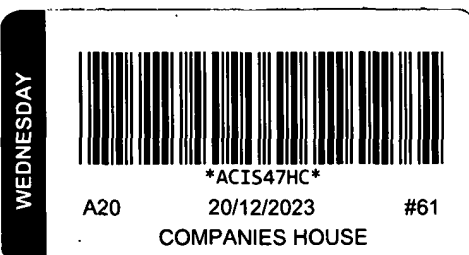

THE FORGE TRUST
(A company limited by guarantee)

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



THE FORGE TRUST
(A company limited by guarantee)

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THE FORGE TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Towner Mrs Trentini Mr Puttergill (resigned 15 November 2023) Mrs Berry Mr Tarr Mrs Bird (appointed 13 November 2023) Ms Murray (appointed 13 November 2023)
Trustees	Mrs Trentini, Chair of Trustees Mr Hessey, Chief Executive and Accounting Officer (resigned 24 October 2023) Mr Woodman-Clarke (resigned 30 September 2022) Mr Scawthon Ms Murray (resigned 14 November 2023) Mrs Astill Mrs Sargisson Mr Barker (appointed 1 September 2022, resigned 4 October 2023) Mrs Bird (appointed 1 September 2022, resigned 14 November 2023) Mr Johnson (appointed 1 September 2022, resigned 4 October 2023) Ms Berry (appointed 16 November 2023) Ms Pannell (appointed 16 November 2023) Mrs Worrell (appointed 16 November 2023) Mrs Bradley (appointed 14 July 2023, resigned 12 August 2023) Mr Corban (appointed 14 July 2023, resigned 6 September 2023) Mrs Nixon (appointed 14 July 2023, resigned 10 August 2023)
Company registered number	09443602
Company name	The Forge Trust
Principal and registered office	Bailey Road Newark Nottinghamshire NG24 4EP
Chief executive officer	Mr Hessey
Senior management team	Mr Hessey (resigned 3 August 2023), Chief Executive Officer Mr Macintyre, Deputy Chief Executive Officer Mr Braithwaite, Consultant Principal Miss Copeland, Chief Financial Officer Mr Hind (appointed 1 September 2023) Mr Nunn, Executive Principal Mrs Harrison, Principal Mrs Selden (resigned 30 April 2023), Principal Mrs Knapp, Principal Mr Stirland, Principal Mr Davy, Principal Mr Green (appointed 1 September 2023)

THE FORGE TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent auditors Duncan & Toplis Audit Limited
4 Henley Way
Lincoln
Lincolnshire
LN6 3QR

Bankers Lloyds Bank
Stodman Street
Newark
Nottinghamshire
PO Box 100 BX1 1LT

Solicitors Langleys Solicitors
Olympic House
Doddington Road
Lincoln
LN6 3SE

THE FORGE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 7 primary academies in the East Midlands. Its academies have a combined pupil capacity of 2,495 and had a roll of 2,157 in the Autumn 2023 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

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

The charitable company is known as The Forge 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.

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.

Trustees' indemnities

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides unlimited cover (Risk Protection Arrangement – DfE).

THE FORGE TRUST
(A company limited by guarantee)

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

The recruitment, selection and subsequent induction of a new trustee is seen as an opportunity to improve the effectiveness of The Forge Trust.

These three elements ensure that we have a balanced, well-informed and effective trustee body. The trust's guiding principles for new trustees are:

- Know their responsibilities for the charity and its resources;
- Make themselves familiar with the charity's constitution;
- Know when they need to seek specialist advice;
- Have clear structures for accountability;
- Manage conflicts of interest.

The leadership of the academy trust advertise as necessary when vacancies arise and have a clear view of the skill set required to add value to the governance already in place. New trustees are elected in line with the Articles of Association.

Policies adopted for the induction and training of Trustees

Trustees receive ongoing training and development. Monitoring and oversight has been delegated to one of the trustees (Training Coordinator) to ensure all trustees have access to relevant training. In addition, trustees are kept up to date with the latest published versions of the Academy Trust Handbook and Governance Handbook. All trustees have access to The Key's Governor Hub where they can access training and supporting resources.

During the year Trustees have attended training to ensure the effectiveness of monitoring Safer Recruitment, Cyber Security, Safeguarding (children and adults) and GDPR. Training for oversight of HR Management, Pay, Appraisal, SEND, Safer Working in Schools and the Equality Act is also booked for trustees in the period September 2023 to January 2024. Trustees are also scheduled to receive training in relation to Ofsted and their role in monitoring in the same timeframe.

Each year a skills audit for trustees is undertaken which provides an opportunity for the trustees and the trust to highlight any training needs. This helps ensure that their knowledge is always up to date

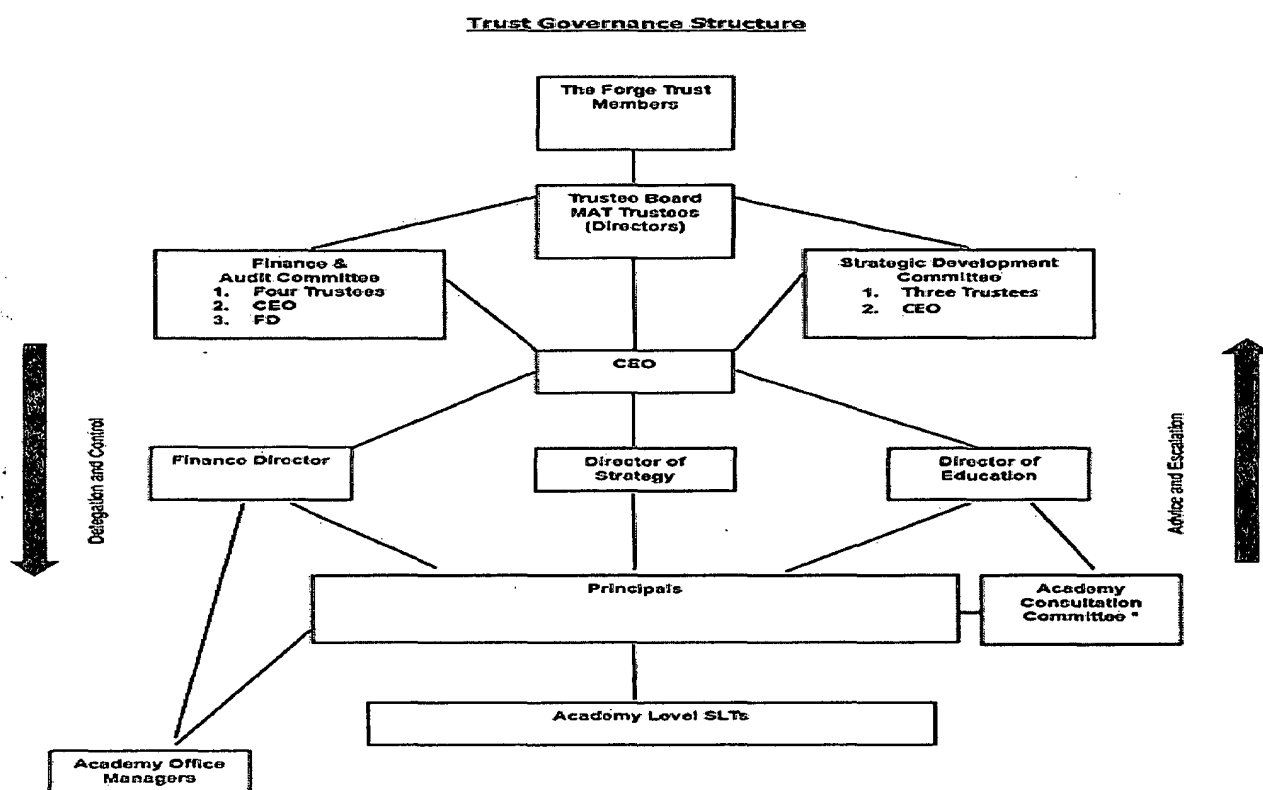
THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The trust has established a clear organisational structure with identified lines of accountability and reporting for all its operations. This includes defining the responsibilities of the trustees and those responsibilities delegated to the committees and officers within the trust.



