



**Forward Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021**

**Company Registration Number:
10680422 (England and Wales)**

**Period of account
1 September 2020 - 31 August 2021**

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Forward Education Trust



Reference and administrative details For the year ended 31 August 2021

Members:

Mrs Constance Henry
Mr Simon Topman (Chair)
Mrs Ava Sturridge-Packer (Resigned 04/11/2020)
Ms Catherine Canty
Mr Gregg Barton
Mr Navdeep Kainth (From 26/04/2021)

Trustee:

Mrs Helen Redican
Ms Catherine Canty
Mr Brensley Taylor
Mrs Jane Edgerton
Mrs Maria Earl
Mr Michael Reynolds (to 28/9/20)
Mr David Lane (Chair)
Jared Whitaker (From 30/09/2020)
Patrick Ricketts (From 06/10/2020)
Ayaz Hussain (From 14/10/2020 and Resigned on 31/03/2021)

Senior leadership Team:

Chief Executive Officer – Mrs Jane Edgerton
Finance Director Mrs Claire Pooni
Director of Operations- Mrs Melissa Kenyon

Bankers:

Lloyds Bank
1098 Warwick Road
Acocks Green
Birmingham
B27 6BJ

Solicitors:

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Independent Auditor:

BSN Associates Limited
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

Company Name and Registered Office:

Forward Education Trust
C/O Brays School
Leycroft Avenue
Tile Cross
Birmingham
West Midlands
B33 9UH

Company Registration Number: 1068422

Trustee's Report

For the year ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Multi Trust Academy (or the "Trust") operated 3 special schools in Birmingham at year end and now operates 6 schools from September 2021; In 2020-2021 the Trust had 2 primary schools for children 2-11 years across 3 sites and one all through school for children 4-19 years. The Trust has a combined pupil capacity of 608 and had a roll of 620 in the school census of October 2020.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Forward Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Forward Education Trust. Details of the Trustees who served during the year 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

A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of Law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. This is provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was breach of trust or breach of duty or not and provided that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Trust.

The Trustees have liability insurance through the DfE Academies Risk Protection Arrangement (RPA) scheme. There is a limit of indemnity of £10,000,000 (no excess) per case or per annum.

Method of Recruitment and Appointment or Election of Trustees

The Trust Incorporated on 20 March 2017:

During the 2020/21 year, the Chair remained as Mr David Lane for the financial year. The Chair was tasked by Members and the Board to identify and propose new Trustees for recruitment to the Board. Academy Ambassadors, part of the New Schools Network and Forum Strategy were used for this recruitment.

As of 31st August 2020, The Board of Trustees currently had three vacancies with active recruitment by the Chairs of Members and Chair of the Board.

Trustee's Report

For the year ended 31 August 2021

The Chair of Members was also looking to recruit the one vacancy on the Members Board.

Policies and Procedures Adopted for the Induction and Training of Trustee

Upon appointment, all new Trustees and Members were provided with documents relating to their role. This included information relating to the schools and services within The Trust as well as documentation relating to safeguarding of children in line with the Keeping Children Safe in Education requirements. Training for Trustees, Members and those on the schools' Local Academy Councils was available for those who needed updates in September 2020. This included update on safeguarding training, General Data Protection Regulations, information on delegated powers, decision making and financial delegation.

All Members and Trustees received the link to the Academies Financial Handbook, the calendar for submissions to ESFA and the up to date Governance Handbook issued by the DFE. Documentation was made available, and papers distributed requesting information that requires Members and Trustees to declare any business and pecuniary interest in their work within The Trust.

All Members and Trustees receive electronic updates from key agencies to keep The Trust compliant and work efficiently and effectively.

Organisational structure

Members appoint Trustees, delegate policies and procedure to the Board of Trustees, undertake the duties for Financial responsibility as described in the Academy Trust Handbook, review the Articles of Association and Schemes of Delegation to ensure regularity within the Academy Trust, approve the appointment of external auditors and approve The Annual Accounts return and the Audited Financial Statements.

Trustees have defined roles as described in the Statement of Trustee responsibilities, see page 32.

At school level, each school is advised by a Local Academy Council ("LAC"). LACs are approved and appointed by the Board of Trustees. Parent and staff representation is sought for the LACs along with other members with appropriate skills, knowledge and experience. Quorum shall be half of the LAC rounded down. Meetings are held at least termly with all operating meetings scheduled half termly. Local Academy Councils have powers conferred upon them as in the Scheme of Delegation.

The Chief Executive Officer is appointed as The Accounting Officer in the Multi Academy Trust and is a paid employee. The Chief Executive Officer is a Trustee.

The Chief Finance Officer our Finance Director, is neither a Member nor a Trustee (but attends meetings of the Trust Board and the Audit: Risk and Finance Committee) and is a paid employee.

The Director of Operations is neither a Member nor a Trustee (but attends meetings of the Trust Board and the Audit: Risk and Finance Committee) and is a paid employee.

The current scheme of Financial Delegation is as follows:

Board of Trustees:	greater than £10,000.01 up to formal tender
Trustees with Financial responsibility:	£2,000.01 - £9,999.99
Head Teachers and Director of Operations:	up to £2,000

Trustee's Report

For the year ended 31 August 2021

The Organisational Structure

Members

Simon Topman (Chair)

Constance Henry

Navdeep Kainth (Appointed 26/4/21)

Greg Barton

Ava Sturridge-Packer (Resigned 04/11/2020)

Catherine Canty

Trustees

David Lane

Catherine Canty

Brensley Taylor

Helen Redican

Jane Edgerton

Michael Reynolds (Resigned 28/09/20)

Patrick Ricketts (Appointed 6/10/20)

Ayaz Hussain (Appointed 14/10/20 and Resigned 31/03/21)

Maria Earl

Jared Whitaker (Appointed 30/9/20)

Local Academy Councils

Brays School – delegated duties as in the published Scheme of Delegation

Hallmoor School – delegated duties as in the published Scheme of Delegation

The Bridge School – delegated duties as in the published Scheme of Delegation

Arrangements for setting pay and remuneration of key management personnel

No Trustees and Members with the exception of the CEO are remunerated for their work within the Trust. Members and Trustees are entitled to receive reimbursements for return journeys to and from Trustee and Board meetings at an agreed rate of 45p per mile subject to the submission of an approved claim form and receipt for any parking fees. Subsistence allowance is not paid by the Trust. Expenses incurred on Trust business are reimbursed subject to appropriate receipts.

The Pay Committee proposed and the Board agreed an increased annual salary in 2020/21 for the CEO of £126,000 (an increase of 5%)

Trustees must be on appointment panels for any appointments to headship roles (along with the LAC Chair or their representative) and the appointments of executive team reporting to the CEO.

Trustee's Report

For the year ended 31 August 2021

Arrangements for setting pay and remuneration of key management personnel (continued)

The pay range of Head Teachers is set by the Trust and is in line with the school group size as calculated by the National Pay and Conditions Policy for teachers and must be approved by the Board or delegated sub-committee.

The review of pay for each school leadership team is carried out by the Head Teacher of that school and ratified by their Local Academy Council in line with the fixed group size and individual salary ranges as set by the Trustees.

The Trust adopted the national pay policy for teachers and remunerate support staff taking cognisance of the local areas pay policies from the previous employer to ensure the trust continued to pay staff locally in line with the local market and to continue to attract these staff. The Trust considers, and in year 2020-21 has kept in line with, national recommendations around pay rises and inflation awards.

The Trust agreed that where performance is good a single point pay progressions is available to staff and exceptional performance could attract the maximum of a two point pay increment. This must be evidenced robustly and in line with good or better school performance.

The Trust does not engage in any bonus or share schemes or any other additional remuneration or benefits other than salary for any of its school employees.

All parties within the Trust are indemnified against Public and Employers liability claims through a policy procured at a cost to the Trust.

Members and Trustees are permitted to receive reimbursements for return journeys to and from Trustee and Board meetings at an agreed rate of 45p per mile subject to the submission of an approved claim form and receipt for any parking fees. Subsistence allowance is not paid by the Trust.

