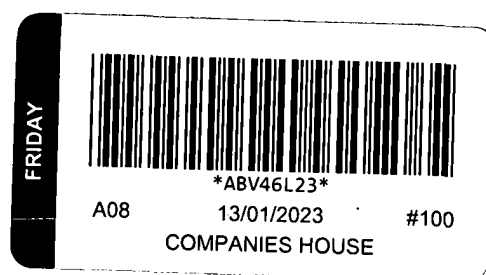


Company Registration Number: 08899707 (England & Wales)

Fortis Trust
(A company limited by guarantee)

Annual report and financial statements
for the year ended 31 August 2022



Fortis Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 18
Governance statement	19 - 22
Statement on regularity, propriety and compliance	23
Statement of trustees' responsibilities	24
Independent auditors' report on the financial statements	25 - 27
Independent reporting accountant's report on regularity	28 - 29
Statement of financial activities incorporating income and expenditure account	30
Balance sheet	31 - 32
Statement of cash flows	33
Notes to the financial statements	34 - 58

Fortis Trust
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Peter Martin Mark Gedye Nick Pearson Cllr Elizabeth Turpin Christopher Williams
Trustees	Peter Martin, Chair of Trustees Paul Coyne Patrick Drumm (resigned 26 September 2022) Mark Gedye Matt Hull Ian Chappell Marie Sweetlove, Principal Marian Wheeler (resigned 2 May 2022) Gill Williams (resigned 4 March 2022) Christine Richards (appointed 31 March 2022, resigned 17 September 2022) Andrew Gray (appointed 27 September 2021, resigned 7 February 2022)
Company registered number	08899707
Company name	Fortis Trust
Principal and registered office	Bradfields Academy Churchill Avenue Chatham Kent ME5 0LB
Chief executive officer	Marie Sweetlove
Senior management team	Marie Sweetlove, CEO of Fortis Trust, Principal Bradfields Academy David Waters, Vice Principal Elizabeth Halton, Vice Principal Fiorina Bradbrook, Assistant Principal (Resignation on 31 December 2021) Natalia Zarkowska, Assistant Principle (Resignation on 31 December 2021) Lee Billingham, Associate Assitant Principal, promoted to Assistant Principal Jan 2022 Nicola Knott, Associate Assitant Principal, promoted to Assistant Principal Jan 2022 Lorraine Lewin, Associate Assitant Principal, promoted to Assistant Principal Jan 2022 Lesley Harris, Business Manager & CFO
Independent auditors	Xeinadin Audit Limited Statutory Auditor Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	HSBC 84 New Road Gravesend Kent DA11 0AS

Fortis Trust
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
for the year ended 31 August 2022

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Fortis Trust
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report and strategic report under company law.

The Trust operates an academy for pupils aged 4 to 19 serving a catchment area in Medway and Kent. It has a pupil capacity of 318 and had a roll of 343 in the school census in May 2022. A new building is underway to extend the capacity of the provision and is due to open in September 2022, with the overall capacity increasing 440.

Structure, governance and management

a. Constitution

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

The charitable company's memorandum and articles of association are the primary governing document of the Academy.

The Trustees of Fortis Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Fortis Trust.

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

b. Members' liability

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

c. Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is not separately identified but included within the RPA overall cost of £6,080.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees and Members

The Members of the Trust comprise the signatories to the Memorandum and any person elected by the current Members (by special resolution). At any time, the minimum number of Members shall not be less than three. An employee of the Trust cannot be a Member of the Trust. A list of Members is included in the Reference and Administrative Details on pages 4 and 5.

The number of Trustees cannot be less than three, but is not subject to any maximum. The Trust shall have up to four Trustees appointed by the Members (by ordinary resolution). The current MA Trustees are Peter Martin and Mark Geyde. The Trust can also have co-opted Trustees. A co-opted Trustee means a person who is appointed by the MA Trustees. The CEO, Marie Sweetlove, is a Trustee. The current co-opted Trustees are: P. Coyne, P. Drumm, Matt Hull, Ian Chappell, and Christine Richards.

The term of office for any Trustee is four years. This time limit shall not apply to any post, which is held ex officio. Subject to remaining eligible, any Trustee may be reappointed or re-elected. Recruitment and appointment of Trustees is as set out in the Trust's Articles of Association. Trustees are recruited through the Inspiring Governance Service who support with vetting and training potential Trustees. Perspective Trustees are subject to an interview process and are required to provide two references. Once recruited, new Trustees are given a tour of the Academy, the opportunity to visit the trust's associate company Forward2Employment and an opportunity to meet with staff and pupils and interns.

Trustees are also given full access to all information, which they require to carry out their role effectively, such as minutes, copies of policies and procedures, accounts, and budgets. Trustees are given membership access to Governor Hub, where all relevant documents, meeting details, minutes, etc. are shared. Trustees are also able to access training via the Governor Hub Services. Trustees are also encouraged to attend all Trust and Academy events.

e. Policies adopted for the induction and training of Trustees

All new Trustees meet with the Chair of Trustees, CEO, and other Trustees. They are familiarised with the vision, ethos, history and future direction of the Trust. New Trustees are provided with access to Governor Hub where they can access and read recent board and committee meeting packs and minutes, key documents including the Scheme of Delegation, Articles of Association, and the Academy Trust Handbook as well as other documents they may need to be effective in undertaking their role as Trustee.

New Trustees receive an induction pack and all trustees receive guidance of the policies and procedures. A Trustee Induction handbook was been developed in July 2022. New Trustees receive training and guidance dependent upon their existing experience and the outcome of individual skills auditing. Training is tailored to meet the needs of Trustees based on their existing experience. Such induction training may cover training on charity, educational, legal and financial matters. Trustee training is included as a standing item on all meeting agendas. Each Trustee is required to complete an annual skills audit and a personalised training plan is set. The Trust make use of training available from GovernorSpace, The Key and Governor's Hub to offer a full suite of training opportunities. A full record of training is maintained and feeds into the annual Trustee Development and Training Plan.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Structure, governance and management (continued)

f. Organisational structure

The Trust structure consists of three levels:

- The Full Trust Board, led by the Chair of Trustees
- Two Sub-Committee Boards, led by their respective Trustee Leads
- The Academy Leadership Team and Executive Leadership, led by the CEO

The aim is to encourage involvement in decision making at all levels ensuring excellent standards can be maintained. Trustees are responsible for monitoring the performance and making strategic decisions about the direction of the Trust, ensuring we continue to strive for best practice in line with Trust vision, ethos and culture.