The board members are responsible for the overall strategic direction of the trust and hold the CEO to account for delivering agreed priorities. They uphold the constitution and protect the ethos of the trust, having ultimate responsibility and authority.

The trustees hold each academy to account for its performance through the CEO, and provide challenge and support in their specialist areas.

The Principals have responsibility for the day-to-day operations of their individual academies. However, a trust led approach is adopted in certain areas such as safeguarding, assessment, recruitment, monitoring and evaluation.

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is determined by the Full Trust Board on the recommendation of the Finance and Audit Committee, taking into account a variety of contributory factors such as role and responsibilities and market factors. Individual pay progression is determined by the Pay Committee using evidence from academies regarding the results of performance reviews against agreed criteria and objectives. The pay and remuneration of the Chief Executive Officer is determined by the Board of Trustees.

Employee involvement and employment of disabled persons

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The trust has established equal opportunity policies and practices in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of the trust is to support the recruitment, training, career development and promotion of all future and existing employees regardless of age, gender, gender identity, sexual orientation, race, religion, belief, disability or ability.

Ramps and disabled toilets are installed and there is wheelchair access to all main areas of the academies within the trust where possible. Accessibility plans are maintained at each academy.

a. Trade union facility time

During the year there were no trade union activities carried out by employees of the trust.

Engagement with employees

The trust has an open culture of performance monitoring. Teachers are actively involved in reviewing data and working collaboratively with the leadership team.

Annual Academy Advisory Bodies (AAB) are held at each school and the Vice Principal attends as staff representative. The AAB review the performance of the school during the year (further details are included in the Governance section).

Where a decision is likely to affect the interests of employees the trust would consult with the relevant trade unions to ensure that the views of their employees are considered in any decision making.

Engagement with stakeholders

The trust values the importance of maintaining positive relationships with its stakeholders that include, but are not limited to, its pupils, parents, ESFA, local authority, suppliers and the wider community.

Whilst in the current climate it has been difficult to accommodate, each school holds termly open forums to allow opportunity for parents and members of the wider community to engage with the school.

Schools have various communication tools for providing information including their website, text and emailing services. Parents, pupils and other stakeholders can also engage directly with an appropriate member of staff by visiting the school office.

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES

Objectives, strategies and activities

The main objectives of the Trust are to:

- Concentrate on high quality teaching and getting it right first time;
- Ensure low class sizes across all financially sound academies within the Trust;
- Focus relentlessly on improving children's ability in core subjects such as reading, writing and maths;
- Recruit and grow our own teachers and leaders from within;
- Provide children with the best possible education, classrooms and resources.

The strategies for achieving these objectives are to:

- Ensure staff are fully trained and kept up to date with current issues through CPD, including the completion of 'educational research';
- Conduct regular performance appraisals of staff through observation and benchmarking reviews and give constructive feedback including focused training on areas identified for improvement;
- Recruit staff at the right levels and ensure there are enough high quality teachers employed by the Trust to allow for small class sizes;
- Ensure that maths and English are at the top of the teaching agenda and that all teachers and pupils excel in these areas. Conduct regular performance reviews based on pupil attainment and results in these areas;
- As a result of low class sizes, the emphasis on marking and feedback is to be personalised;
- Recruit newly qualified teachers where possible and allow them to develop their skills whilst employed by the Trust. Staff should have the opportunity for promotion provided that they can prove their worth and leaders should be recruited from within where possible;
- Ensure that resources are used in the best way possible to achieve the desired educational outcomes for pupils, challenging them to compete with the top 1% of pupils nationally;
- Ensure that teachers have good relationships with parents and carers to allow effective communication and achievement of targets.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by The Charity Commission [on their website at Charities and Public Benefit] in exercising their powers or duties.

The public benefit of the trust is enshrined in its charitable objectives, which state that the object of the charity is: 'to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which offer a broad and balanced curriculum'.

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Achievements and performance

The Sir Donald Bailey Academy, The Forest View Academy and The Python Hill Academy were inspected by Ofsted during the year. All inspection outcomes were positive with The Sir Donald Bailey Academy and The Forest View Academy maintaining their overall "Good" and The Python Hill Academy receiving a Good rating having previously been inadequate prior to joining the trust.

The Sir Donald Bailey Academy ranked 12th out of 252 schools in Nottinghamshire for progress in reading.

The Sir Donald Bailey Academy ranked 9th out of 252 schools in Nottinghamshire for progress in writing.

The Sir Donald Bailey Academy ranked 28th out of 252 schools in Nottinghamshire for progress in mathematics.

The Python Hill Academy ranked 24th out of 252 schools in Nottinghamshire for combined attainment in reading, writing and maths.

The Python Hill Academy ranked 13th out of 252 schools in Nottinghamshire for progress in reading.

The Python Hill Academy ranked 7th out of 252 schools in Nottinghamshire for progress in writing.

The Python Academy ranked 25th out of 252 schools in Nottinghamshire for progress in mathematics.

The Python Hill Academy enabled 80% of pupils to achieve a good level of development across all Early Learning Goals by the end of the Foundation Stage compared with the national average of 63%.

The Parkgate Academy ranked 36th out of 252 schools in Nottinghamshire for combined attainment in reading, writing and maths.

The Forest View Academy ranked 45th out of 252 schools in Nottinghamshire for pupils achieving the higher standard for reading.

The Forest View Academy ranked 35th out of 252 schools in Nottinghamshire for progress in reading.

The Forest View Academy ranked 51st out of 252 schools in Nottinghamshire for combined attainment in reading, writing and maths.

The Marton Academy achieved 100% of children reaching the national standard for all subjects at the end of Key Stage One.

The West Park Academy achieved a pass rate of 93% for the phonics screen in Year 1 compared with a national average of 75%.

The St Augustine's Academy enabled 74% of pupils to achieve a good level of development across all Early Learning Goals by the end of the Foundation Stage compared with the national average of 63%.

The Python Hill Academy were successful in securing additional funding for the replacement of their heating system via the Condition Improvement Fund (CIF).

Both The Parkgate Academy and The West Park Academy invested funding to improve their outside learning environment, renovating their Foundation Stage playground area.

The Parkgate Academy fully refurbished their toilet blocks across year 3 and 4 and Foundation Stage 2. In

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

STRATEGIC REPORT (continued)

Achievements and performance (continued)

addition classroom doors were upgraded to improve the access from the classrooms directly onto the playgrounds.

Additional funding was secured by The Python Hill Academy during the year via the Connect the Classroom scheme which has improved the wireless infrastructure at each site.

Trim Trails were installed at The Forest View Academy and The Parkgate Academy and outdoor gym equipment was installed at The Marton Academy for the enjoyment by their pupils.

Funding was invested in technology across the trust to help improve teaching practices and enhance teachers' professional development.