Trade Union Facilities Time

We make the following disclosures in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulation 2017:

Relevant union officials

Number of employees who were relevant unions officials during the year	Full-time equivalent number
2	0.4

Percentage of time spent on facilities time

Percentage of time	Number of employees
0%	-
1% to 50%	2
51%-99%	-
100%	-

Trustee's Report

For the year ended 31 August 2021

Trade Union Facilities Time (continued)

Percentage of pay bill spent on facilities time

	£000's
Total cost of facilities time	£20
Total pay bill	£7,993,000
Percentage of total pay bill spent on facilities time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	
<i>(total hours spent on paid trade union activities by relevant union officials during relevant period / total paid facility time hours) x 100</i>	0%

Related Parties and other Connected Charities and Organisations

During the year 2020-21 Forward Education Trust continued to sponsor Skills School located in Redditch. Through money obtained from the DfE Strategic School Improvement Fund the Trust continued to support in a number of ways such as: leadership and management, raising educational standards through advice support and intervention for teaching and learning, staff recruitment and restructuring and supporting budget setting and monitoring.

On 1st September 2021 Forward Education Trust opened High Point Academy, a secondary special Free School for pupils with autism, moderate learning difficulties and specific learning disabilities in Sandwell. Throughout 2020-21 the Trust continued to commit time and experience to develop the building design, contractor appointment and oversight, and programme plan. These activities continued to be supported by DfE Pre-opening Grant. The trust spent a further £132,000 to put in place the ICT Infrastructure at High Point which was also fully funded by the DfE. During 2019-20 the DfE donated £1,335,000 for the Trust to purchase the land for the High Point Academy site.

Walsall Local Authority has approached the Trust as a possible MAT partner for a PRU and special educational needs all through school; this remains as a tentative approach and the Board has not approved any work or commitment from the Trust.

Forward Education Trust has been approved to open The Heights Free School Academy, a 7-16-year special Free School for pupils in Solihull with autism and associated behavioural difficulties. The Heights is planned to open in autumn 2023. The Trust continue to commit time and experience to develop this new build school, which is funded through the DfE pre-opening grant.

During the year 2020-21 the Trust continued to operate the Brays Teaching School which offered school improvement and training to internal and external schools and was fully funded through DfE grants and Birmingham City Council school improvement funding. The Teaching School ceased to operate from

Trustee's Report

For the year ended 31 August 2021

31st August 2021 as the new DfE Regional training hubs pick up this activity. The Trust plan to work with the Regional Hub to deliver funded training going forward.

The Trust were awarded a 'Trust Capacity and Funding 'TCAF' Grant for the fiscal year April 2020 to March 2021 of £138,000 which supported the introduction of additional posts and management system.

There are no other Related Party transactions reported by the Trust Board beyond that of the CEO who is a Trustee and employee, of which necessary disclosures have been made in Note 9 of the financial statements.

Objects and Aims

The Trust's objective is to advance, for the public benefit, education for children aged 2-19, by establishing and maintaining schools which offer a broad and balanced curriculum.

The mission of the Trust is to provide a good education for all members of our schools' community. Our aim is to ensure that children with high level of special educational needs are able to thrive and learn in a safe and secure environment and leave school and be an active part in their local community.

This Vision and Values statements was reviewed in this reporting year.
The Scheme of Delegation was also reviewed in year.

Our Vision, Ethos and values

Our Vision

Forward Education Trust's purpose is to ensure the children in our schools receive the best possible education, care and life chances by being the West Midlands bespoke provider of choice for children with high levels of special educational needs.

Ethos

Moving forward together, striving for and achieving opportunities to improve outcomes and provide stability and success for all.

Values

We are Forward Thinking: Always looking to move things forward and embrace change to provide the best outcomes for all.

We are Ambitious: Always working to the best of our ability. Instilling a 'can do' culture by encouraging others to share knowledge, skills and expertise.

We are Principled: Always looking to do the right thing, being conscientious, polite and friendly, speaking out and challenge accepted thinking for the greater good.

We are Motivated: Always looking to overcome obstacles and move forward to ensure educational excellence.

We are Trustworthy: Always being honest, open and consistent in our approach to any issues we face. Being steadfast in our desire to improve outcomes for all.

We are nurturers of talent: Our vision, ethos and values are not achievable without a great workforce and their personal development, contentment and enjoyment of working for the Forward Education Trust really matters to our Trust.

Trustee's Report

For the year ended 31 August 2021

Objectives, Strategies and Activities

Leadership & Management

- Ensure that governance in all of our schools is effective and that Local Academy Councils have a real and accurate self-evaluation of their schools and act to address any areas for development.
- Support the Head Teachers within the Trust.
- Support the recruitment and retention of high-quality staff.
- Support all staff through a robust CPD and appraisal programme to ensure that they can meet the needs of the pupils.
- To maintain the effectiveness of the Trust by keeping the curriculum and organisational structure under review.
- To conduct the Trust business in accordance with the highest standards of integrity, probity and openness.

Pupil Progress and Teaching and Learning

- Ensure that the progress of our pupils in all of our schools is above median quartile and that the majority is at upper quartile against our reporting and analysis system for pupils with special educational needs.
- Operate a robust quality assurance calendar which monitors the quality of teaching and learning and includes work scrutiny.
- Ensure that the best practice is shared across the schools.
- Develop pathways for pupils to leave school ready for the world.
- Provide a series of visits to the Trust schools by school improvement professionals to scrutinise, challenge and validate educational standards.

Public Benefit

The Trustees consider that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trustees consider that the Trust's aims and objectives demonstrate that it acts to the benefit of the public. The Academy Trust refers to the Charity Commission public benefit guidance in setting its objectives and aims in planning future activities for the coming year.

The Trust meets these objectives by

- Providing value for money for the funds expended.
- Conducting the Trust's business in accordance with the highest standards of probity, integrity and openness.
- Ensuring that the standards are continually raised by the Trust and the Local Academy Councils.

The Trust recognises that equal opportunities should be an integral part of good practice within the workplace. They do this by creating an environment where contributions by all stakeholders are fully valued.

Trustee's Report

For the year ended 31 August 2021

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.

Achievements and Performance

Schools Data Summary 2020- 2021

Due to Covid-19 there was no statutory data reporting obligations for Early Years' and Primary aged pupils during the academic year 2020- 2021.

This report is based on data collected by the schools.

Context and Interpreting Our Data

The Final Report of the Commission on Assessment Without Levels 'encouraged schools to make the most of the freedom to develop their own approaches to assessment and explore new methods of recording assessment information.'

In October 2017, The Rochford Review of statutory assessment for pupils working below national standardised testing set about listing a number of different recommendations. These recommendations were to ensure that pupils working below these levels could demonstrate attainment and progression within schools. In September 2017, the Government responded to the Rochford Review, the main change being the removal of some P-levels by 2018-2019 academic year.

From September 2021, the use of the Engagement Model became statutory for pupils who are working below the level of the national curriculum and who are not engaged in subject-specific study. Schools are expected to report to DfE which pupils are assessed using the engagement model for KS1 and KS2.

The Engagement model is to be used in conjunction with a school's existing planning, assessment and recording systems to provide a flexible, holistic assessment for these pupils.

We appreciate that all of our learners are unique and are at very different starting points within their academic journey. They all need different learning targets to develop their skills at different points. That is why no one single assessment tool fits our pupils. The assessment frameworks must be flexible to meet the need in recording a pupil's individual strengths and the next steps needed to progress.

The assessment pathways vary depending on which Curriculum Journey the pupil is on. The Pathway a pupil is assessed upon is decided on an individual basis and should support the learner in noting meaningful achievement within school and the wider school community. We believe that the assessment of pupils' achievements and progress should be a story- how much an individual pupil has achieved in any given time period, e.g., a term, a year, Key Stage and overall time.

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (continued)

Our pupils work within formal semi-formal and pre-formal learning pathways and our data is recorded predominantly on our assessment system called TRACK and for older pupils and those who are more cognitively able against their examination boards' accreditation pathways.

Brays School Data Summary 2020- 2021

Data was collected at 3 points over last year, October 2020 (re baselining following National Lockdown), December 2020 progress made in autumn term and June 2021 (end of year assessments). The decision was made not to formally report data for Spring 2021, due to pupils being impacted by the second National Lockdown in the Spring term. Teachers were continually monitoring progress and gaps throughout this time through their regular formative and summative in class assessments to ensure those pupils' skills and knowledge was accurately tracked, and any interventions were in place for those who required.

Assessment Systems overview

Assessment System	Number of children in whole school	Children in KS1	Children in KS2
Foundation	13	N/A	N/A
Pre A2E	115	70	45
A2E	134	21	113

There were 96 pupils working between Bands 1- 3 on the A2E continuum, these pupils typically access the semi-formal curriculum pathway. The 52 pupils working above Band 3 on the A2E continuum are typically accessing a formal curriculum pathway.