The Full Board of Trustees monitor the performance of the academy, meeting four times a year. The Full Board of Trustees review the work of the other committees, and have responsibility for adopting strategic plans and setting policy, financial monitoring for the Trust and its academies through budget and audit reports, making strategic decisions about the direction of the Trust, and senior appointments. Trustees ensure that all decisions are made in line with the Trust mission, vision, values, ethos and culture.

Each sub-committee meets 3 times a year, led by the committee chair. Trustees annually review the Terms of Reference for each subcommittee, which includes details of delegation where applicable.

The Student Needs and Curriculum Committee meet three times a year. It is responsible for all matters concerned with both the pastoral and academic curriculum. The committee receives briefings from lead members of the academy's management team and consider the detail to determine both the impact of curriculum provision and pastoral support and the value for money of any expenditure on resources.

The Finance, Audit, Staffing and Buildings Committee meet three times a year. It is responsible for all matters concerned with the academy budget (including audit), staff appointments, contracts, performance management, salary and the Trust sites. The committee receives briefings from lead members of the academy's management team and consider the detail to determine both the impact on provision and the value for money of any expenditure on staffing or resources. The principle document showing the financial & contractual delegation of authority is the Finance Policy Handbook; this is reviewed annually by the Finance, staffing and buildings committee.

The Academy Leadership Team and Executive Leaders are responsible for the day-to-day management of academies and provisions, including the appointment of non-senior staff. The CEO/Principal is responsible for the overall leadership and management of the Trust, working in collaboration with the Trustees to set the strategic direction of the Trust. The CEO/Principal is the Accounting Officer for the Trust.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Structure, governance and management (continued)

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

The Board of Trustees will confirm the membership of the Executive and the Senior Leadership team and are responsible for determining the pay ranges applicable for each of these posts. When determining the leadership pay range, the Trustees must take into account all of the permanent responsibilities of the role, any challenges that are specific to the role, and all other relevant considerations. Remuneration arrangements for Executive and Senior Leaders are set out in the School Teachers Pay and Condition Document (STPCD).

The performance management and setting of the pay and remuneration of the CEO/Principal is devolved from the Trust Board to a separate committee. The CEO Performance Review and Pay Committee consists of the Chair of Trustees, and a second Trustee. We are seeking an independent external advisor for future performance reviews. Members of the Committee provide a full report and recommendation to the board of Trustees. The CEO/Principal is responsible for the performance management and pay decisions for the Senior Leadership and Executive Leadership team, with recommendations being made to the board for final ratification of decisions.

Trustees understand how decisions about teachers' salary progression, including their performance management leads to improved teaching, learning and has a positive impact on leadership and management. The CEO/Principal provides an annual report to the Trustees on appraisal arrangements and on training and development needs. Three Trustees are responsible for reviewing Threshold applications with the Principal/CEO to make recommendations to the board.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	6,556,663
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

There are no related party or other connected charities or organisations.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Structure, governance and management (continued)

j. Engagement with suppliers, customers and others in a business relationship with the Academy

Fortis Trust engages with suppliers, customers and other stakeholders adopting a fair procurement process. The Trust has engaged with local and national suppliers to develop mutually beneficial business relationships.

Objectives and activities

a. Objects and aims

Vision

Promoting collaboration and innovation to make a positive global difference one child at a time.

Purpose

Fortis Trust will:

- create a family of collaborative and innovative academies and partner organisations
- ensure the Fortis brand is recognised and respected as a local community asset and leader in education
- establish a rigorous and successful school improvement partnership
- ensure that all students, in each academy, make outstanding progress and achieve highly in their academic and personal development
- provide a forum for the development of innovative and creative leadership and teaching
- ensure the provision of a student-centred curriculum, which is tailored to the needs, and aspirations of each partner school and their students.
- help schools to strengthen further their work with their families and community including where appropriate access to specialist services
- provide leadership of and support for all aspects of provision for students with SEND
- provide quality central services that support teaching and learning effectively
- enable schools to respond collectively and effectively to national and local change

Our values

We have four core values, which underpin all that we do:

- Collaborative Partnership
- Aspiration & growth
- Innovation for improvement
- Identity & Diversity

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The staff and Trustees aim to:

- ensure our focus is always 'child first'
- provide the highest standards of teaching and learning
- have high expectations of student work and behaviour
- develop a sense of personal pride and self-worth that can be sustained with increasing confidence
- develop and maintain a safe and healthy lifestyle
- support and value every member of staff, enabling personal and professional growth
- Ensure Excellent Practice in all areas of our work

All members of the Trust community work to support individual and personalised development of academic potential and the ability to transfer those skills to everyday life, work and career opportunities. All are encouraged to thrive, learn and achieve, to feel happy, safe and supported. The Trust promotes a healthy lifestyle, care for each other, celebration of success, the ability to be resilient – working through difficulties, within and beyond into the wider community. We strive to develop strength of character and promote the resilience needed to make the most of life that lies ahead.

In addition, the Trust aims to give all stakeholders a voice; ensuring views are listened to and valued. We ensure that physical environments and learning resources are of a high standard for all students and staff. To advance the quality of education offered and increase the professional advancement of all staff, the Executive and Senior Leadership team will identify, access and implement the intellectual and practical benefits of Professional learning [INSET and CPD]. The Trust aims to play a lead role in action research projects. The use of evidence informed practice has been developed through staff professional development working parties. This has led to some interesting findings and the development of innovative practices, which we plan to implement across Bradfields Academy from September. The Trust shares best practice and supports effective teaching and learning beyond the academy in schools and trusts across Medway and Kent through our highly effective Outreach Team.

Teaching and learning values

The staff and Trustees believe it is important that teaching and learning is of a high standard, uses a variety of methods and approaches, is monitored regularly and takes place throughout the whole academy day. Furthermore, teaching and learning should be sharply focused and include on-going assessment, be stimulating and interesting and give access to a range of age-appropriate learning opportunities. It should also be relevant to the needs of each student; link student learning to real world examples and applications; recognise and promote achievements in all areas and promote positive learning behaviour and supports it being sustained.

