>

The projected pension expense for year ended 31 August 2016 totals £130,000.

As described above the LGPS obligation relates to the employees if the academy trust, 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 in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2015 the trust received £6,715 and disbursed £2,897 from the fund. An amount of £3,818 is included in other creditors relating to undistributed funds that are repayable to the EFA.