Progress Data A2E pupils

Autumn Data 2020	From the end of Key Stage to Autumn			
	EEA	EE	E	B
English	18%	18%	19%	44%
Reading	18%	19%	13%	48%
Writing	18%	17%	18%	45%
Maths	24%	23%	16%	34%

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (continued)

Brays School Initial Data Summary 2020-2021 (continued)

Summer Data 2021	From the end of Key Stage To Summer			
	EEA	EE	E	B
English	15%	27%	24%	34%
Reading	19%	23%	20%	36%
Writing	13%	24%	24%	38%
Maths	26%	23%	21%	27%

*Whole School Overview TRACK

Data is showing that over half of the pupils at Brays School, assessed using A2E, are making expected progress or above in all subjects against statutory assessment flightpaths (from end of last Key Stage data).

Data is showing more pupils have made expected progress and above over the year. Whole school key stage data shows that pupils are making better progress in Maths than English overall, with writing being the area that pupil progress has been the least.

Significant progress in Reading has been made within Spring and Summer term.

The Bridge School Data Summary 2020- 2021

Data was collected at 3 points over last year, October 2020 (re baselining following National Lockdown), December 2020 progress made in autumn term and June 2021 (end of year assessments). The decision was made not to formally report data for Spring 2021, due to pupils being impacted by the second National Lockdown in the Spring term. Teachers were continuingly monitoring progress and gaps throughout this time through their regular formative and summative in class assessments to ensure those pupils' skills, knowledge was accurately tracked, and any interventions were in place for those who required.

Assessment Systems overview

Assessment System	Number of children in whole school	Children in KS1	Children in KS2
Foundation	7	N/A	N/A
Pre A2E	24	15	9
A2E	54	9	45

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (*continued*)

The Bridge School Initial Data Summary 2020-2021 (continued)

Progress Data A2E pupils

Autumn Data 2020	From the end of Key Stage to Autumn			
	EEA	EE	E	B
English	15%	40%	17%	28%
Reading	10%	33%	19%	38%
Writing	23%	27%	19%	31%
Maths	42%	25%	13%	21%

Summer Data 2021	From the end of Key Stage			
	EEA	EE	E	B
English	7%	56%	15%	22%
Reading	13%	39%	22%	26%
Writing	19%	37%	9%	35%
Maths	35%	31%	17%	17%

*Data taken from Quartile Progress Overview TRACK

Data is showing that over half of the pupils at The Bridge School, assessed using A2E, are making above expected progress in all subjects against statutory assessment flightpaths (End of Key Stage data).

In year, data is showing pupils progress has slowed slightly over this academic year. With the disruption in learning pupils have had over this year, this slower progress is expected and in line with National picture.

Whole school key stage data shows that pupils are making better progress in Maths than English overall, with writing being the area that pupil progress has been the least.

Significant progress in Reading has been made within Spring and Summer term. Data shows quicker progress in phonics and understanding to bring these data sets in line with the other areas of reading. (Previously more pupils were making below expected progress in these areas than fluency, attitude and reading overall).

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (*continued*)

Hallmoor School Data Summary 2021

Data was collected at 3 points over last year, October 2020 (re baselining following National Lockdown), December 2020 progress made in autumn term and June 2021 (end of year assessments). The decision was made not to formally report data for Spring 2021, due to pupils being impacted by the second National Lockdown in the Spring term. Teachers were monitoring progress and gaps throughout this time through their regular formative and summative in class assessments to ensure those pupils' skills and knowledge was accurately tracked, and any interventions were in place for those who required.

Assessment Systems overview

Assessment System	Number of children in whole school	Children in KS1	Children in KS2	Children in KS3
Foundation	N/A	N/A	N/A	
Pre A2E	15	5	6	4
A2E	138	8	43	87

There were 54 pupils working between Bands 1- 3 on the A2E continuum, these pupils typically access the semi-formal curriculum pathway. The 91 pupils working above Band 3 on the A2E continuum are typically accessing a formal curriculum pathway.

Progress Data A2E pupils

Key Stage 1				
No of Pupils (13)	B	E	EE	EEA
Reading (10)	30% (3)	20% (2)	20% (2)	30% (3)
Writing (10)	0% (0)	0% (0)	70% (7)	30% (3)
Maths (10)	20% (2)	20% (2)	10% (1)	50% (5)
Pre A2E (3)	0% (0)	0% (0)	33% (1)	67% (2)

Pupils in Key Stage 1 made better progress in Writing than Reading and Maths. However, a smaller number of pupils made EEA progress which was greater in Maths. In Writing all pupils made EE or EEA progress.

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance *(continued)*

Hallmoor School Initial Data Summary 2021 (continued)

Key Stage 2				
No of Pupils (49)	BE	E	EE	EEA
Reading (47)	17% (8)	11% (5)	27% (13)	45% (21)
Writing	15% (7)	21% (10)	21% (10)	43% (20)
Maths	19% (9)	2% (1)	17% (8)	61% (29)
Pre A2E (2)	0% (0)	50% (1)	50% (1)	0% (0)

Slightly more pupils made BE progress in Reading and Writing showing a similar trend as in Key Stage 1. Outcomes in all three areas need to be improved in Key Stage 2 with particular focus on Reading and Writing across the Primary Phase. Pupils being assessed against Pre A2E P Scales have all made either EE or EEA progress. The P Scales 1-4 assessment system will be changed to the Semi-Formal Curriculum in September 2021.

Key Stage 3				
No of Pupils (92)	BE	E	EE	EEA
Reading	42% (39)	10% (9)	22% (20)	26% (24)
Writing	49% (45)	22% (10)	18% (17)	22% (20)
Maths	39% (36)	16% (15)	22% (20)	21% (19)

A high number of pupils made BE outcomes in all three curriculum areas with the highest concern being in Writing, however the difference is small with all areas requiring improvement in outcomes. More pupils made EEA in Reading than the other subjects, but the differences are marginal. Progress outcomes in Key Stage 3 have been affected this year heavily due to Covid which is evident in the overall outcomes and with a high number of pupils especially in Key Stage 3 making less below expected progress.

Key Stage 4

Progress is defined as the number of pupils that have met their predicted target.

	Number of Pupils
Year 10	21
Year 11	20
Total	41

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (continued)

Hallmoor School Initial Data Summary 2021 (continued)

English

Total 41 Pupils	Achieved Below Target	Target Achieved	Achieved Above Target
Number of Pupils	3(7%)	36 (88%)	2 (5%)

A high percentage of pupils met their predicted target.

Total 36 pupils Entered	Ungraded	E1	E2	E3	L1
Number of Pupils	5 (14%)	15 (42%)	7 (19%)	8 (22%)	1 (3%)

5 pupils were not entered into the exam as they were working below the expectations of Entry Level 1. However, this was still recorded as meeting their targets as they were predicted as working at this level in English.

Maths

Total 41 Pupils	Achieved Below Target	Target Achieved	Achieved Above Target
Number of Pupils	1(2%)	36(88%)	4(10%)

A high percentage of pupils met their predicted target.

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (*continued*)

Hallmoor School Initial Data Summary 2021 (continued)

Total 37 pupils Entered	Ungraded	E1	E2	E3	L1
Number of Pupils	0(%)	18(%)	10(%)	8(%)	0(%)

Total 36 pupils as one pupil who was entered for the level 1 qualification did not achieve a pass.

4 pupils were not entered into the exam as they were working below the expectations of Entry Level 1. However, this was still recorded as meeting their targets as they were predicted as working at this level in English.

Key Stage 4 Pupils Upper School

Accreditation where outcome is dependent on marks achieved:

Accreditation	L1	ELC 3	ELC 2	ELC 1	Total no. of pupils 41
AQA ELC English	1 (3%)	8 (22%)	7 (19%)	15 (42%)	36 entered
AQA ELC Maths	0 (0%)	8 (22%)	10 (27%)	18 (49%)	37 entered
AQA ELC Science	0 (0%)	6 (50)	4 (33%)	2 (17%)	12 entered
OCR ELC Art & Design	0 (0%)	0 (0%)	4 (29%)	10 (71%)	14 entered
ICT Functional Skills Edexcel Entry Level		8 (100%)			8 entered

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (continued)

Hallmoor School Initial Data Summary 2021 (continued)

Sixth Form Accreditation Outcomes

All pupils completed OCN (Open College Network) Accreditation. All students entered for OCN accreditation achieved units (internally accredited) with Yr.13/14 Leavers awaiting external verification.

Progress is defined as the number of pupils that have met their predicted target.

	Number of Pupils
Year 12	28
Year 13	23
Year 14	9
Total	60

Total OCN Accreditation Entries

Total 60 Pupils	Achieved Below Target	Target Achieved
Number of Pupils	5(8%)	55(92%)

A high percentage of pupils met their predicted outcomes. Pupils were entered into various units depending on interest, need and EHCP targets under two main areas: 'Employability and Development Skills' and 'Living Independently'. Pupils who did not achieve their target entries were recorded as having poor attendance.