Moreover, it should be well planned and recorded, demonstrate high expectations of the students, be supported by appropriate levels of learning resources and access to developing technologies; accredited to ensure external value, credibility and transferability; conform to statute and Trust policy and supported by quality on-going professional learning [INSET and CPD]. During 2021-22 the curriculum and teaching and learning has been an area of development as a result of a trust led curriculum project which the trust led for local schools and trust head teachers/leaders. As a result of this collaborative yearlong project, the leadership team has developed Fortis Trust's Framework for Excellent Practice. This will be launched in September. Within Bradfields Academy staff have worked together to review and develop the curriculum vision, which has led to the development of Bradfields Academy's Curriculum framework. The framework will be launched in September and aims to deliver successful learners, strong identity, grow leaders and become active citizens who impact positively on the wider community.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Strategic report

Achievements and performance

The Trustees have a clear timetable and procedure for strategic planning. The committee structure and terms of reference reflect this. The timing of Full Board and committee meetings fit with this timetable. The agenda for meetings reflect the strategic priorities of the Trust and its schools/provisions. The trustees meet in person and make use of Microsoft Teams, which enables hybrid meetings to take place and ensures all Trustees including can access meetings. The Trustees are aware of the partnerships, networks and groups that the Trust and its academy and partner provision participates in and the impact of these e.g. Head teacher's meetings, Schools forum. The Trustees receive regular information on the effectiveness of those partnerships.

Trustees evaluate the effectiveness of performance management throughout the Trust by monitoring the correlation between the quality of teaching, pupil outcomes and other priority indicators with appraisal outcomes and teachers' staffing committee minutes.

The six key priorities for the coming year are:

- Implementation of the Fortis Framework for Excellent Practice
- Curriculum development
- Leadership & Trustee effectiveness and development
- Financial management
- Polycrisis planning
- MAT expansion

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

- Key improvements and highlights
- Total current reserves
- Staff costs as a % of total costs
- Current ratio
- OFSTED ratings

Key improvements and highlights

This year, there have been a number of key improvements and milestones achieved across the trust.

Highlights include:

- The recovery support provided to children and their families as part of the Post Covid-19 education recovery, this includes excellent therapeutic support.
- The continued development of the central team with new members of the finance team becoming settled and established in their roles.
- The reestablishment of outreach support for schools, which had withdrawn from the service during the Covid-19 period.
- The continued improvement of Bradfields and our partner company F2E.
- The planned growth of Bradfields Academy with the new building, which will be ready for a September 2022 opening.
- Trust led curriculum events and training which successfully supported local heads to engage in curriculum development to enhance practice and provision across Medway.
- Development of evidence informed CPD and curriculum enhancement at Bradfields Academy.
- Site development at Bradfields Academy enhancing facilities including a new sensory room.
- Successfully ended the false claim for a 'loan' repayment from Medway LA. Medway LA have written to confirm that the Trust does not owe Medway any monies.

Summary Key Performance Indicators	Value	Ratio	%
Current Reserves	£1,072,290		
Staff costs as a % of total costs			85.65
Current ratio		3.09	

Ofsted Ratings:

Bradfields Academy – Judged: Outstanding March 2017

The Academy had its first inspection since conversion on the 7/8th March 2017. The one-day inspection was extended to two days in order to move the Academy from Good to Outstanding.

Forward2Employment – Monitoring Visit, July 2022: Reasonable process

Forward2Employment (F2E) is a specialist post 15 college, which provides supported internships for young adults aged 16-25years. F2E is an associate company of Fortis Trust. F2E received its initial Further Education & Skills monitoring visit. The visit explored three key areas:

- How much progress have leaders and managers made in designing and delivering relevant learning programmes that are clearly defined and tailored to suit the individual needs of learners?
- How much progress have leaders and managers made to ensure that learners benefit from high-quality learning programmes that develop independence, communication and skills and help them to achieve their personal and/or work-related goals?
- How much progress have leaders and managers made in ensuring that effective safeguarding arrangements are in place?

F2E was successfully judged as having made 'reasonable progress' in all areas. Clear areas of action have been identified as a result which will be addressed in preparation for the full inspection, which will take place within 18 months of the inspection.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

These enquires included trustee engagement with monthly management accounts showing good cash flow and scrutiny of three year surplus budget which comprised of stable funding streams, a focus on the generation of income from lettings and a robust monitoring and forecasting practice.

Financial review

The trust had an SRMA inspection on the 8th May 2020, the report made recommendations to lead to savings of £745,636 over 3 years. The trust moved forward successfully with the recommendations and Trustees were pleased that significant progress has been made since which has improved our financial position as a result. The RSC team have commended the Trust on the progress made and have stated that they consider it to have been a financial blip.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

a. Internal Scrutiny

UHY Hacker Young completed the Internal Scrutiny in line with the requirements set out in The Academy Trust Handbook. Various matters arising from the internal scrutiny review of the Trust's internal controls, regularity, governance, finance and certain other procedures for the period September 2021 - August 2022 were reviewed and reported to the Trustees and Accounting Officer. This process provides independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively.

The focus of the Three internal scrutiny reviews for this year have focused on:

- Risk Management
- Fund Auditing
- Trustee Induction pack

In addition the following advice and actions were undertaken:








1. Evaluating the suitability of, and level of compliance with, financial and other controls. This includes assessing whether procedures were designed effectively and efficiently, and checking transactions to confirm whether agreed procedures were followed;
2. Provision of advice and insight to the Board on how to address weaknesses in financial and other controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the Trust;
3. Ensured all categories of risk were being adequately identified, reported and managed;
4. Assisted the Trust to identify on a risk-basis (with reference to its risk register) the areas we will review each year, and checks were modified accordingly. For example, greater scrutiny where procedures or systems have recently changed;
5. Considerations of output from other assurance procedures, for example, having regard to recommendations from the Trusts external auditors as described in their management letter, and from any relevant reviews undertaken by ESFA.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

A full report was produced after each Internal Review which outlined details of any issues raised and recommendations. No significant issues that required immediate attention were identified. The overall summary of findings is detailed below:




Overall summary

Visit	Area Covered	Conclusions from visit	Number of findings			
			 High	 Mid	 Low	
1.	Risk Management	 High Assurance - there is a sound system of control operating effectively to achieve objectives. Any issues identified are minor in nature and should not prevent system objectives being achieved.	-	-	-	1
2.	Fund Accounting	 High Assurance - there is a sound system of control operating effectively to achieve objectives. Any issues identified are minor in nature and should not prevent system objectives being achieved.	-	-	1	1
3.	Trustee Induction Pack	 High Assurance - there is a sound system of control operating effectively to achieve objectives. Any issues identified are minor in nature and should not prevent system objectives being achieved.	-	-	2	1