Key performance indicators

The key performance indicators of the Trust are:

- Pupil recruitment and retention data
- Ofsted Inspection outcomes;
- Exam and key-stage results;
- Pupil attendance data;
- Staffing costs as a percentage of income;
- Retention of reserves in line with the reserves policy.

Pupil recruitment and retention data

Pupil numbers on roll across the Trust has remained relatively consistent with spare capacity at every academy, we predict that these numbers will be maintained.

We believe that the main reasons for the stability of pupil numbers at our academies is strong leadership, communication with parents and the local communities in which we operate, and our improving attainment and performance results which are published on our websites.

Ofsted Inspection Outcomes

The Sir Donald Bailey Academy, The Python Hill Academy and The Forest View Academy were inspected by Ofsted during the year with all schools receiving a rating of Good.

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (continued)

Achievements and performance (continued)

2023 Trust Attainment Data

Academy	% of Y6 pupils who achieved ARE in Maths	% of Y6 pupils who achieved ARE in Reading	% of Y6 pupils who achieved ARE in SPaG	% of Y6 pupils who achieved ARE in Writing	% combined
The Sir Donald Bailey Academy	79%	70%	63%	76%	70%
The Parkgate Academy	79%	82%	82%	79%	76%
The Forest View Academy	76%	81%	73%	76%	68%
The Marton Academy	69%	82%	93%	69%	69%
The Python Hill Academy	86%	82%	79%	86%	80%

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (continued)

Achievements and performance (continued)

The West Park Academy	76%	61%	71%	76%	59%
The St Augustine's Academy	73%	60%	59%	73%	59%
National Averages	73%	73%	72%	71%	59%
Forge Trust Averages	77%	74%	74%	76%	69%

Pupil attendance data

Academy	2022/23 attendance
The Sir Donald Bailey Academy	92.6%
The Parkgate Academy	93.24%
The Forest View Academy	95.24%
The Marton Academy	96.17%
The West Park Academy	92.86%
The Python Hill Academy	94.9
The St Augustine's Academy	92.72%

Staffing costs as a percentage of income

The Forge Trust uses a benchmark of 75% of staffing costs as a percentage of income in line with its objective of low class sizes. The actual percentage for the year to 31st August 2023 was 73%.

Retention of reserves in line with the reserves policy

See financial review and reserves policy for details of current reserves and expectations.

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Promoting the success of the company

In order to achieve the trust's vision as detailed under Objectives and Aims, careful consideration of all strategic decisions is made to ensure that they are for the benefit of improving educational outcomes for all pupils. The trust strives for high educational standards and works collaboratively with its employees to achieve this.

Schools regularly update parents and the community with activities and successes achieved in school thus providing accountability to the communities we serve.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Most of the trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

During the year the trust received funding of £14,108,203 (excluding fixed asset and pension transfers on conversion and funding within the restricted fixed asset fund) compared to resources expended (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £13,675,127 and transfers out to the restricted fixed asset fund of £204,659 to give an in year surplus on revenue funding for the year of £228,417.

The total accumulated reserves of the Trust as at 31 August 2023 were £36,099,477. The amount that can only be realised by disposing of tangible fixed assets is £33,594,805.

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

The Trust will build and maintain a revenue reserve fund equal to two month's expenditure to provide flexibility and certainty in forward planning where funds allow. The amount of reserves required shall be reviewed and determined annually as part of the budget setting process and in line with the trust improvement plan.

The Trust's 'free reserves' are its funds available after excluding restricted funds. 'Reserves' are therefore the resources the trust can make available to spend on any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure.

More specifically 'free reserves' represents funds which can be spent at the Trustees' discretion in furtherance of any of the Trust's objectives which are not yet spent, committed or designated.

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined an appropriate level of reserves should be equivalent to 2 months' total expenditure which equates to £2,474,583.

The reason for this is to provide sufficient working capital to cover delays between the spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of reserves are above the target at £3,079,399.

The level of restricted funds at the year end, excluding the Restricted Fixed Asset fund; Endowment Fund and Pension Reserve, amounted to £2,769,713.

The level of unrestricted funds at the year-end amounted to £309,686.

Funds in deficit

The trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The trust's share of the Scheme's assets is currently assessed to be less than its liabilities and consequently the balance sheet shows a net liability of £803,000. This has been adjusted for the asset ceiling calculation to not show any assets across all individual pension schemes. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary and is reported within the notes to the financial statements.

Investment policy

If significant cash balances can be foreseen it is trust policy to review current investment products for their suitability to see if a better return can be made. However, consideration should only be given to risk-free and immediately accessible deposit accounts. Interest rates must be reviewed annually and compared with other products available. The trustees must approve all accounts and investments.

The trustees will have due regard to ethical and environmental issues when selecting investments and will maintain a dialogue with the companies in which they invest with regard to such matters. They will not make investments in tobacco or arms companies.

All investments must be recorded in sufficient detail to identify the investment and enable current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure that any income due from the investment is received.

THE FORGE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

The Trust has an up to date risk register which details the main risks facing the Trust and the related controls in place to mitigate those risks where possible. Internal control systems and exposure to risks are considered on a regular basis by trustees and management. The Trust's estate is surveyed as part of identifying risks to ensure all sites are well maintained and to ensure capital requirements are adequately budgeted.

Outlined below is a description of the principal risk factors that may affect the Trust and the strategies in place to manage those risks. It should be noted however that not all risks are within the Trust's control and other factors besides those listed may also have the potential to adversely affect the Trust.

1. Government funding

The Trust places considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the Local Authority. This is considered to be a principal risk to the Trust as without this funding the Trust would not be able to continue as a going concern. The strategies in place to manage this risk are as follows:

- The funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the funding bodies;
- Emphasis is placed on priority sectors which will continue to benefit from government funding;
- Contingency planning is embedded in the budgeting process.

2. Pension liabilities

The Trust needs to ensure that it can adequately fund its pension liabilities as any shortfall could have a serious impact on long-term financial stability. In order to manage this risk, the Trustees receive regular advice from the Trust's pension actuary including updates of the position of the pension deficit which allows them to make appropriate contributions to ensure that the deficit does not become unmanageable.

3. Increasing cost pressures

Significant increases to energy costs, cost of food and other general expenditure along with the increase in staffing costs could result in budgets becoming increasingly under pressure if additional funding is not provided.

The risk of rising costs pressures are mitigated as follows:

- The Trust's reserves policy provides a level of protection against unexpected costs.
- KPI's are regularly monitored and action taken where the Trust is not within the parameters set to ensure the Trust's budget remains sustainable.

4. Pupil strategy

The risk of falling pupil numbers across the Trust is mitigated by:

- Ensuring the Trust delivers high quality education;
- Maintaining high success rates and good inspection outcomes;
- Investing in teaching staff and educational resources;
- Maintaining good relationships with parents and the community.

Focusing on these areas places the Trust in a strong position to continue to grow.

The Trustees consider that the Trust's exposure to financial risks including credit, cash flow and liquidity risks is low.

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

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy data for the period 1 September 2022 to 31 August 2023	<u>Current Year</u> <u>2022-23</u>	<u>Previous year</u> <u>2021 - 22</u>
Energy consumption used to calculate emissions (kWh)	2,340,837	2,519,739
Energy consumption break down (kWh) • Gas • Electricity	1,601,609 739,228	1,727,756 791,983
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption	292.39	311.00
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	153.07	153.15
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	-	-
Total gross emissions in metric tonnes CO2e	445.46	464.15
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.21	0.21

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measurements taken to improve energy efficiency

Energy consumption was lower in 2022-23. However, the overall Tonnes of CO2e per pupil has remained consistent. Schools continue to invest in LED lighting to improve energy efficiency and the trust is looking into the use of solar panels. Video conferencing technology for staff meetings continue to be used to reduce need for travel between sites.