OCN English Units

Pupils undertook 6 units across 2 levels.

Title	Level	Number of pupils
Reading and Understanding	Level 1	6
Study Skills	Level 1	6
Punctuation and Grammar Skills	Level 1	6
Grammar and Punctuation in Practical Use	Entry 3	17
Reading Comprehension	Entry 3	16
Reading & Understanding	Entry 3	12

Trustee's Report
For the year ended 31 August 2021

Achievements and Performance (continued)

Hallmoor School Initial Data Summary 2021 (continued)

OCN Employability and Development Skills

12 units over 2 levels

Title	Level	Number of pupils
CV Writing	Level 1	13
Interview Skills	Level 1	14
Planning a Fitness Programme	Level 1	13
Recognising Employment Opportunities	Entry 3	8
Applying for a Job	Entry 3	6
Careers Preparation	Entry 3	5
Basic Food Preparation	Entry 3	5
Basic Cooking	Entry 3	5
Take Part in an Activity	Entry 3	5
Health and Fitness	Entry 3	13
Participating in Leisure	Entry 3	13
Handling stock in a retail environment	Entry 3	4

OCN Maths Units

6 units over 2 levels

Title	Level	Number of pupils
Understanding Whole Numbers	Level 1	13
Understanding Volume	Level 1	8
Probability	Level 1	8
Multiplication of Whole Numbers	Entry 3	9
Measure: Weight	Entry 3	15
Measuring Distance & Length	Entry 3	15

Trustee's Report

For the year ended 31 August 2021

Achievements and Performance (*continued*) *Hallmoor School Initial Data Summary 2021 (continued)*

OCN Living Independently

12 units over 2 levels

Title	Level	Number of pupils
Reading	Entry 2	12
Time	Entry 2	12
Developing Assertiveness	Entry 2	12
Everyday Food and Drink Preparation	Entry 2	12
Money	Entry 2	12
Writing	Entry 2	12
Using Domestic Appliances	Entry 1	19
Everyday Food and Drink Preparation	Entry 1	19
Choosing Clothing and Footwear	Entry 1	19
Personal Presentation	Entry 1	19
Following Instructions	Entry 1	19
Cooking	Entry 1	19

OCN Skills for Living and Work

4 units over 2 levels

Title	Level	Number of pupils
Horticulture	Entry 2	2
Horticulture	Entry 1	4
Looking and Acting the Part in the Workplace	Entry 1	21
Using Craft Skills with Natural Materials	Entry 1	13

Trustee's Report

For the year ended 31 August 2021

Key Financial Performance Indicators

- **Maintaining a balanced budget at year end**
The Trustees monitor the financial position on a monthly basis and review actual against year-end projections. After allowing for liabilities at the year end the available reserves (balance sheet) is £2,765,000 (2020: £4,920,000).
- **Benchmarking expenditure against other similar organisations**
The nature of our Academy made up of Special Schools does not lend itself to standard benchmarking analysis and therefore the Trust can only benchmark against its own schools to determine the financial viability and efficiency of each establishment. Trustees have continued to monitor staffing levels and reduce staffing costs as the opportunities arise through natural wastage.
- **Achieving Value for Money**
Through effective financial management procedures, the Trust has maintained compliance with the Academy Financial Handbook and used its resources properly and with probity. Our procedures of financial management and internal control have planned scrutiny by both external, internal and peer scrutiny.

The Trust has continued to drive for value for money during 2020-21 so that resources can continue to be focussed on educational and societal outcomes for pupils.

The Trustees maintain a positive cash flow with sufficient cash balances to cover monthly expenditure.

The Trustees monitoring of cash flow throughout the year has secured sufficient cash balances to cover monthly expenditure.

Financial Review

Forward Education Trust incorporated on 20 March 2017 and opened on the 4 April 2017 with two primary special converter schools and one all through special sponsored school.

The Trust's primary source of income is from central government funding mainly comprising of the General Annual Grant ("GAG") from the DFE which is funded from the Education and Skills Funding Agency ("ESFA") and is received monthly. Birmingham City Council also commission the places within our schools through an annual commissioning conversation which generate monthly funding allocations from the Local Authority High Needs Block 'Top Up' to support children with special educational needs. Where pupils join us from other Local Authorities separate agreed financial arrangements are put in place.

Use of this funding is restricted to particular purpose. The grants received from these sources during the year ended 31 August 2021 and the associated expenditure are shown as Restricted General funds in the statement of Financial Activities.

The net Income and Expenditure (Restricted and unrestricted funds) for the year ended 31 August 2021 is a deficit of (£220,000) (2020: a surplus of £837,000). The negative operating deficit includes an underlying operating level surplus and the following exceptional and non-recurrent impacts:

- Operating income and expenditure surplus of £1,569,000.
- COVID Impact: overall the impact of the epidemic has reduced costs. The Trust saw additional costs for COVID relating to sickness cover, additional cleaning, hygiene and PPE. However, this was more than offset by the staffing recruitment held during lockdowns, and reduced utilities charges. The overall impact is estimated to be a positive £386,000 in year.

Trustee's Report

For the year ended 31 August 2021

- Non recurrent 'COVID catch up' pupil premium income of £149,000 was spent in year to provide additional staffing, services and resources to mitigate impacts of COVID disruption
- TCAF grant supported £105,000 internal staff costs as the Trust prepared for expansion
- Negative net accounting adjustments in respect of the Local Government Pension Schemes 'LGPS' pension scheme service costs and benefits of (£1,354,000).
- Negative accounting adjustments for the devaluation of Land and Buildings for The Bridge School (£842,000)
- Positive adjustments for donated assets and capital funding of £432,000 in relation to COVID ICT scheme, Devolved capital funding, CIF bids and Free School ICT funding

The Trust participated in the national free school meals voucher scheme throughout 2020-21, facilitating the distribution of vouchers to the parents of eligible pupils. The Trust did not incur any exceptional costs or receive any additional funding in respect of this scheme. The Trust also supported local testing initiatives and a greater part of the consumables were provided or provided by the DfE.

The Trust invested in the following capital projects in year; the replacement of boilers at The Bridge site £229,000, the provision of laptops for all teaching staff at Hallmoor to bring up to Trust standards £19,000, the provision of ICT Infrastructure for High Point Academy £132,000. The Trust benefitted from £42k of COVID funding for Pupil ICT equipment including iPads, notebooks and laptops as part of COVID catch up initiatives funded by the DfE. The intangible asset for the HR Management system costing £9k in 2019-20 has been written off in full in 2020-21 due to reliability issues. Other potential HR Management systems are under review.

The Trust attracted two DfE Condition Improvement Fund ("CIF") Grants during the year 2019-20. The replacement of the boiler at The Bridge School cost £229,000 of which the DfE funded £195,000 and the remainder was contributed from Trust reserves. The boiler was not commissioned until October 2020, therefore the costs and funding in relation to this bid have been recognised in 2020-21. A further CIF bid was granted for the Phase 1 replacement of the windows at Brays School (Tile Cross site) (total costs £518,000k and DfE contribution £440,000). As the completion of the Phase 1 Windows bid will take place in year 2021-22, all costs and funding for this project have been deferred into 2021-22.

In the 2020-21 CIF bid round the Trust was awarded funding for the replacement of a roof at The Bridge site (total costs £338,000 and DfE contribution £284,000) and a further Phase 2 Windows CIF bid (total costs £491,000 and DfE contribution £412,000). Both project starts were delayed into 2021-22.

During the year, existing sites were covered under electricity agreements initially under fixed price contracts which switched to the CSS variable cost framework in April 2021. Gas supply was procured through fixed price contracts with a major supplier.

During the year the Trust procured a Facilities service across the Trust sites which includes planned maintenance, waste disposal and caretaking for new sites. The contract has consolidated over 15 pre-existing contracts. The Trust also procured a new Pupil data management system and a new ICT supplier across the sites. The ICT infrastructure for High Point and the new ICT Support services across the trust was procured through the DfE framework for new schools.

Trustee's Report

For the year ended 31 August 2021

Reserves Policy

The Trust holds reserves to ensure that it can continue to operate and meet its objectives throughout the year and also to meet the medium and longer term plans for curriculum development, estate remedial and development works, energy efficiency projects and investment in expansion. The Trustees consider the current level of reserves appropriate for this purpose and will review these levels annually.