The following overall recommendations were made in the Annual Report which Trustees and the Executive/Senior Leadership Team will address by November 2022.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

No.	Area	Observation	Priority	Comments and/ recommendation
1	Fund Analysis (from review 2)	Only 3 different funds are used for the analysis of income and expenditure: restricted, unrestricted and Pupil Premium.	 Low	To enable a more detailed, instant analysis of fund performance, the trust could also set up separate funds for GAG, Other DfE/ESFA, Other Government Grant and capital funds. This would also better reflect the funds reported on in the year-end annual audited accounts.
2	Trustee confirmation of reading documents (from review 3)	Currently there is no procedure in place to ensure trustees have read all the documents provided to them on induction.	 Low	New trustees / members are invited to Governors Hub to review all induction documents. The Hub will show who has activated their account but does not confirm when they have read the documents specified in the induction. We therefore recommend trustees sign a declaration to confirm they have read the documents. Alternatively, it can be added to the checklist for the trustee / member to sign when complete.
3	Annual Skills Audit (from review 3)	We were informed that a skills audit is conducted annually to review training needs. Whilst we were shown a spreadsheet showing the training courses attended, following the completion of the skills audit, we were not shown a copy of the skills audit itself, nor could the date when the audit was completed be confirmed.	 Low	The central spreadsheet maintained should record the date of the skills audit.

Progress will be monitored by the Board of Trustees.

b. Expenditure

In accordance with SORP 2015, expenditure has been analysed between the cost of generating funds, charitable activities and governance.

The trust has made significant progress to address the deficit from the 2020 financial year. Expenditure on resources, energy and staffing has been analysed and savings made where appropriate. Discussions with the SRMA were useful and proved useful in improving efficiencies to make savings. The Trust now uses Integrated Curriculum Financial Planning (ICFP) as our management process, which ensures the best curriculum for students, informs timetable and staffing planning in line with the allocated budgets. Approximately 99.9% of the trust's expenditure relates to its educational operations.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

c. Reserves policy

The Trustees of Fortis Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

The trustees review the serve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income commitments and the nature of reserves. The Trustees have determined in line with policy that we should be aiming to have one month's operating costs in reserve, currently £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, thus providing a financial 'cushion' to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of unrestricted reserves are £22,922 (total funds less the amount held in fixed assets and restricted funds).

The academy held fund balances at 31 August 2022 of £1,072,290 (2021: £422,370) consisting of unrestricted funds of £22,922 (2021: £15,453) and restricted funds of £1,049,368 (2021: £406,917).

At 31 August 2022 the total funds comprised:

Unrestricted		£22,922
Restricted:	Fixed asset funds	£12,000,590
	Pension reserve	£(630,000)
	Other	£1,049,368
		£12,442,880

The Trust has a positive cash balance to address unforeseen costs. The banking facilities are reviewed on a regular basis. The reserves policy will be reviewed in 2022/23 to take into account the 2021/22 reserve levels.

d. Investment policy

The purpose of the Investment Policy is to set out the processes by which the Trustees meet their duties under the Articles of Association and the Academies Financial Handbook issued by the ESFA to invest monies surplus to operational requirements in the furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

Surplus funds are invested in banks or financial institutions, which comply with the Charity Commission requirements for charity fund which seeks to, maximise return and provide security of funds in the current market climate. The current reserves are held in an instant access current and savings account in order to support the Trust's main purpose.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

e. Principal risks and uncertainties

The Trust practises through its Board, namely the Board of Trustees and the constituted subcommittees, risk management principles. It formally reviews its risk register yearly and considers whether each identified risk is appropriately assessed and whether the mitigation strategies identified for each is proportionate to the gravity of the risk. Risks are assessed, graded and prioritised in terms of their likelihood and their seriousness, should they occur. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated. The Trustees use a PESTLE analysis as a front page for the risk register and to have a 'top 5' risks noted.

The principal risks facing the Trust are:

- Financial including reduction in income and inadequate surplus going forward, and the impact of the Term Time Only back pay miscalculation.
- Polycrisis response and forward planning to become risk adverse.
- Reputational risk including compromised MAT expansion plans.
- Performance risk including OFSTED outcomes and public reviews.
- Political risk including change of policy from local/central government.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

f. Term Time Only (TTO) back pay miscalculation

Medway Council introduced a new holiday pay calculation for TTO employees from 1st April 2020 in order to bring the local calculation in line with new national best practice as set out in National Joint Council (NJC) terms and conditions (known as the Green Book). Following the introduction of the new calculation, two trade unions, Unison and GMB, lodged grievances against the council claiming that the pay calculations used for staff working TTO prior to April 2020 disadvantaged them when compared to all year-round staff. This had an impact on Trust employees as we use Medway Payroll and as such their pay calculations.

Medway Council sought ACAS involvement and commenced negotiations with trade unions in May 2021 to try to resolve the dispute, for Medway, Medway Schools and the Academy Trusts who have schools and academies in Medway. A series of meetings were held and in September 2021 Medway Council presented a final employer offer to settle the claim. Medway Council offered the following in final settlement:

- Compensation equivalent to up to two weeks gross pay, for those eligible, dependant on length of service;
- The compensatory sum will be calculated using current rates of pay at time of payment;
- The compensatory sum will be based on working hours immediately prior to the new calculation being adopted on 1 April 2020;
- The compensatory sum will be subject to deductions for tax and National Insurance (NI) and will be pensionable for individuals currently participating in the pension scheme.

Beneficiaries needed to be in current employment with an appropriate employer such as the council, a Medway school or an academy trust and have been in employment in a TTO role at the point of cut off i.e. when the new rate was implemented (on 1 April 2020).

The offer of 2 weeks pay at current rates has been sent out to all relevant support staff within Fortis Trust. They have all consented for their information to be sent to ACAS. The next step is for ACAS to invite staff to a webinar with further information, this is likely to happen mid to late October. If all staff subsequently accept the offer, the total gross pay will be £37,415 with on costs this is an approx cost to the Trust of £46,769. Provision has been made in the 22/23 budget for this.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Fundraising

The Trust does not use any external fundraisers. The Trustees monitored all fundraising undertaken during the year. The PTFA who are a registered charity and comply with the Charities Commission regulations, undertake fundraising for Bradfields Academy. The Trust also uses the services of LetsLocalise to manage fundraising. There have been no complaints related to fundraising in this period.