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

Plans for future periods

The following aims and key objectives are as set out in the Strategic Growth Plan 2023-24:

- To ensure each sponsored academy secures at least "Good" under the Ofsted framework;
- To ensure that the position of existing "Good" Schools within the Trust is secured and strengthened towards "outstanding";
- To continue to focus on recruitment and training of staff to ensure that the delivery and standard of teaching and learning remains high;
- To ensure that the Trust average for attainment by the end of key stages 1 and 2 for pupils attending academies within the Trust is greater than the national average;
- To ensure that academies within the Trust show a greater than national average improvement in Ofsted judgements, resulting in consistently 'good' or 'outstanding' academies across the Trust;
- As a result of effective leadership development, to ensure that academies within the Trust show Ofsted judgements for leadership and management that are consistently 'good' or 'outstanding'.

Funds held as custodian on behalf of others

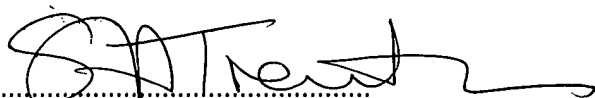
The trust holds no funds as Custodian Trustee on Behalf of Others.

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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2023 and signed on its behalf by:



Mrs Trentini
Chair of Trustees

THE FORGE TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Forge 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 Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Forge 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.

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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 board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
S Trentini, Chair of Trustees	3	3
L Hessey, Chief Executive and Accounting Officer	1	3
S Scawthon	2	3
P Astill	3	3
L Sargisson	3	3
L Murray	3	3
P Towner	1	3
S Bird	2	3
D Johnson	1	3
D Barker	0	0
H Berry	0	0
L Pannell	0	0
P Worrell	0	0
G Bradley	0	0
G Corban	0	0
B Nixon	0	0

The Board of Trustees meets at least three times per annum, usually termly. Their specific responsibilities include:

- Priority setting and ratification of new projects;
- Holding the CEO to account for delivery of strategic objectives and the overall performance of the Trust;
- Appointment, appraisal, discipline and dismissal of the ESLT;
- Appointment of external auditors;
- Appointment and removal of Board members including positions within the Board and on committees;
- Maintaining and publishing a register of members which includes details of any business interests and possible conflicts of interest. It is responsible for ensuring possible conflicts are properly managed;
- Approval of the annual budget, medium term financial plans, business plans and risk management policy;
- Approval of the Trust's annual report and statutory financial statements;
- Appraisal of the affairs of the Trust and its academies;
- Ensuring agreed policies are being implemented by the Trust;
- Ensuring the Trust's compliance with charity and company law, its Memorandum and Articles of Association and all other applicable legislation including DfE and ESFA requirements;
- Ensuring proper and regular use of public funds and compliance with the Funding Agreement;
- Ensuring any recommendations for improvement by external bodies are carried out.

Governance reviews

A review of the impact and effectiveness of the Board of Trustees was carried out during the year. As a result new trustees were appointed with different skills sets to strengthen the structure and composition of the board and its sub-committees to focus on the core strengths and expertise of each trustee and allow more meaningful debate, challenge and review. The Scheme of Delegation Policy provides an in-depth analysis of the roles and responsibilities of the Board of Trustees, its sub-committees and the executive senior leadership team. Academy Partnership Boards are set up at local level to allow academy Principals to have more control and autonomy over the day-to-day operations of individual academies.

THE FORGE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Although the Board has formally met less than six times during the year, it is satisfied that it has been able to maintain effective oversight of funds by implementing that the Finance and Audit Committee meet at least six times during the year.

The Finance and Audit Committee feed back to the main Board and can request that an additional Board meeting is held if considered necessary. Detailed monthly management accounts are produced and shared with the Chair of Trustees every month and at each Finance and Audit Committee meeting.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees by enabling more detailed consideration of the Trust's planning, control and monitoring of finances and resources. This includes making recommendations to the Trustees in relation to annual budgets, medium term financial plans, financial policies, risk management, spending and performance.

The Finance and Audit Committee also ensures that the Trust complies with all matters of regularity, propriety and value for money in its use of public funds and ensures compliance with financial regulations, including The Academy Trust Handbook.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Trentini	6	6
T Puttergill	3	6
S Scawthon	4	6
T Astill	4	6
L Hessey	4	6
S Bird	6	6
D Johnson	1	6

T Puttergill attended meetings as an observer and does not have any voting rights.

The following aims and key objectives are as set out in the Strategic Growth Plan 2023-24:

- To ensure each sponsored academy secures at least "Good" under the Ofsted framework;
- To ensure that the position of existing "Good" Schools within the Trust is secured and strengthened towards "outstanding";
- To continue to focus on recruitment and training of staff to ensure that the delivery and standard of teaching and learning remains high;
- To ensure that the Trust average for attainment by the end of key stages 1 and 2 for pupils attending academies within the Trust is greater than the national average;
- To ensure that academies within the Trust show a greater than national average improvement in Ofsted judgements, resulting in consistently 'good' or 'outstanding' academies across the Trust;
- As a result of effective leadership development, to ensure that academies within the Trust show Ofsted judgements for leadership and management that are consistently 'good' or 'outstanding'.

The Strategic Management Committee also considers the employee related aspects of the Trust which include receiving proposals regarding policies on performance and pay; monitoring and evaluating the performance of the CEO and advising on the strategic planning of human resources.

THE FORGE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at meetings in the year was as follows:

T Puttergill attended meetings as an observer and does not have any voting rights.

Trustee	Meetings attended	Out of a possible
L Murray (chair)	3	3
L Sargisson	3	3
T Puttergill	1	3
S Trentini	3	3

Academy Advisory Bodies

Each academy within the Trust has an Academy Partnership Board which comprises of key leaders of the Trust and academy level personnel. The remit and terms of reference of these bodies are established by the Board of Trustees. The Academy Partnership Boards meet annually. Attendees may include the Academy Principal, Vice Principal, a parent representative, the Trust's SENCO, CEO, Deputy CEO and a community member.

The main purpose of the Academy Partnership Boards is to exercise challenge and support on behalf of the Trust to aid performance at academy level, and to advise the leadership of each academy on matters concerning the local community in order for the academy to stay in touch with its key stakeholders.

Academy Open Forums

The Trust gauges parent opinions in termly open forums.

ESLT Meetings

Monthly meetings are held for the Executive Senior Leadership Team to discuss improvement at academy level, with agendas focusing on the Ofsted evaluation schedule.

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the academy Trust delivers good value in the use of public resources.

The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust'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 or by using a framework where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Sharing resources (including employees) across the Trust;
- Regularly reviewing significant costs to confirm that the Trust is getting the best value for money;
- Using the right expertise in the right places;
- Obtaining quotes and tenders in line with the Trust Procurement Policy;
- Obtaining Board approval for significant cost items in line with the Trust Procurement Policy;
- Setting modest and sustainable leadership pay structures;
- Restructuring and streamlining where appropriate.
- Applying for additional capital funding where appropriate to help ensure the Trust's estate is safe and well maintained.