In July 2020 the Trust agreed to pool GAG income and reserves with the exception of pupil premium related grants. Budget are sets and funding requests are evaluated on a needs basis across sites.

The level of reserves held as at 31 August 2021 was as follows:

Unrestricted funds for any use:	£2,136,000
Restricted general funds:	<u>£2,251,000</u>
Total Reserves 'excluding Pension and Fixed Asset Funds'	£4,387,000
Restricted local government pension scheme deficit ("LGPS"):	(£15,743,000)
Restricted fixed asset funds:	<u>£14,121,000</u>
Total Funds	£2,765,000

The Trust Funds at 31st August 2021 have reduced by (£2,155,000) during the year to £2,765,000 from £4,920,000 at 31st August 2020. However, this reduction is driven by the negative movements in the Pension fund deficit (£3,289,000) and by the devaluation of The Bridge site (£842,000). The level of 'reserves excluding Pension and Fixed Asset funds' has risen in year by £2,045,000 to £4,387,000 reflecting the underlying operational surplus and capital grants received. The movement in both the pension scheme valuation and in the DfE lead land and buildings revaluation program is outside the control of the trust.

Academies account for pensions for Non-Teaching staff as defined benefits LGPS and must include pension fund positive or deficit balances as Academy reserves. However, Academies pay Teaching staff pension contributions based on percentage of salary each year and any deficit or positive funds against Teacher pensions liabilities are reported at central Government level only.

The LGPS Pension scheme valuation as at 31st August 2021 shows funding at 33% of liabilities (2020 33%). This funding cover compares to an average of approximately 73% funding level across UK Academies though there is a wide range of values across individual schools and regions. The Trust looks to reduce the LGPS deficit through a combination of 'Primary contributions' (monthly percentage of annual salary) and through annual 'Secondary contributions' lump sums intended to redress the Past Service deficit over 17 years.

The pension deficit has grown in year from (£12,454,000) at August 2020 to (£15,743,000) in August 2021. The overall movement of (£3,289,000) includes a (£2,044,000) increase in deficit driven by costs of future pensions benefits in excess of in year superannuation contributions which is charged to the Operating Costs. A further (£1,935,000) increase in deficit due to changes in the assumptions around demographics and actuarial discount rate is reflected in Pension Deficit fund levels below the line. This element of the valuation is very sensitive to the Gilt rates at 31st August each year.

Trustee's Report

For the year ended 31 August 2021

Reserves Policy (continued)

A large part of the LGPS scheme deficits were inherited on conversion (unfunded) and relate to a proportional share of the West Midlands Pension Scheme deficit at that date for teaching staff previously in the LGPS pension scheme. The Trust made Primary contributions to LGPS pensions in the year but did not make Secondary cash contributions for Past Service Pension deficits as these were prepaid in 2019-20 up to April 2022. The Secondary contribution for April 2022 to March 2023 is due in April 2022 at approximately £440,000.

The Trust inherited a further (£330,000) of Past Service Pension deficits on 1st September 2021 when the Trust acquired existing LGPS staff with the Lea Hall school.

The pension valuation currently includes a standardised 5% 'medium risk' assumption applied across all academies which increases the deficit value. The LGPS and DfE are reviewing the need for this risk assumption in Spring 2022. The pension deficit includes the estimated impact of the McCloud case at a liability of £221,000 pending the Spring 2022 valuation Review. The McCloud adjustment addresses the discriminatory effects of the introduction of career average salary pension schemes from 2015.

The Board believes the pension deficit of (£15,743,000) and the consequent Secondary cash contributions, to be the largest financial risk facing the Trust. The annual cash contributions are forecast to eventually become an onerous financial burden that puts at risk the proper functioning of the Trust for its core purpose. Further information around the LGPS pension deficit can be found in note 24 to the accounts.

Investment Policy

The Academy Trust has no material investments.

Principal Risks and Uncertainties

The Trustees annually agree determined areas of principle risk for the Trust and then charge each Local Academy Council to conduct an annual review of the Trusts Risk Register. This considers whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial or any other risk to achieving the school's objectives.

The principal ongoing risks for the Trust have been categorised into the following areas:

- 'Special measures' or 'requiring improvement' Ofsted outcomes, indicating a drop in educational standards
- Fall in student numbers, which will result in a fall in revenue
- Breach of data protection and cybersecurity risks
- LGPS Pension deficit funding
- Detrimental media publicity
- Weak governance
- Failure of internal financial control
- Loss of key staff
- Recruitment in general as well as the availability of required skill sets – a particular problem throughout the COVID pandemic
- Retention of staff – some have become carers as throughout the COVID pandemic

Trustee's Report

For the year ended 31 August 2021

- Health and Safety (Failure to safeguard pupils & staff)

Principal Risks and Uncertainties (continued)

- Delays in the regional Pupil Transport service response to finalising transport arrangements delays pupil enrolment dates. Local Authority High Need funding is based on 'pupils on roll'.

The Trust's policies and procedures seek to mitigate these risks and are documented and provided to all staff across all schools. There is also training provided to all staff on these areas. External auditors are procured in addition to the statutory auditors, and these complete a mid-year audit to check systems and processes. Action points from their recommendations are built into action plans for improvement.

There are no plans currently for Government funding for Academies to address unfunded Pension scheme 'past service deficits' or to fund the changes from McCloud, the standardised 'medium risk' assumptions across academies or the relative underfunding of Birmingham academies against the national average. All these areas have been under discussion between Government, Academies and LGPS Pension schemes.

The Trust has typically faced delay in pupil enrolment from delayed response by the Birmingham Pupil Home to School Transport service to put in place arrangements for new pupils who wished to enrol. Delays increased following the council move to a new transport provider in February 2020. In September 2020 this was exacerbated by the transport service adapting to compliance with COVID regulations. The Trust escalated concerns and the pupil transport situation has improved but pupil education and funding will have been impacted.

The Trust faced particular challenges relating to COVID in 2019-20 and 2020-21 which continue into 2021-22 in relation to maintaining the staff and pupil health, safety, educational standards and general supporting operations during the COVID pandemic. During 2020-21, Trusts schools suffered from periodic disruption to 'bubbles' and whole school closures, delays to recruitment, training, delivery of premises works, and cancelled pupil premium services. In 2021-22 schools continue to incur additional costs of cleaning, PPE and agency cover for COVID related sickness or self-isolation. The Trust incurred £66k Agency costs in 2020-21 to cover staff absence relating to COVID.

The Trust did not qualify for any government funding for additional COVID costs in 2020-21. Such funding is normally targeted at Trusts with lower levels of reserves and those who would be driven into deficit or unable to make deficit payments due to additional COVID costs.

The recruitment of staff at all levels is seen as an ongoing risk to the Trust as the education sector faces a shortage of teachers and support staff nationally and this is particularly marked in urban areas such as Birmingham and surrounding districts. The pipeline of new education staff is also significantly reduced compared to recent years. The appointment of suitable and experienced senior leaders and head teachers to run our specialist provision as we grow and expand as a Trust is also an additional factor which creates risk to the Trust as the talent pool is diminishing and many leaders in the special sector are looking to retire earlier than they may have before.

Gender Pay Gap Reporting

New legislation came into force in the UK in April 2017, requiring all employers with more than 250 employees to publish their gender pay gap. At the snapshot date (31 March 2020), Forward Education

Trustee's Report

For the year ended 31 August 2021

Trust was made up of 3 academies (Brays School, Hallmoor School, and The Bridge School for the purpose of reporting).

Gender Pay Gap Reporting (continued)

In our Trust the gender makeup of our staff is 86.6% women and 13.4% men

In our Trust the gender pay gap is:

Mean (average) Pay Gap: 13.3%

Median (middle value) Pay Gap: 18.7%

The median pay gap for the whole economy (according to the October 2017 ONS ASHE figures) is 18.4%. Forward Education Trust's median gender pay gap is 18.7%.

As an employer we are committed to the principals of paying men and women equally for undertaking the same work.

We are a Living Wage Employer, paying an hourly rate set by the Living Wage Foundation, which is a higher hourly rate than that of the National Living wage.

Equality and staff consultation

Recruiting and employing people with disabilities

The Trust actively promotes the recruitment of all people whether they have a disability or not. At recruitment we offer reasonable adjustments at interview. Following recruitment, we undertake a risk assessment with the employee to determine what reasonable adjustment can be put in place in their place of work. This may include the purchase of appropriate workplace furniture, looking at support for safe evacuation of the building in the event of fire, the use of appropriate IT technology and the working pattern of the day. Should an employee become disabled during their employment at the trust, the HR department will undertake a risk assessment with a view to supporting that employee to continue in the workplace. As many of our schools take children with significant disabilities, the Trust is very familiar with supporting those with additional needs and integrating them successfully into the workforce.