Plans for future periods

The six key priorities for the coming year are:

- Implementation of the Fortis Framework for Excellent Practice
- Curriculum development
- Leadership & Trustee effectiveness and development
- Financial management
- Polycrisis planning
- MAT expansion

The Trust is also expecting an OFSTED inspection from September 2022 and the trustees aim to maintain the Outstanding rating from 2017. The Trustees will make use of benchmarking data, ICFP and regular meetings with the SLT to ensure the priorities are being met. The Trustees will ensure that, through task and finish, they remain effective and regularly review KPIs and Trust development.

Following the COVID 19 lockdown, the importance of remote learning was established and provision was successful in supporting teaching, learning and day-to-day management of the Trust and its academy and associated provision. The Trustees continue to expect to be IT complaint, further enhance, and embed remote learning provision.

Bradfields Academy has been supported to expand its capacity through the Trust securing permission from the ESFA to expand increasing numbers to 440 students by 2023. An additional building was agreed and has been fully funded by Medway LA. The cost of the project was £4million. The new building will be open for use in September 2022.

Funds held as custodian on behalf of others

The Trust acts as custodian of the post 16 student bursary, funds are held by the trust before being administered to the eligible students.

Fortis Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2022

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Xeinadin Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2022 and signed on its behalf by:



Peter Martin
Chair of Trustees



Marie Sweetlove
Accounting Officer

Fortis Trust
(A company limited by guarantee)

Governance Statement

Scope of responsibility

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

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

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 Fortis 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.

Fortis Trust
(A company limited by guarantee)

Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Full Board of Trustees has formally met 6 times during the year, with the two Sub-Committees each meeting 3 times a year.

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

Trustee	Meetings attended	Out of a possible
Peter Martin, Chair of Trustees	6	6
Paul Coyne	4	6
Ian Chappell	5	6
Patrick Drumm	3	6
Mark Gedye	6	6
Andrew Gray (Appointed 27 Sept 21, resigned 7 Feb 22)	3	4
Matt Hull	6	6
Christine Richards (appointed 31 Mar 22)	1	2
Marie Sweetlove, CEO/Principal (sick leave from May 22)	4	5
Marian Wheeler (resigned 2 May 22)	4	5
Gill Williams (resigned 4 Mar 22)	3	4

In addition to the above, David Waters (acting Principal for the period of Marie Sweetlove's sick leave) attended 1 out of 1 available meetings.

The Student Needs and Curriculum Committee is a sub-committee of the main Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Peter Martin	3	3
Patrick Drumm	2	3
Mark Gedye	2	3
Matt Hull	3	3
Marie Sweetlove (CEO/Principal) (sick leave from May 22)	1	2
Marian Wheeler (resigned 2 May 22)	2	2
Gill Williams (resigned 4 Mar 22)	2	2
David Waters (acting Principal for period of Marie Sweetlove's sick leave)	1	1

Fortis Trust
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

The Finance, Staffing and Buildings Committee is also a sub-committee of the main Board of Trustees..

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Peter Martin	3	3
Paul Coyne	2	3
Ian Chappell	2	3
Mark Gedye	3	3
Andrew Gray (appointed 27 Sep 21, resigned 7 Feb 22)	0	2
Marie Sweetlove (CEO/Principal) (sick leave frm May 22)	1	2
Gill Williams (resigned 4 Mar 22)	2	2
David Waters (acting Principal for period of Marie Sweetlove's sick leave)	1	1

Attendance at Full Trust Board Meetings will be an area of focus for the next academic year.

Review of value for money

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

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

- Appointing external auditors to perform the annual audit.
- Ensuring the RO visits are timely and reports of those visits are available for trustees to consider.
- Fully cooperate with the SRMA and note any actions from the report when made available.
- Successfully challenged Medway LA's false claims for a loan repayment.
- Reporting the income and use of the PPG, Catch Up funding and Primary PE funding.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fortis Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Fortis Trust
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- 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
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from UHY Hacker Young.

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

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

On a quarterly basis, the reviewer reports to the Board of Trustees through the finance/staffing, audit and buildings committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

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

- the work of the internal and external reviewer
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditors
- the SRMA report

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance/staffing, audit and buildings 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 14 December 2022 and signed on their behalf by:



Peter Martin
Chair of Trustees



Marie Sweetlove
Accounting Officer

Fortis Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Fortis Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

The dispute with Medway Local Authority in respect of a sum of £250,000 received from the Local Authority in 2017 has now been resolved. Medway LA have confirmed that they have ceased their claims and that no monies are owed by Bradfields Academy or Fortis Trust. I can, therefore, confirm that the Board of Trustees and I are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2021.

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



Marie Sweetlove
Accounting Officer
Date: 14 December 2022

Fortis Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2022

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

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

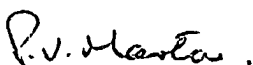
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:



Peter Martin
Chair of Trustees

Fortis Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Fortis Trust

Opinion

We have audited the financial statements of Fortis Trust (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Fortis Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Fortis Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Fortis Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Fortis Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs (UK), exercise professional judgement and maintain professional scepticism through the audit. We also:

1. Assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud may occur.
2. Held discussions with the client regarding their policies and procedures on compliance with laws and regulations.
3. Held discussions with the client regarding their policies and procedures on fraud risks, including knowledge of any actual suspected or alleged fraud.

We consider the entity's controls effective in identifying fraud. We do not consider there to be significant difficulty in detecting irregularities.

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

Use of our report

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



Alastair Crawford FCA (Senior statutory auditor)
for and on behalf of
Xelnadin Audit Limited
Statutory Auditor
Chartered Accountants
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 20 December 2022

Fortis Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Fortis Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 28 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fortis Trust during the year 1 September 2021 to 31 August 2022 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 Fortis Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fortis Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fortis Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Fortis Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fortis Trust's funding agreement with the Secretary of State for Education dated 28 March 2014 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

Fortis Trust
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Fortis Trust and the Education
& Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Xeladin Audit Limited

Reporting Accountant
Xeladin Audit Limited
Statutory Auditor
Chartered Accountants

Date: 20 December 2022

Fortis Trust
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	-	-	154,622	154,622	477,652
Other trading activities		10,040	-	-	10,040	4,455
Investments	7	396	-	-	396	-
Charitable activities		-	7,831,051	-	7,831,051	6,683,358
Total income		10,436	7,831,051	154,622	7,996,109	7,165,465
Expenditure on:						
Charitable activities	9	2,967	7,872,392	223,109	8,098,468	7,460,149
Total expenditure		2,967	7,872,392	223,109	8,098,468	7,460,149
Net income/(expenditure)		7,469	(41,341)	(68,487)	(102,359)	(294,684)
Transfers between funds	19	-	(145,208)	145,208	-	-
Net movement in funds before other recognised gains/(losses)		7,469	(186,549)	76,721	(102,359)	(294,684)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	5,859,000	-	5,859,000	(726,000)
Net movement in funds		7,469	5,672,451	76,721	5,756,641	(1,020,684)
Reconciliation of funds:						
Total funds brought forward		15,453	(5,253,083)	11,923,869	6,686,239	7,706,923
Net movement in funds		7,469	5,672,451	76,721	5,756,641	(1,020,684)
Total funds carried forward		22,922	419,368	12,000,590	12,442,880	6,686,239

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 58 form part of these financial statements.