THE FORGE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from Forrester Boyd to carry out an agreed annual programme of internal assurance works. This option has been chosen because the Trustees feel it provides the most rigour.

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

- testing of Fixed Assets;
- testing of High Level Controls;

On an annual basis, the reviewer reports to the Board of Trustees through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the reviewer 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.

THE FORGE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

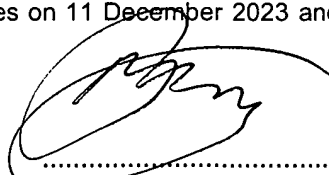
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the internal auditors;
the work of the external auditors;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit 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 11 December 2023 and signed on their behalf by:



.....
Mrs Trentini
Chair of Trustees



.....
Mr Macintyre
Accounting Officer

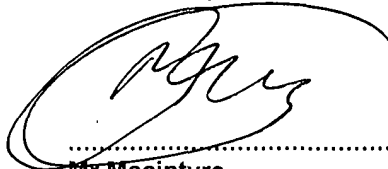
THE FORGE TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Forge Trust, I have considered my responsibility to notify the Academy Trust Board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



.....
Mr Macintyre
Accounting Officer
Date: 11 December 2023

THE FORGE TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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:

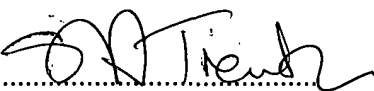
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The 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 11 December 2023 and signed on its behalf by:


.....
Mrs Trentini
Chair of Trustees

THE FORGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FORGE TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trust'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.

THE FORGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FORGE 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 trust 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.

THE FORGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FORGE TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the academy trust 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

THE FORGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FORGE 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:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Trustees and other management obtained as part of the work required by auditing standards. We have also discussed with the Trustees and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. This included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.

Secondly, the academy is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Ofsted rating, Health & Safety Law, HR & minimum wage law, Company Law, compliance with the Funding agreement, compliance with the Academies Financial Handbook and the completion of DBS checks.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection. We have performed audit work through enquiries with management regarding any non-compliance and reviewed all available information to assess whether any breaches have been found. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

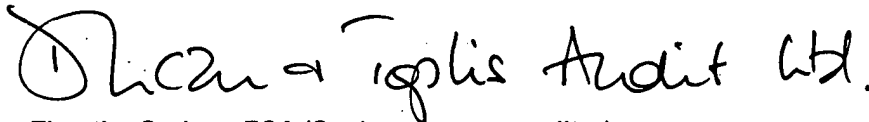
THE FORGE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FORGE TRUST (CONTINUED)**

Auditors' report.

Use of our report

This report is made solely to the academy trust'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 trust'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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Duncan & Toplis Audit Ltd.', is written over the printed name of the auditor.

Timothy Godson FCA (Senior statutory auditor)

for and on behalf of

Duncan & Toplis Audit Limited

4 Henley Way

Lincoln

Lincolnshire

LN6 3QR

11 December 2023

THE FORGE TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FORGE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Forge Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Forge Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Forge 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 The Forge Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Forge Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

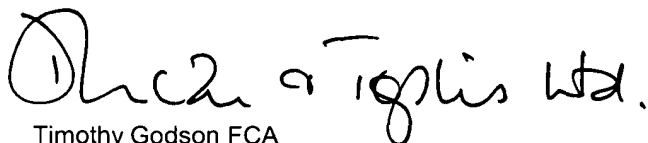
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

THE FORGE TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FORGE 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Timothy Godson FCA
Reporting Accountant

Duncan & Toplis Limited

4 Henley Way
Lincoln
Lincolnshire
LN6 3QR

Date: 11 December 2023

THE FORGE TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	713	26,746	1,119,939	1,147,398	528,089
Other trading activities	5	192,512	14,341	-	206,853	172,562
Investments	6	362	-	-	362	322
Charitable activities: Funding for the academy trust's educational operations	4	-	13,873,529	-	13,873,529	13,117,547
Transfer on conversion from local authority into the academy trust		-	-	-	-	4,661,185
Total income		193,587	13,914,616	1,119,939	15,228,142	18,479,705
Expenditure on:						
Raising funds	7	64,870	23,556	-	88,426	124,687
Charitable activities: Academy trust's educational operations	8	83,792	13,768,909	734,418	14,587,119	14,069,190
Total expenditure		148,662	13,792,465	734,418	14,675,545	14,193,877
Net income		44,925	122,151	385,521	552,597	4,285,828
Transfers between funds	20	-	(204,659)	204,659	-	-
Net movement in funds before other recognised gains/(losses)		44,925	(82,508)	590,180	552,597	4,285,828
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	29	-	1,606,000	-	1,606,000	9,008,000
Pension surplus not recognised	29	-	(13,000)	-	(13,000)	-
Net movement in funds		44,925	1,510,492	590,180	2,145,597	13,293,828

THE FORGE TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Note					
Reconciliation of funds:					
Total funds brought forward	264,761	456,221	33,232,898	33,953,880	20,660,052
Net movement in funds	44,925	1,510,492	590,180	2,145,597	13,293,828
Total funds carried forward	309,686	1,966,713	33,823,078	36,099,477	33,953,880

THE FORGE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09443602

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	33,594,805	33,155,783
Current assets			
Debtors	17	1,081,236	727,215
Cash at bank and in hand		3,359,361	3,457,579
Liabilities		4,440,597	4,184,794
Creditors: amounts falling due within one year	18	(1,130,566)	(1,247,649)
Net current assets		3,310,031	2,937,145
Total assets less current liabilities		36,904,836	36,092,928
Creditors: amounts falling due after more than one year	19	(2,359)	(9,048)
Net assets excluding pension liability		36,902,477	36,083,880
Defined benefit pension scheme liability	29	(803,000)	(2,130,000)
Total net assets		36,099,477	33,953,880
Funds of the academy trust			
Restricted funds:			
Restricted fixed asset funds	20	33,823,078	33,232,898
Restricted income funds	20	2,769,713	2,586,221
Restricted funds excluding pension liability	20	36,592,791	35,819,119
Pension reserve	20	(803,000)	(2,130,000)
Total restricted funds	20	35,789,791	33,689,119
Unrestricted income funds	20	309,686	264,761
Total funds		36,099,477	33,953,880

THE FORGE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09443602

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 32 to 71 were approved by the Trustees, and authorised for issue on 11 December 2023 and are signed on their behalf, by:


.....
Mrs Trentini
Chair of Trustees

THE FORGE TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(44,746)	8,370,067
Cash flows from investing activities	24	(46,983)	(7,499,695)
Cash flows from financing activities	23	(6,489)	(6,652)
Change in cash and cash equivalents in the year		(98,218)	863,720
Cash and cash equivalents at the beginning of the year		3,457,579	2,593,859
Cash and cash equivalents at the end of the year	25, 26	<u>3,359,361</u>	<u>3,457,579</u>

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 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 trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **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 academy trust has provided the goods or services.

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £1,000 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 leasehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% straight line
Furniture and equipment	- 25% straight line
Computer equipment	- 25% straight line
Motor vehicles	- 25% straight line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust 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.

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

1. Accounting policies (continued)

1.11 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.12 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 17. 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 18 and 19. 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.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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.

The academy trust is a member of a multi-employer plan. Where it is not possible for the academy trust to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.15 Fund accounting

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit asset/(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 29, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/(liability).