Staff consultation

Each year the schools undertake an accessibility questionnaire where all stakeholders (parents, staff, pupils) are asked their views around how successful our equality plans are working. Any changes required to buildings or working practice are considered alongside financial implications and progressed accordingly. All employees, including those with disabilities, have access to a line manager as well as the Trust HR manager for additional support.

Plans for Future Periods

The strategic plan for the Trust is growth, expanding the number of places available to ensure the provisions are available to educate special educational needs children in and outside of Birmingham. Forward Education Trust academies are able to embrace the needs of the most complex high needs children and provide both educational and social experiences that children would otherwise not have if the schools in the Trust were not accessible to them.

Trustee's Report

For the year ended 31 August 2021

Plans for Future Periods (*continued*)

Our centralised services will continue to grow and develop to enable us to ensure best value for all procurement in the interest of public spending.

The trust has a confirmed growth plan from 3 current to 7 school confirmed by 2023 plus additional options for further growth.

Our estate plans are based on condition reports and the need to expand and develop our provision. The Trust will be move to a strategic delivery of upkeep of its estate as in 2022 it will no longer be eligible to apply for DFE CIF and instead will be in receipt of Schools Conditions Authority grants based on a formula fund predicated on number of schools and condition of the estate.

The trust may need to consider moving its central function away from a school site as the central team grows and the space currently used would release capacity back to the school it currently sits in.

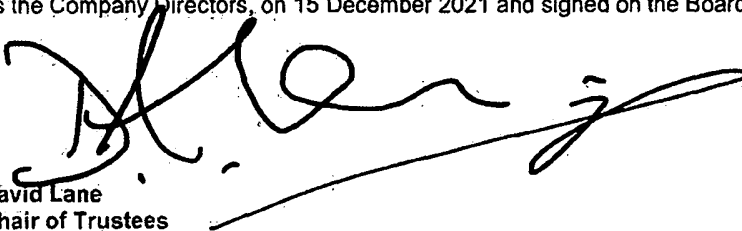
The Trust is mindful of the global and national green agenda and our need to save energy and harness new technologies to run our estate. The Trust will be energy looking for the first time at its carbon footprint and to this end a Trust new energy subgroup of the Strategy Growth and Infrastructure Committee will come into operation.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the 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 auditor is 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 15 December 2021 and signed on the Board's behalf by:



David Lane
Chair of Trustees

15 December 2021

Governance statement

For the year ended 31 August 2021

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Forward Education 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.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Forward Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met 6 times during the year.

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

DIRECTOR ATTENDANCE 2020-21	BOARD MEETINGS ELIGIBLE TO ATTEND	BOARD MEETINGS ATTENDED
Jane Edgerton (CEO and Accounting Officer)	6	6
Brenslley Taylor	6	6
Catherine Canty	6	6
Helen Redican	6	6
David Lane (Chair)	6	6
Maria Earl	6	5
Jared Whittaker (Appointed 30/09/20)	4	5
Michael Reynolds (Resigned 28/09/20)	1	1
Patrick Ricketts (Appointed 06/10/20)	5	5
Ayaz Hussain (Appointed 14/10/20; resigned 31/03/21)	1	3

Governance statement

For the year ended 31 August 2021

Governance (continued)

The Audit: Risk and Finance Committee is a sub-committee of the main Board of Trustees.

The Audit: Risk and Finance Committee has formally met 8 times during the year.

Attendance during the year at meetings of the Audit: Risk and Finance Committee was as follows:

DIRECTOR ATTENDANCE 2020-21	BOARD MEETINGS ELIGIBLE TO ATTEND	BOARD MEETINGS ATTENDED
Jane Edgerton	8	8
David Lane	8	8
Catherine Canty	8	8
Brensley Taylor	8	8
Jared Whittaker	5	5

Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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 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 where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- continuing to develop strategies to raise education outcomes, through collaboration by sharing skills and expertise across the Trust and extending partnership working.
- appointing a Director of Finance to introduce central procurement and alignment of contracted services, and collective purchasing this has provided the schools better value on existing services which enables more accurate budget monitoring and forecasting.
- ensuring that the Trust's financial procedures have been implemented and embedded throughout the Trust ensuring that the schools are all appropriating value for money strategies.
- maintaining correct staffing levels throughout the Trust to ensure staffing is appropriate to each school and not as a result of legacy, monitoring natural wastage and ensuring the Head Teachers are replacing staff appropriately; and
- centralised control of establishments and recruitment processes
- providing continued support to the Head Teachers and Local Academy Councils and building on Trust development plans to achieve the benefits of sharing and pooling resources.
- effective centralised procurement of a trustwide Estates Management contract, a new Pupil MIS system and utilities re-procurement.

Governance statement

For the year ended 31 August 2021

Review of Value for Money (continued)

- introduction of agency framework agreements to manage pressures on day rates and avoid temp to perm costs. Regular reporting of Agency spend and 'reasons for booking' to Finance Committee
- effective management of large contracts
- supported operations and the HR function by developing standardised systems, policies and processes across the Trust
- Seeking and winning funding to support existing and new schools and the capacity of the central team

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 Forward Education Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2021 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 setting and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function this financial year had appointed Birmingham City Council as the Trusts' internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Governance statement

For the year ended 31 August 2021

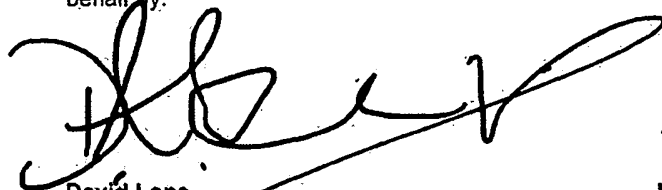
Review of Effectiveness

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

- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

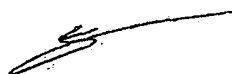
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the members and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:



David Lane
Chair of Trustees

15 December 2021



J Edgerton
Accounting Officer

15 December 2021

Statement on Regularity, Propriety and Compliance
For the year ended 31 August 2021

As Accounting Officer of Forward Education Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.



Jane Edgerton
Accounting Officer

15 December 2021

Statement of Trustee's Responsibilities

For the year ended 31 August 2021

The Trustees (who act as governors of Forward Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 year. In preparing these financial statements, the Trustees are required to:

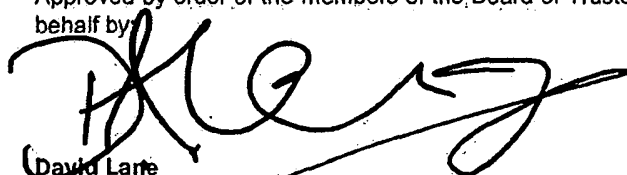
- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 202 to 2020;
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 15 December 2021 and signed on its behalf by



David Larré
Chair of Trustees

15 December 2021

Independent Auditor's Report on the Financial Statements For the year ended 31 August 2021

Independent Auditor's Report on the Financial Statements to the members of Forward Education Trust

Opinion on financial statements

We have audited the financial statements of Forward Education Trust (the "Trust") for the year ended 31 August 2021 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency ("ESFA").

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable Trust's affairs as at 31 August 2021 and of its incoming resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with 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)") and the Academy Accounts Direction 2020 to 2021 issued by the Education 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report on the Financial Statements For the year ended 31 August 2021

Independent Auditor's Report on the Financial Statements to the members of Forward Education Trust (*continued*)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable Trust and its environment obtained in the course the audit, we have not identified material misstatements in the Trustees' 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 by the charitable Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable Trust's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Trustees' responsibilities statement set out on page 32, the Trustees 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 directors 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Independent Auditor's Report on the Financial Statements For the year ended 31 August 2021

Independent Auditor's Report on the Financial Statements to the members of Forward Education Trust (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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:

Irregularities that result from fraud might be inherently more difficult than irregularities that result from error, which gives rise to a risk of material misstatement. We are of the opinion that the planned audit approach, the documentation and interrogation of the entity's controls means that the audit procedures carried out were capable of detecting irregularities, including fraud. We have also reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations and have reviewed correspondence with regulatory bodies as part of our audit procedures.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Forward Education Trust



**Independent Auditor's Report on the Financial Statements
For the year ended 31 August 2021**

Hannah Justice FCA FCCA
Hannah Justice FCA FCCA (Senior Statutory Auditor)
For and on behalf of BSN Associates Limited

15 December 2021

Independent Reporting Accountant's Report on Regularity For the year ended 31 August 2021