Fortis Trust
(A company limited by guarantee)
Registered number: 08899707

Balance sheet
as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	11,869,926	11,923,869
Current assets			
Debtors	16	384,171	101,857
Cash at bank and in hand		1,394,182	657,878
		<u>1,778,353</u>	<u>759,735</u>
Creditors: amounts falling due within one year	17	(575,399)	(162,365)
Net current assets		<u>1,202,954</u>	<u>597,370</u>
Total assets less current liabilities		<u>13,072,880</u>	<u>12,521,239</u>
Creditors: amounts falling due after more than one year	18	-	(175,000)
Net assets excluding pension liability		<u>13,072,880</u>	<u>12,346,239</u>
Defined benefit pension scheme liability	26	(630,000)	(5,660,000)
Total net assets		<u><u>12,442,880</u></u>	<u><u>6,686,239</u></u>

Fortis Trust
(A company limited by guarantee)
Registered number: 08899707

Balance sheet (continued)
as at 31 August 2022

	Note	2022 £	2021 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	12,000,590	11,923,869
Restricted income funds	19	1,049,368	406,917
		<hr/>	<hr/>
Restricted funds excluding pension asset	19	13,049,958	12,330,786
Pension reserve	19	(630,000)	(5,660,000)
		<hr/>	<hr/>
Total restricted funds	19	12,419,958	6,670,786
Unrestricted income funds	19	22,922	15,453
		<hr/>	<hr/>
Total funds		<u>12,442,880</u>	<u>6,686,239</u>

The financial statements on pages 30 to 58 were approved by the Trustees, and authorised for issue on 14 December 2022 and are signed on their behalf, by:



Peter Martin
Chair of Trustees

The notes on pages 34 to 58 form part of these financial statements.

Fortis Trust
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	750,848	229,511
Cash flows from investing activities	22	(14,544)	(94,042)
Change in cash and cash equivalents in the year		736,304	135,469
Cash and cash equivalents at the beginning of the year		657,878	522,409
Cash and cash equivalents at the end of the year	23, 24	<u>1,394,182</u>	<u>657,878</u>

The notes on pages 34 to 58 form part of these financial statements

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

1. General information

The Fortis Trust is a private company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Trust's operations and principal activity are detailed in the Trustees Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Going concern

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

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

2. Accounting policies (continued)

2.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Trust, can be reliably measured.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life, as follows:

Depreciation is provided on the following bases:

Leasehold buildings	- 2% (50 years) straight line
Leasehold land	- Straight line over the term of the lease (125 years)
Furniture and equipment	- 10% (10 years) straight line basis
Plant and machinery	- 25-33.33% reducing balance basis

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.

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

2. Accounting policies (continued)

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 Liabilities

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

2.10 Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

2. Accounting policies (continued)

2.11 Pensions

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

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

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

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

2.12 Agency arrangements

The Trust acts as agent on behalf of both the ESFA and the Local Authority and is charged with the issuing of bursary funds to students. No accounting entries have been made for these transactions apart from where amounts remain unspent. In this instance a liability must be recognised for the balance due back to the principal.

2.13 Fund accounting

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

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

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

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

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment and note 2.6 for the useful economic lives of each class of assets.

4. Income from donations and capital grants

	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donated tangible fixed assets	3,910	3,910	33,600
Capital grants	150,712	150,712	444,052
	<u>154,622</u>	<u>154,622</u>	<u>477,652</u>
<i>Total 2021</i>	<u><u>477,652</u></u>	<u><u>477,652</u></u>	

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

5. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	3,350,000	3,350,000	3,180,000
Other DfE/ESFA grants			
Pupil premium	131,432	131,432	121,746
Others	23,203	23,203	-
	<hr/> 3,504,635	<hr/> 3,504,635	<hr/> 3,301,746
Other Government grants			
Local authority - SEN	3,082,014	3,082,014	3,008,912
Other government grants	332,841	332,841	25,373
Teachers pay and pension grant	304,975	304,975	-
Top-up funding	250,000	250,000	-
	<hr/> 3,969,830	<hr/> 3,969,830	<hr/> 3,034,285
Other income from the Academy's educational operations	262,644	262,644	180,837
COVID-19 additional funding (DfE/ESFA)			
Recovery Premium	36,105	36,105	-
Other DfE/ESFA COVID-19 funding	57,837	57,837	-
	<hr/> 93,942	<hr/> 93,942	<hr/> -
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus exceptional support	-	-	166,490
	<hr/> -	<hr/> -	<hr/> 166,490
	<hr/> <hr/> 7,831,051	<hr/> <hr/> 7,831,051	<hr/> <hr/> 6,683,358
Total 2021	<hr/> <hr/> 6,683,358	<hr/> <hr/> 6,683,358	

The academy received £36,105 of funding for ESFA covid-19 recovery premium and costs incurred in respect of this funding totalled £36,105.

The academy received a further £57,837 of funding for the National tutoring programme, covid-19 mass testing and vaccination funding and incurred costs in respect of these funds of £57,837.

In the prior year the academy trust was eligible to claim additional funding from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'exceptional government funding'.