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	713	26,746	1,210	28,669	56,718
Capital Grants	-	-	1,118,729	1,118,729	471,371
Total 2023	713	26,746	1,119,939	1,147,398	528,089
Total 2022	-	56,718	471,371	528,089	

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

4. Funding for the Academy Trust's educational operations

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Academy trust's educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	9,900,212	9,900,212	9,690,371
Other DfE/ESFA grants			
Start Up Grant	-	-	25,000
Pupil Premium	1,223,274	1,223,274	1,142,632
Other DfE/ESFA Revenue grants	837,177	837,177	479,062
Teachers pay and pension grants	50,226	50,226	42,182
	-	12,010,889	11,379,247
Other government grants			
SEN 1-1 Funding	313,017	313,017	272,204
Other government revenue grants	225,921	225,921	176,647
Early years funding	756,728	756,728	700,232
	1,295,666	1,295,666	1,149,083
Other income from the academy trust's funding for the academy trust's educational operations	390,838	390,838	374,805
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	176,136	176,136	214,412
	176,136	176,136	214,412
	13,873,529	13,873,529	13,117,547
	13,873,529	13,873,529	13,117,547
Total 2022	13,117,547	13,117,547	

During the year the academy received £176,136 (2022: £214,412) of Coronavirus Recovery Premium and National Tutoring Programme funding and costs incurred in respect of this funding totalled £176,136 (2022: £214,412), meaning there is £Nil to be spent in 2023/24.

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

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Letting income	21,571	-	21,571	14,511
Sale of goods	-	13,732	13,732	19,561
Catering Income	64,548	-	64,548	64,086
Other income	106,393	609	107,002	74,404
Total 2023	<u>192,512</u>	<u>14,341</u>	<u>206,853</u>	<u>172,562</u>
<i>Total 2022</i>	<u>101,891</u>	<u>70,671</u>	<u>172,562</u>	

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FOR THE YEAR ENDED 31 AUGUST 2023**

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest received	362	362	322
	<u>362</u>	<u>362</u>	<u>322</u>
<i>Total 2022</i>	<u>322</u>	<u>322</u>	

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on raising voluntary income:					
Direct costs	-	-	2,214	2,214	1,504
Expenditure on fundraising trading activities:					
Direct costs	17,075	-	69,137	86,212	123,183
Activities:					
Direct costs	9,343,230	606,511	992,853	10,942,594	10,356,937
Support costs	1,990,200	971,262	683,063	3,644,525	3,712,253
Total 2023	<u>11,350,505</u>	<u>1,577,773</u>	<u>1,747,267</u>	<u>14,675,545</u>	<u>14,193,877</u>
<i>Total 2022</i>	<u>11,029,689</u>	<u>-</u>	<u>3,164,188</u>	<u>14,193,877</u>	

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

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Educational operations	83,792	14,503,327	14,587,119	14,069,190
<i>Total 2022</i>	3,265	14,065,925	14,069,190	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations	10,942,594	3,644,525	14,587,119	14,069,190
<i>Total 2022</i>	10,356,937	3,712,253	14,069,190	

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	9,343,230	9,343,230	8,814,943
Depreciation	734,418	734,418	703,645
Educational supplies	633,933	633,933	555,057
Technology costs	36,670	36,670	30,551
Staff development	71,196	71,196	79,785
Other costs	129,302	129,302	172,956
Profit on disposal of fixed asset	(6,155)	(6,155)	-
Total 2023	<u>10,942,594</u>	<u>10,942,594</u>	<u>10,356,937</u>
<i>Total 2022</i>	<u>10,356,937</u>	<u>10,356,937</u>	

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,990,200	1,990,200	2,167,970
Technology costs	148,587	148,587	151,886
Recruitment and support	2,567	2,567	3,383
Maintenance of premises and equipment	251,715	251,715	173,063
Cleaning	390,431	390,431	329,236
Rent and rates	79,150	79,150	82,302
Energy costs	228,496	228,496	183,283
Insurance	48,452	48,452	53,020
Security	21,470	21,470	44,910
Transport	10,461	10,461	2,838
Telephone, postage and stationery	27,226	27,226	21,917
Catering	223,810	223,810	206,543
Other costs	105,621	105,621	184,243
Bank interest and charges	149	149	896
Auditors' remuneration	27,300	27,300	26,935
Legal costs - conversion	-	-	9,568
Professional fees	88,890	88,890	70,260
Total 2023	<u>3,644,525</u>	<u>3,644,525</u>	<u>3,712,253</u>
Total 2022	<u>3,712,253</u>	<u>3,712,253</u>	

During the year ended 31 August 2023, the Academy incurred the following Governance costs:

£116,190 (2022 - £65,431) included within the table above in respect of Funding for the Academy's educational operations.

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

10. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	3,114	-	

11. Net income

Net income for the year includes:

	2023 £	2022 £
Operating lease rentals	31,388	30,736
Depreciation of tangible fixed assets	734,418	695,092
Internal audit services	7,200	4,000
Fees paid to auditors for:		
- audit	17,150	20,350
- other services	2,950	2,585
	<u>17,150</u>	<u>20,350</u>
	<u>2,950</u>	<u>2,585</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	8,488,002	7,654,348
Social security costs	740,208	664,732
Pension costs	2,024,672	2,681,360
	<u>11,252,882</u>	<u>11,000,440</u>
Agency staff costs	97,623	29,249
	<u>11,350,505</u>	<u>11,029,689</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Staff (continued)

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	146	149
Administrative and support	247	232
Management	11	11
	<u>404</u>	<u>392</u>

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	No.
Teachers	123	123
Administrative and support	134	132
Management	10	11
	<u>267</u>	<u>266</u>

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	4	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
	<u>-</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,034,645 (2022 £984,054).

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

13. Central services

The academy trust has provided the following central services to its academies during the year:

- Financial Services
- Audit and other compliance
- Leadership and education support
- ICT support
- Payroll services
- ITT management and support
- Accountancy and budgeting software
- Safeguarding software
- Other services as arising

The academy trust charges for these services on the following basis:

Each academy within the trust has been charged a fee for central services based on their current Ofsted rating as follows:

Outstanding - 4%
Good - 6%
Requires Improvement - 7.5%
Special Measures - 9%

The actual amounts charged during the year were as follows:

	2023 £	2022 £
The Sir Donald Bailey Academy	141,891	134,721
The Parkgate Academy	103,713	103,458
The Forest View Academy	65,739	65,849
The Marton Academy	26,251	27,392
The West Park Academy	65,050	64,775
The Python Hill Academy	82,367	77,985
The St Augustine's Academy	109,002	107,241
Total	594,013	581,421

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Trustees' remuneration and expenses

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

		2023	2022
		£000	£000
Mr L Hessey, Principal	Remuneration	105-110	105-110
	Pension contributions paid	20-25	25-30

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

15. Trustees' and Officers' insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects 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.

16. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	35,546,288	179,392	466,761	14,495	36,206,936
Additions	998,046	92,125	90,517	-	1,180,688
Disposals	-	-	-	(14,495)	(14,495)
At 31 August 2023	<u>36,544,334</u>	<u>271,517</u>	<u>557,278</u>	<u>-</u>	<u>37,373,129</u>
Depreciation					
At 1 September 2022	2,661,612	113,744	271,872	3,925	3,051,153
Charge for the year	606,511	37,484	87,101	3,322	734,418
On disposals	-	-	-	(7,247)	(7,247)
At 31 August 2023	<u>3,268,123</u>	<u>151,228</u>	<u>358,973</u>	<u>-</u>	<u>3,778,324</u>

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16. Tangible fixed assets (continued)

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Net book value					
At 31 August 2023	<u>33,276,211</u>	<u>120,289</u>	<u>198,305</u>	<u>-</u>	<u>33,594,805</u>
At 31 August 2022	<u>32,884,676</u>	<u>65,648</u>	<u>194,889</u>	<u>10,570</u>	<u>33,155,783</u>

Included in leasehold property is leasehold land at valuation of £5,335,000 (2022: £5,335,000), which is not depreciated.