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

In accordance with the terms of our engagement letter dated 11 March 2020 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Forward Education Trust during the year ended 31 August 2021 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 Forward Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Forward Education 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 Forward Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Forward Education Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Forward Education Trust's funding agreement with the Secretary of State for Education dated 20 March 2017 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 ended 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;

Independent Reporting Accountant's Report on Regularity For the year ended 31 August 2021

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

- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

Conclusion

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

BSN Associates Limited
Reporting Accountant
BSN Associates Limited

15 December 2021

Statement of Financial Activities incorporating Income and Expenditure Account

For the year ended 31 August 2021

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	-	386	46	432	1,367
Charitable activities:						
Funding for the Trust's educational operations	4	-	12,948	-	12,948	11,684
Other trading activities	5	115	1	-	116	111
Teaching school	26	53	-	-	53	47
Total		168	13,335	46	13,549	13,209
Expenditure on:						
Raising funds	6	-	-	-	-	-
Charitable activities:						
Trust educational operations	6, 7	126	12,657	957	13,740	12,325
Teaching school	26	29	-	-	29	47
Total		155	12,657	957	13,769	12,372
Net income / (expenditure)		13	678	(911)	(220)	837
Transfers between funds	16	-	-	-	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16, 24	-	(1,935)	-	(1,935)	(1,314)
Net movement in funds		13	(1,257)	(911)	(2,155)	(477)
Reconciliation of funds						
Total funds brought forward		2,123	(12,235)	15,032	4,920	5,397
Total funds carried forward		2,136	(13,492)	14,121	2,765	4,920

Balance Sheet

For the year ended 31 August 2021

		2021	2020
	Notes	£000	£000
Fixed assets			
Tangible assets	12	14,600	15,173
Intangible assets	13	-	7
Current assets			
Debtors	14	1,279	600
Cash at bank and in hand		4,351	2,663
		<u>5,630</u>	<u>3,263</u>
Liabilities			
Creditors: Amounts falling due within one year	15	(1,722)	(1,069)
Net current assets		<u>3,908</u>	<u>2,194</u>
Total assets less current liabilities and net assets excluding pension liability		<u>18,508</u>	<u>17,374</u>
Defined benefit pension scheme liability	24	(15,743)	(12,454)
Total assets		<u>2,765</u>	<u>4,920</u>
Funds of the Trust:			
Restricted funds			
Fixed asset fund	16	14,121	15,032
Restricted income fund	16	2,251	219
Pension reserve	16	(15,743)	(12,454)
Total restricted funds		<u>629</u>	<u>2,797</u>
Unrestricted income funds	16	<u>2,136</u>	<u>2,123</u>
Total Funds		<u>2,765</u>	<u>4,920</u>

The financial statements on pages 38 to 63 were approved by the Trustees, and authorised for issue on 15 December 2021 and are signed on their behalf by:


David Lane
Chair of Trustees
15 December 2021

Statement of Cash Flows
For the year ended 31 August 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	2,098	(386)
Cash flows from financing activities	21	(410)	(98)
Change in cash and cash equivalents in the year		<u>1,688</u>	<u>(484)</u>
Cash and cash equivalents brought forward		2,663	3,147
Cash and cash equivalents at the 31 August 2021	22	<u>4,351</u>	<u>2,663</u>

Notes to the Financial Statements

For the year ended 31 August 2021

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of Forward Education Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Forward Education Trust meets the definition of a public benefit entity under FRS 102.

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 company 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

Income

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

- **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 year 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Donations**

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.

Notes to the Financial Statements

For the year ended 31 August 2021

1. Statement of Accounting Policies (*continued*)

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

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 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT, with the exception of non-business activity costs which can be reclaimed through Clause 75 of the Finance Bill 2011 (section 33B) in the VAT Act 1994.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Notes to the Financial Statements

For the year ended 31 August 2021

1. Statement of Accounting Policies (*continued*)

Tangible Fixed Assets (*continued*)

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

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

- | | |
|------------------------------------|--------------|
| • Land | None |
| • Long leasehold buildings | 125 years |
| • Fixtures, fittings and equipment | 3 - 10 years |

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

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

Intangible assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- | | |
|-------------------------------|---------|
| • Purchased computer software | 5 years |
|-------------------------------|---------|

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 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.

Provisions

Provisions are recognised when the 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.

Leased assets

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

Notes to the Financial Statements

For the year ended 31 August 2021

1. Statement of Accounting Policies (*continued*)

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Taxation

The 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 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the year to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 year 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.

Notes to the Financial Statements

For the year ended 31 August 2021

1. Statement of Accounting Policies (*continued*)

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Conversion to a Multi Academy Trust

On 4 April 2017 Brays School, The Bridge School and Hallmoor School converted to academy status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to Forward Education Trust from Birmingham City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

2. General Annual Grant ("GAG")

Under the funding agreement with the Secretary of State the Trust was not subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next.

Notes to the Financial Statements
For the year ended 31 August 2021

3. Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Fund	Total 2021	Total 2020
	£000	£000	£000	£000	£000
Capital Grants	-	386	-	386	32
Donated fixed assets	-	-	46	46	1,335
Other donations	-	-	-	-	-
	<u>-</u>	<u>386</u>	<u>46</u>	<u>432</u>	<u>1,367</u>

4. Funding for the Trust's Educational Operations

	Unrestricted Funds	Restricted General Funds	Total 2021	Total 2020
	£000	£000	£000	£000
DfE / EFA grants				
General Annual Grant (GAG)	-	6,208	6,208	6,015
Start Up Grants	-	-	-	-
Other DfE/EFA grants	-	520	520	508
	<u>-</u>	<u>6,728</u>	<u>6,728</u>	<u>6,523</u>
Other Government grants				
Local authority grants	-	6,071	6,071	5,161
Special educational projects	-	-	-	-
	<u>-</u>	<u>6,071</u>	<u>6,071</u>	<u>5,161</u>
Covid-19 additional funding (DfE/ESFA)				
Catch up premium	-	149	149	-
	<u>-</u>	<u>12,948</u>	<u>12,948</u>	<u>11,684</u>

The academy received £149,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £149,000.

5. Other Trading activities

	Unrestricted Funds	Restricted General Funds	Total 2021	Total 2020
	£000	£000	£000	£000
Educational trips	1	-	1	4
Other income	114	1	115	107
	<u>115</u>	<u>1</u>	<u>116</u>	<u>111</u>

Notes to the Financial Statements
For the year ended 31 August 2021

6. Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2021	2020
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
Direct costs	7,706	973	278	8,957	8,233
Allocated support costs	934	1,024	2,825	4,783	4,092
	8,640	1,997	3,103	13,740	12,325

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	11	77
Depreciation	141	137
(Gain)/loss on fixed asset disposal	-	5
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	7	2
Impairment of land and buildings	842	-
Fees payable to auditor for:		
- audit	18	18
- other services	5	5
	1,024	244

7. Charitable Activities

	2021 £000	2020 £000
Direct costs – educational operations	8,957	8,233
Support costs – educational operations	4,783	4,092
	13,740	12,325

Notes to the Financial Statements

For the year ended 31 August 2021

7. Charitable Activities (continued)

Analysis of support costs

	Educational operations	Total 2021	Total 2020
	£000	£000	£000
Support staff costs	934	934	869
Depreciation	141	141	137
Premises costs	883	883	475
Other support costs	2,699	2,699	2,403
Governance costs	126	126	208
Total support costs	4,783	4,783	4,092

8. Staff

a. Staff costs

Staff costs during the year were:

	Total 2021	Total 2020
	£000	£000
Wages and salaries	6,812	6,703
Social security costs	566	472
Operating costs of defined benefit pension schemes	615	638
	7,993	7,813
Supply staff costs	647	840
	8,640	8,653

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	39	64
Administration and support	283	258
Management	6	15
	328	337

Notes to the Financial Statements

For the year ended 31 August 2021

8. Staff (continued)

c. Higher paid staff

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

	2021	2020
	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	-	3
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
	<hr/> 5	<hr/> 5

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £720,000 (2020: £558,000).

9. Related Party Transactions - Trustees' Remuneration and Expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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 per annum was as follows:

J Edgerton (CEO and Trustee):

- Remuneration £120,001 - £130,000 (2020: £110,001 - £120,000)
- Employer's pension contributions paid £25,000 - £30,000 (2020: £25,000 - £30,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £5 (2020: £2,000) were reimbursed or paid directly to 1 Trustee (2020: 2 Trustees).

Other related party transactions involving the Trustees are set out in note 25.

Notes to the Financial Statements

For the year ended 31 August 2021

10. Trustees' and Officers' Insurance

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust 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.