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	10,040	10,040	4,455
	<u>10,040</u>	<u>10,040</u>	
<i>Total 2021</i>	<u>4,455</u>	<u>4,455</u>	

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest receivable	396	396	-
	<u>396</u>	<u>396</u>	<u>-</u>

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational operations:					
Direct costs	4,176,427	-	592,260	4,768,687	4,625,216
Allocated support costs	2,759,777	355,426	214,578	3,329,781	2,834,933
	<u>6,936,204</u>	<u>355,426</u>	<u>806,838</u>	<u>8,098,468</u>	<u>7,460,149</u>
<i>Total 2021</i>	<u>6,504,333</u>	<u>140,223</u>	<u>815,593</u>	<u>7,460,149</u>	

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Educational operations	2,967	8,095,501	8,098,468	7,460,149
<i>Total 2021</i>	30	7,460,119	7,460,149	

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	4,768,687	3,329,781	8,098,468	7,460,149
<i>Total 2021</i>	4,625,216	2,834,933	7,460,149	

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	89,000	89,000	67,000
Staff costs	2,759,777	2,759,777	2,318,660
Technology costs	26,894	26,894	36,608
Premises costs	244,866	244,866	148,712
Other costs	193,483	193,483	241,632
Governance costs	15,761	15,761	22,321
	3,329,781	3,329,781	2,834,933
<i>Total 2021</i>	2,834,933	2,834,933	

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	9,976	15,957
Depreciation of tangible fixed assets	223,109	254,568
Fees paid to Xeinadin Audit Limited and its associates for:		
- audit	7,500	13,000
- other services	3,525	6,696
	<u>234,010</u>	<u>280,221</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	4,410,707	4,287,314
Social security costs	428,870	407,046
Pension costs	1,717,086	1,481,381
	<u>6,556,663</u>	<u>6,175,741</u>
Agency staff costs	379,541	261,592
Other costs	-	67,000
	<u>6,936,204</u>	<u>6,504,333</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	50	49
Administration and support	112	106
Management	6	9
	<u>168</u>	<u>164</u>

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

12. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	1	3
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £745,604 (2021 - £880,991).

13. Trustees' remuneration and expenses

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

		2022 £	2021 £
Marie Sweetlove, Principal	Remuneration	105,000 - 110,000	110,000 - 115,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000
Christine Richards (appointed 31 March 2022, resigned 17 September 2022)	Remuneration	20,000 - 25,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

14. Trustees' and Officers' Insurance

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

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

15. Tangible fixed assets

	Leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	12,826,761	313,700	541,125	34,000	13,715,586
Additions	-	48,181	120,985	-	169,166
Transfers between classes	(17,282)	6,146	11,136	-	-
At 31 August 2022	12,809,479	368,027	673,246	34,000	13,884,752
Depreciation					
At 1 September 2021	1,131,362	216,321	418,102	25,932	1,791,717
Charge for the year	110,560	18,207	86,274	8,068	223,109
At 31 August 2022	1,241,922	234,528	504,376	34,000	2,014,826
Net book value					
At 31 August 2022	11,567,557	133,499	168,870	-	11,869,926
At 31 August 2021	11,695,399	97,379	123,023	8,068	11,923,869

The leasehold agreement of 125 years is with Medway Council. The leasehold property was independently valued by Webb Valuations Ltd in June 2016 at £11,270,000. This was used as deemed valuation on conversion.

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	453	750
VAT recoverable	40,783	47,301
Prepayments and accrued income	342,935	53,806
	384,171	101,857

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	-	75,000
Trade creditors	40,326	42,580
Other taxation and social security	106,437	-
Other creditors	126,620	-
Accruals and deferred income	302,016	44,785
	<u>575,399</u>	<u>162,365</u>
	2022 £	2021 £
Deferred income at 1 September 2021	400	-
Resources deferred during the year	251,809	400
Amounts released from previous periods	(400)	-
	<u>251,809</u>	<u>400</u>

Deferred income relates to:-

- Universal Free School Meals funding received in advance
- Funding in relation to the Teachers Pay and Pension grant, and Supplementary funding received from the Local Authority received in advance.
- Local authority pupil premium funding for 1 child.

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>-</u>	<u>175,000</u>

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	15,453	10,436	(2,967)	-	-	22,922
Restricted general funds						
General Annual Grant (GAG)	406,917	3,350,000	(2,562,341)	(145,208)	-	1,049,368
Pupil premium	-	131,432	(131,432)	-	-	-
Other DfE/ESFA grants	-	23,203	(23,203)	-	-	-
Local authority - SEN	-	3,082,014	(3,082,014)	-	-	-
Other government grants	-	332,841	(332,841)	-	-	-
Teachers pay and pension grant	-	304,975	(304,975)	-	-	-
Top-up funding	-	250,000	(250,000)	-	-	-
Covid-19 catch- up funding	-	36,105	(36,105)	-	-	-
Covid-19 - other funding	-	57,837	(57,837)	-	-	-
Other restricted income from educational operations	-	262,644	(262,644)	-	-	-
Pension reserve	(5,660,000)	-	(829,000)	-	5,859,000	(630,000)
	(5,253,083)	7,831,051	(7,872,392)	(145,208)	5,859,000	419,368

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
NBV of fixed assets	11,923,869	-	(223,109)	169,166	-	11,869,926
DfE/ESFA capital grants	-	23,958	-	(23,958)	-	-
Other capital grants	-	130,664	-	-	-	130,664
	<u>11,923,869</u>	<u>154,622</u>	<u>(223,109)</u>	<u>145,208</u>	<u>-</u>	<u>12,000,590</u>
Total Restricted funds	<u>6,670,786</u>	<u>7,985,673</u>	<u>(8,095,501)</u>	<u>-</u>	<u>5,859,000</u>	<u>12,419,958</u>
Total funds	<u>6,686,239</u>	<u>7,996,109</u>	<u>(8,098,468)</u>	<u>-</u>	<u>5,859,000</u>	<u>12,442,880</u>

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

The General Fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA Grants fund has been created to recognise the restricted funding received from the Department for Education/Education and Skills Funding Agency which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from Kent and Medway council, as a contribution towards the cost of the Trust's revenue expenditure.

The Other Government Grants fund has been established to recognise grants from Government bodies other than the DfE/ESFA and Local Authorities that fall outside the scope of core funding.

The Other Educational income fund has been set up to recognise all other restricted funding that cannot be classified above that falls outside the scope of its core activities.