All schools occupied by the Trust are under 125 lease agreements with the respective local county council.

17. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	1,000	1,040
Other debtors	2,550	1,500
Prepayments and accrued income	909,898	576,705
VAT recoverable	167,788	147,970
	<u>1,081,236</u>	<u>727,215</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	5,898	5,698
Trade creditors	135,121	537,930
Other taxation and social security	166,131	162,613
Other creditors	200,127	184,868
Accruals and deferred income	623,289	356,540
	<u>1,130,566</u>	<u>1,247,649</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year (continued)

	2023 £	2022 £
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Other loans includes loans payable within one year of £5,898, which consists of:

£4,718 relates to a Salix loan agreement, incepted as part of a heating system project. This loan is repayable through six-monthly installments over the remaining 4 year period, with an interest rate of 0%.

£1,180 relates to a loan for solar panels. This is repayable through six-monthly installments over the remaining 3 year period, with an interest rate of 4.5%.

	2023 £	2022 £
Deferred income at 1 September 2022	197,645	117,528
Resources deferred during the year	224,334	197,645
Amounts released from previous periods	(197,645)	(117,528)
	<u>224,334</u>	<u>197,645</u>

Deferred income for 2022/23 includes:

£103,335 in respect of Universal Infant Free School Meals, £70,912 SEN income, £24,281 for rates relief, £6,563 for ARAP Resettlement, £18,481 for trip income, £195 for breakfast club, £127 for Pre School and £440 LCC bus supervision income all received in advance.

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

	2023 £	2022 £
Other loans	<u>2,359</u>	<u>9,048</u>

Other loans includes loans payable after more than one year of £2,359, which consists of:

£2,359 relates to a Salix loan agreement, incepted as part of a heating system project. This loan is repayable through six-monthly installments over the remaining period, with an interest rate of 0%.

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20. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	264,761	193,587	(148,662)	-	-	309,686
Restricted general funds						
General Annual Grant (GAG)	2,457,748	9,900,213	(9,524,264)	(204,659)	-	2,629,038
Pupil Premium	-	1,223,275	(1,223,275)	-	-	-
Other DfE/ESFA Grants	32,978	717,360	(717,170)	-	-	33,168
UIFSM	-	168,739	(168,739)	-	-	-
Other DfE/ESFA COVID-19 funding	-	176,136	(176,136)	-	-	-
Covid Free School Meal Vouchers	2,852	1,304	(3,321)	-	-	835
SEN	7,157	313,018	(313,018)	-	-	7,157
Government grants	2,525	225,922	(225,922)	-	-	2,525
Early years	-	756,729	(756,729)	-	-	-
Other income	82,961	431,920	(417,891)	-	-	96,990
Pension reserve	(2,130,000)	-	(266,000)	-	1,593,000	(803,000)
	456,221	13,914,616	(13,792,465)	(204,659)	1,593,000	1,966,713
Restricted fixed asset funds						
DfE/ESFA Capital Grant	260,652	213,187	(77,571)	4,954	-	401,222
Capital expenditure from GAG	1,928,588	-	(86,098)	101,771	-	1,944,261
Assets from predecessor school	28,553,782	-	(511,631)	4,887	-	28,047,038

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Condition Improvement Fund	2,489,020	828,298	(51,904)	79,294	-	3,344,708
Capital expenditure from donations	856	1,210	(572)	12,269	-	13,763
Other grants	-	77,244	(6,642)	1,484	-	72,086
	<u>33,232,898</u>	<u>1,119,939</u>	<u>(734,418)</u>	<u>204,659</u>	<u>-</u>	<u>33,823,078</u>
Total Restricted funds	<u>33,689,119</u>	<u>15,034,555</u>	<u>(14,526,883)</u>	<u>-</u>	<u>1,593,000</u>	<u>35,789,791</u>
Total funds	<u>33,953,880</u>	<u>15,228,142</u>	<u>(14,675,545)</u>	<u>-</u>	<u>1,593,000</u>	<u>36,099,477</u>

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20. Statement of funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DFE / ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £266,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £1,593,000 actuarial decrease in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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

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

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds	248,689	102,213	(86,141)	-	-	264,761
Restricted general funds						
General Annual Grant (GAG)	2,011,406	9,996,464	(8,752,830)	(797,292)	-	2,457,748
Pupil Premium	-	1,134,632	(1,134,632)	-	-	-
Other DfE/ESFA Grants	34,571	519,161	(520,754)	-	-	32,978
Other DfE/ESFA COVID-19 funding	-	214,412	(214,412)	-	-	-
Covid Free School Meal Vouchers	4,589	-	(1,737)	-	-	2,852
SEN	7,157	272,204	(272,204)	-	-	7,157
Government grants	2,525	164,863	(164,863)	-	-	2,525
Early years	-	700,232	(700,232)	-	-	-
Other income	53,241	503,147	(473,427)	-	-	82,961
Pension reserve	(7,561,000)	(2,408,000)	(1,169,000)	-	9,008,000	(2,130,000)
	<u>(5,447,511)</u>	<u>11,097,115</u>	<u>(13,404,091)</u>	<u>(797,292)</u>	<u>9,008,000</u>	<u>456,221</u>
Restricted fixed asset funds						
DfE/ESFA Capital Grant	176,325	150,271	(65,944)	-	-	260,652
Capital expenditure from GAG	1,208,999	-	(77,703)	797,292	-	1,928,588
Assets from predecessor school	22,269,413	6,796,000	(511,631)	-	-	28,553,782

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20. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Condition Improvement Fund	2,204,137	332,865	(47,982)	-	-	2,489,020
Capital expenditure from donations	-	1,241	(385)	-	-	856
	<u>25,858,874</u>	<u>7,280,377</u>	<u>(703,645)</u>	<u>797,292</u>	<u>-</u>	<u>33,232,898</u>
Total Restricted funds	<u>20,411,363</u>	<u>18,377,492</u>	<u>(14,107,736)</u>	<u>-</u>	<u>9,008,000</u>	<u>33,689,119</u>
Total funds	<u>20,660,052</u>	<u>18,479,705</u>	<u>(14,193,877)</u>	<u>-</u>	<u>9,008,000</u>	<u>33,953,880</u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
The Sir Donald Bailey Academy	182,988	249,033
The Forest View Academy	524,187	476,479
The Parkgate Academy	525,447	467,385
The Forge Trust	592,608	517,206
The Marton Academy	318,666	305,660
The West Park Academy	181,167	265,108
The Python Hill Academy	332,473	239,088
The St Augustine's Academy	421,863	331,023
Total before fixed asset funds and pension reserve	3,079,399	2,850,982
Restricted fixed asset fund	33,823,078	33,232,898
Pension reserve	(803,000)	(2,130,000)
Total	<u>36,099,477</u>	<u>33,953,880</u>

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

20. Statement of funds (continued)

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 2023 £	Total 2022 £
The Sir Donald Bailey Academy	2,344,737	446,078	214,129	467,818	3,472,762	3,250,570
The Forest View Academy	896,477	206,027	66,934	144,327	1,313,765	1,279,588
The Parkgate Academy	1,544,805	307,425	112,889	291,765	2,256,884	2,112,344
The Forge Trust	238,660	145,778	959	187,515	572,912	587,206
The Marton Academy	373,429	41,177	22,484	76,360	513,450	492,301
The West Park Academy	1,004,473	183,234	54,769	231,027	1,473,503	1,485,360
The Python Hill Academy	1,227,082	230,743	87,134	223,483	1,768,442	1,644,747
The St Augustine's Academy	1,713,567	446,810	74,638	334,394	2,569,409	2,638,116
Academy trust	9,343,230	2,007,272	633,936	1,956,689	13,941,127	13,490,232

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	33,594,805	33,594,805
Current assets	309,686	3,894,381	236,530	4,440,597
Creditors due within one year	-	(1,124,668)	(5,898)	(1,130,566)
Creditors due in more than one year	-	-	(2,359)	(2,359)
Provisions for liabilities and charges	-	(803,000)	-	(803,000)
Total	309,686	1,966,713	33,823,078	36,099,477

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	33,155,783	33,155,783
Current assets	264,761	3,828,172	91,861	4,184,794
Creditors due within one year	-	(1,241,951)	(5,698)	(1,247,649)
Creditors due in more than one year	-	-	(9,048)	(9,048)
Provisions for liabilities and charges	-	(2,130,000)	-	(2,130,000)
Total	264,761	456,221	33,232,898	33,953,880

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	552,597	4,285,828
Adjustments for:		
Depreciation	734,418	703,645
Capital grants from DfE and other capital income	(1,119,939)	(484,377)
Interest receivable	(362)	(322)
Defined benefit pension scheme cost less contributions payable	189,000	983,000
Defined benefit pension scheme finance cost	77,000	186,000
Increase in debtors	(354,021)	(384,698)
(Decrease)/increase in creditors	(117,284)	672,991
Profit on asset disposal	(6,155)	-
Transfer on conversion from local authority into academy trust	-	2,408,000
Net cash (used in)/provided by operating activities	(44,746)	8,370,067

23. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(6,489)	(6,652)
Net cash used in financing activities	(6,489)	(6,652)

24. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	362	322
Purchase of tangible fixed assets	(1,180,688)	(1,188,394)
Proceeds from the sale of tangible fixed assets	13,404	-
Capital grants from DfE Group	1,119,939	484,377
Land and buildings transferred on conversion	-	(6,796,000)
Net cash used in investing activities	(46,983)	(7,499,695)

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

25. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank	3,359,361	3,457,579
Total cash and cash equivalents	3,359,361	3,457,579

26. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	3,457,579	(98,218)	3,359,361
Debt due within 1 year	(5,698)	(200)	(5,898)
Debt due after 1 year	(9,048)	6,689	(2,359)
	3,442,833	(91,729)	3,351,104

27. Contingent liabilities

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

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

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreements.

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NOTES TO THE FINANCIAL STATEMENTS
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28. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>166,135</u>	<u>197,228</u>

29. Pension commitments

The academy trust'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 Nottinghamshire County Council (The Forge Trust, Forest View Academy, Parkgate Academy, Sir Donald Bailey Academy, West Park Academy, Python Hill Academy) and Lincolnshire County Council (Marton Academy). 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 2022.

Contributions amounting to £198,191 were payable to the schemes at 31 August 2023 (2022 - £187,983) and are included within creditors.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2019. 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 £1,202,586 (2022 - £1,121,757).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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29. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £809,000 (2022 - £700,000), of which employer's contributions totalled £634,000 (2022 - £548,000) and employees' contributions totalled £ 175,000 (2022 - £152,000). The agreed contribution rates for future years are 20.8 per cent for employers and 5.5 - 12.5 per cent for employees for employees within the Nottinghamshire County Council Pension Fund and 21.4 per cent for employers and 5.5 - 12.5 per cent for employees within the Lincolnshire County Council Pension Fund.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department of Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

The actuarial assumptions for The Forge Trust, Forest View Academy, Parkgate Academy, Sir Donald Bailey Academy, West Park Academy and Python Hill Academy, St Augustine's Academy managed by Nottinghamshire County Council, are as follows:

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.90
Discount rate for scheme liabilities	5.25	4.25
Inflation assumption (CPI)	2.90	2.90

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

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

	2023 Years	2022 Years
<i>Retiring today</i>		
Males	20.4	21.7
Females	23.2	24.4
<i>Retiring in 20 years</i>		
Males	21.7	23.0
Females	24.6	25.8

The actuarial assumptions for the Marton Academy, managed by Lincolnshire County Council, are as follows:

	2023 %	2022 %
Rate of increase in salaries	3.90	3.25
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95

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

	2023 Years	2022 Years
<i>Retiring today</i>		
Males	19.5	21.2
Females	22.6	23.7
<i>Retiring in 20 years</i>		
Males	20.8	22.1
Females	24.0	25.1

Sensitivity analysis

	2023 £000	2022 £000
Discount rate -0.1%	193	253
Mortality assumption - 1 year increase	246	264
CPI rate +0.1%	187	229

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

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	4,995,000	4,523,000
Gilts	160,000	211,000
Corporate bonds	494,000	503,000
Property	975,000	1,099,000
Cash and other liquid assets	510,000	424,000
Inflation Plus	398,000	-
Infrastructure	652,000	-
Private equities	264,000	-
Absolute Return Fund	34,000	-
Other	-	886,000
Total market value of assets	8,482,000	7,646,000

The actual return on scheme assets was £(332,000) (2022 - £(45,000)).

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

	2023 £	2022 £
Current service cost	(823,000)	(1,556,000)
Net interest cost	(77,000)	(160,000)
Total amount recognised in the Statement of financial activities	(900,000)	(1,716,000)

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

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

	2023 £	2022 £
At 1 September	9,756,000	13,182,000
Transferred in on existing academies joining the trust	-	3,870,000
Current service cost	823,000	1,556,000
Interest cost	414,000	282,000
Employee contributions	175,000	152,000
Actuarial gains	(1,730,000)	(9,177,000)
Benefits paid	(166,000)	(109,000)
Asset ceiling adjustment	13,000	-
At 31 August	9,285,000	9,756,000

Without the asset ceiling adjustment, The Forge Trust would have had a net pension scheme asset of £13,000. In the opinion of the trustee's, this asset cannot be realistically recovered from the pension scheme, either by direct payment or future pension service contributions, hence an adjustment has been made to remove the pension scheme net surplus.

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

	2023 £	2022 £
At 1 September	7,626,000	5,621,000
Transferred in on existing academies joining the trust	-	1,462,000
Interest income	337,000	121,000
Actuarial losses	(124,000)	(169,000)
Employer contributions	634,000	548,000
Employee contributions	175,000	152,000
Benefits paid	(166,000)	(109,000)
At 31 August	8,482,000	7,626,000

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

30. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	29,676	38,507
Later than 1 year and not later than 5 years	63,291	84,126
	<u>92,967</u>	<u>122,633</u>

31. 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.

32. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mrs J Hessey, wife of Mr L Hessey, the executive head of the Trust, is employed by the academy trust as an Admin assistant. Mrs J Hessey's appointment was made in open competition and Mr L Hessey was not involved in the decision-making process regarding her appointment. Mrs J Hessey is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

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