The Other activities fund has been established to recognise all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

19. Statement of funds (continued)

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General Funds	6,319	9,164	(30)	-	-	15,453
Restricted general funds						
General Annual Grant (GAG)	230,576	3,180,000	(2,938,878)	(64,781)	-	406,917
Pupil premium	-	121,746	(121,746)	-	-	-
Other DfE/ESFA revenue grants	-	166,490	(166,490)	-	-	-
Other government grants	124,450	3,034,285	(3,158,735)	-	-	-
Other educational income	30,259	176,128	(206,387)	-	-	-
Pension reserve	(4,328,000)	-	(606,000)	-	(726,000)	(5,660,000)
	<u>(3,942,715)</u>	<u>6,678,649</u>	<u>(7,198,236)</u>	<u>(64,781)</u>	<u>(726,000)</u>	<u>(5,253,083)</u>

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

19. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Restricted fixed asset funds						
NBV of fixed assets	11,614,058	-	(261,883)	571,694	-	11,923,869
DfE/ESFA capital grants	29,261	19,770	-	(49,031)	-	-
Local authority capital grants	-	399,282	-	(399,282)	-	-
Non-government capital grants	-	25,000	-	(25,000)	-	-
Donated tangible fixed assets	-	33,600	-	(33,600)	-	-
	<u>11,643,319</u>	<u>477,652</u>	<u>(261,883)</u>	<u>64,781</u>	<u>-</u>	<u>11,923,869</u>
Total Restricted funds	<u>7,700,604</u>	<u>7,156,301</u>	<u>(7,460,119)</u>	<u>-</u>	<u>(726,000)</u>	<u>6,670,786</u>
Total funds	<u><u>7,706,923</u></u>	<u><u>7,165,465</u></u>	<u><u>(7,460,149)</u></u>	<u><u>-</u></u>	<u><u>(726,000)</u></u>	<u><u>6,686,239</u></u>

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Unrestricted general funds	22,922	15,453
Restricted general funds	1,049,368	406,917
Total before fixed asset funds and pension reserve	1,072,290	422,370
Restricted fixed asset fund	12,000,590	11,923,869
Pension reserve	(630,000)	(5,660,000)
Total	12,442,880	6,686,239

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Restricted general funds	4,176,427	2,759,777	195,689	743,466	7,875,359	7,198,266

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	11,869,926	11,869,926
Current assets	22,922	1,624,767	130,664	1,778,353
Creditors due within one year	-	(575,399)	-	(575,399)
Provisions for liabilities and charges	-	(630,000)	-	(630,000)
Total	22,922	419,368	12,000,590	12,442,880

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	11,923,869	11,923,869
Current assets	15,453	744,282	-	759,735
Creditors due within one year	-	(162,365)	-	(162,365)
Creditors due in more than one year	-	(175,000)	-	(175,000)
Provisions for liabilities and charges	-	(5,660,000)	-	(5,660,000)
Total	15,453	(5,253,083)	11,923,869	6,686,239

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(102,359)	(294,684)
Adjustments for:		
Depreciation	223,109	261,883
Capital grants from DfE and other capital income	(154,622)	(477,652)
Defined benefit pension scheme cost less contributions payable	740,000	539,000
Defined benefit pension scheme finance cost	89,000	67,000
(Increase)/decrease in debtors	(282,314)	63,875
Increase in creditors	238,034	70,089
Net cash provided by operating activities	750,848	229,511

22. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(169,166)	(571,694)
Capital grants from DfE Group	23,958	444,052
Capital funding received from sponsors and others	130,664	33,600
Net cash used in investing activities	(14,544)	(94,042)

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,394,182	657,878
Total cash and cash equivalents	1,394,182	657,878

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	657,878	736,304	-	1,394,182
Debt due within 1 year	(75,000)	-	75,000	-
Debt due after 1 year	(175,000)	-	175,000	-
	407,878	736,304	250,000	1,394,182

25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	94,065	-

The above capital commitment is to be funded by the local authority.

26. Pension commitments

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

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

Contributions amounting to £118,229 were payable to the schemes at 31 August 2022 (2021 - £Nil) and are included within creditors.

Fortis Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £697,120 (2021 - £462,381).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £541,000 (2021 - £480,000), of which employer's contributions totalled £424,000 (2021 - £370,000) and employees' contributions totalled £117,000 (2021 - £110,000). The agreed contribution rates for future years are 22.5 per cent for employers and var per cent for employees.

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

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

26. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(165)	(291)
Discount rate -0.1%	169	300
Mortality assumption - 1 year increase	178	432
Mortality assumption - 1 year decrease	(174)	(416)

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	3,780,000	3,519,000
Gilts	33,000	30,000
Other bonds	763,000	746,000
Property	678,000	553,000
Cash and other liquid assets	98,000	154,000
Absolute return fund	415,000	374,000
Total market value of assets	5,767,000	5,376,000

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

26. Pension commitments (continued)

The actual return on scheme assets was £-71,000 (2021 - £650,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(1,161,000)	(909,000)
Interest income	93,000	72,000
Interest cost	(182,000)	(139,000)
Total amount recognised in the Statement of financial activities	(1,250,000)	(976,000)

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

	2022 £	2021 £
At 1 September	11,036,000	8,656,000
Current service cost	1,161,000	909,000
Interest cost	182,000	139,000
Employee contributions	117,000	110,000
Actuarial (gains)/losses	(6,023,000)	1,301,000
Benefits paid	(76,000)	(79,000)
At 31 August	6,397,000	11,036,000

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

	2022 £	2021 £
At 1 September	5,376,000	4,328,000
Interest income	93,000	72,000
Actuarial (losses)/gains	(164,000)	575,000
Employer contributions	421,000	370,000
Employee contributions	117,000	110,000
Benefits paid	(76,000)	(79,000)
At 31 August	5,767,000	5,376,000

Fortis Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2022**

27. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	9,282	8,840
Later than 1 year and not later than 5 years	23,969	1,873
	<u>33,251</u>	<u>10,713</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2022 £	2021 £
Operating lease rentals	9,976	15,957

28. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

29. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

30. Post balance sheet events

The new building funded by Medway Council was ready for occupation from the 5th September 2022 and was handed over to the Trust. There are still some works to be completed relating to the new substation and the transfer of the electricity supply but the building is being used to it's full potential.

31. Agency arrangements

The Trust administers the distributions of the Vulnerable Bursary Funds on behalf of the ESFA. During the year the Trust received funds of £12,000 (2021 - £7,966) and disbursed £12,000 (2021 - £7,966). £Nil was retained to cover administration expenses and a balance sheet of £Nil (2021 - £Nil) relating to undistributed funds as at the balance sheet date and is included within creditors.

The Trust also administers the distributions of Bursary Funds on behalf of the Local Authority. During the year the Trust received funds of £15,493 (2021 - £15,450) and disbursed £15,493 (2021 - £15,450). £Nil was retained to cover administration expenses and a balance of £Nil (2021 - £Nil) relating to undistributed funds as at the balance sheet date and is included within other creditors.