11. Central Services

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

- human resources
- financial services
- legal services
- educational support services; or
- others as arising

The Trust recharged budgeted central costs across the schools, allocated in line with affordability for the smaller sites. The total recharge amounted to 7.8% of GAG income in year.

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
Brays Academy	149	341
Halimoor Academy	490	424
The Bridge Academy	377	-
	<u>1,016</u>	<u>765</u>

Notes to the Financial Statements

For the year ended 31 August 2021

12. Tangible Fixed Assets

	Leasehold Land and Buildings	Freehold Land and Buildings	Computer Hardware	Total
	£000	£000	£000	£000
Cost				
At 1 September 2020	14,197	1,335	53	15,585
Additions	217	-	193	410
Disposals	-	-	-	-
Revaluation	(938)	-	-	(938)
At 31 August 2021	13,476	1,335	246	15,057
Depreciation				
At 1 September 2020	388	-	24	412
Charged in the year	115	-	26	141
Disposals	-	-	-	-
Revaluation	(96)	-	-	(96)
At 31 August 2021	407	-	50	457
Net book values				
At 31 August 2021	13,069	1,335	196	14,600
At 31 August 2020	13,809	1,335	29	15,173

The Trust's transactions relating to land and buildings include the taking up of the long leaseholds (Trust as tenant) at Brays School (Sheldon site only), The Bridge & Hallmoor School for peppercorn rent over a term of 125 years.

In the absence of a formal valuation, the provisional value for leasehold land and buildings has been derived from the insurers rebuild valuation of the buildings. The valuations will be updated as part of a DfE post academisation, the first of which was The Bridge in 20-21.

The formal valuation of The Bridge School land and buildings was carried out by Montagu Evans on 10th September 2020 and generated a (£842,000) devaluation. The key factors were changes in building configuration and use since academisation rather than dilapidations.

In 19-20, the Trust acquired £1,335,000 of donated land from the DfE for Highpoint site which opened in September 2021.

Other furniture, equipment and computer hardware assets transferred to the Trust on conversion to an Academy on 4 April 2017 have not been fair valued due to the large volumes of low value items. If and when these items are sold the income will be recognised in "income from other trading activities".

Notes to the Financial Statements

For the year ended 31 August 2021

13. Intangible Fixed Assets

	Computer Software	Total
	£000	£000
Cost		
At 1 September 2020	9	9
Additions	-	-
Disposals	-	-
At 31 August 2021	9	9
Amortisation		
At 1 September 2020	2	2
Charged in the year	2	2
Disposals	-	-
Impairment	5	5
At 31 August 2021	9	9
Net book values		
At 31 August 2021	-	-
At 31 August 2020	7	7

During the prior year the Trust invested in a 5 year contract to procure a Human Resources module which will integrate with the Trust financial and budgeting systems to deliver significant savings in administration time. A full impairment of the Human Resources module has been carried out in the year due to the software no longer being fit for purpose.

14. Debtors

	2021	2020
	£000	£000
Trade debtors	1	66
VAT recoverable	60	61
Other debtors	2	11
Prepayments and accrued income	1,216	462
	<u>1,279</u>	<u>600</u>

Notes to the Financial Statements

For the year ended 31 August 2021

15. Creditors: Amounts Falling due within one year

	2021	2020
	£000	£000
Trade creditors	119	323
Other creditors	137	133
Accruals and deferred income	1,466	613
	<u>1,722</u>	<u>1,069</u>

Deferred Income	2021	2020
	£000	£000
Deferred income at 1 September	127	17
Released from previous years	(127)	(17)
Resources deferred in the year	594	127
Deferred Income at 31 August 2021	<u>594</u>	<u>127</u>

At the balance sheet date, the Trust was holding funds received in advance for Universal Infant Free School Meals for the Autumn term 2021 of £17,000 (2020: £19,000).

Notes to the Financial Statements
For the year ended 31 August 2021

16. Funds

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	104	6,208	(4,123)	-	2,189
Donations and capital grants	-	386	(386)	-	-
Other DfE/EFA grants	-	520	(520)	-	-
Local authority grants	-	6,071	(6,124)	-	(53)
Other trading activities	67	1	(1)	-	67
Catch-up premium	-	149	(149)	-	-
School fund	48	-	-	-	48
Pension reserve	(12,454)	-	(1,354)	(1,935)	(15,743)
	(12,235)	13,335	(12,657)	(1,935)	(13,492)
Restricted fixed asset funds					
Transfer on conversion	13,092	-	(957)	-	12,135
DfE/EFA capital grants	230	46	-	-	276
Donation from BCC	375	-	-	-	375
Donation from DfE	1,335	-	-	-	1,335
Private sector capital sponsorship	-	-	-	-	-
	15,032	46	(957)	-	14,121
Total restricted funds	2,797	13,381	(13,614)	(1,935)	629
Total unrestricted funds	2,123	168	(155)	-	2,136
Total funds	4,920	13,549	(13,769)	(1,935)	2,765

Notes to the Financial Statements
For the year ended 31 August 2021

16. Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	Total	Total
	2021	2020
	£000	£000
Brays Academy	1,542	1,074
The Bridge Academy	727	236
Hallmoor Academy	1,452	724
Central services	666	308
Total before fixed assets and pension reserve	4,387	2,342
Restricted fixed asset fund	14,121	15,032
Pension reserve	(15,743)	(12,454)
Total	2,765	4,920

Analysis of academies by cost

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	Total
	£000	£000	£000	£000	2021	2020
	£000	£000	£000	£000	£000	£000
Brays Academy	3,098	413	107	1,464	5,082	5,289
The Bridge Academy	1,417	155	37	786	2,395	3,908
Hallmoor Academy	2,796	161	107	934	3,998	2,194
Central services	395	205	-	1,553	2,153	790
Academy Trust	7,706	934	251	4,737	13,628	12,181

Notes to the Financial Statements

For the year ended 31 August 2021

17. Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	479	-	14,121	14,600
Intangible fixed assets	-	-	-	-
Current assets	2,368	3,262	-	5,630
Current liabilities	(711)	(1,011)	-	(1,722)
Pension scheme liability	-	(15,743)	-	(15,743)
Total net assets	2,136	(13,492)	14,121	2,765

18. Capital Commitments

	2021 £000	2020 £000
Committed to, but not provided in the financial statements	-	-

The Trust was granted DfE support for two CIF schemes at The Bridge School site and Brays School site during the year ended 31st August 2021. The works on both schemes are due to be handed over and commissioned in the 2022 year. The total project costs are expected to be £338,000 and £1,009,000 respective with DfE funding of £284,000 and £852,000 to leave a Trust level contribution of £54,000 and £156,000 respectively. The Trust received related funding of £352,000 in year and paid £412,000 of fees during the current year. All costs and funding for these projects will be recognised in the accounts for the year ended 31st August 2022.

19. Commitments under operating leases

At 31 August 2021 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	8	11
Amounts due between one and five years	-	8
Amounts due after five years	-	-
	8	19

Notes to the Financial Statements
For the year ended 31 August 2021

20. Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2021	2020
	£000	£000
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	(220)	837
Adjusted for:		
Depreciation charges (note 6)	141	137
Amortisation of intangible assets	7	2
(Profit)/loss on disposal	-	5
Transfer of buildings from local authority	-	(1,335)
Impairment of land and buildings	842	-
Defined benefit pension scheme cost less contributions payable (note 24)	(690)	(671)
Defined benefit pension scheme finance cost (note 24)	2,044	199
(Increase)/decrease in debtors	(679)	(89)
Increase/(decrease) in creditors	653	529
Net cash provided by / (used in) Operating Activities	2,098	(386)

21. Cash Flows from Investing Activities

	2021	2020
	£000	£000
Purchase of tangible fixed assets	(410)	(89)
Purchase of intangible fixed assets	-	(9)
Net cash provided by / (used in) investing activities	(410)	(98)

22. Analysis cash and cash equivalents

	At 31 August	At 31 August
	2021	2020
	£000	£000
At 1 September	2,663	3,147
Cash flows	1,688	(484)
Total cash and cash equivalents	4,351	2,663

Notes to the Financial Statements

For the year ended 31 August 2021

23. Members' Liability

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

24. Pension and Similar Obligations

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 West Midlands Pension Fund. 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 2016.

There were no outstanding contributions at 31 August 2021 (2020: £nil) included in 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions; as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to TPS in the year amounted to £615,000 (2020: £650,000).

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

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

Notes to the Financial Statements

For the year ended 31 August 2021

24. Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings.

The administering authority for the Fund is Wolverhampton City Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers. West Midlands Pension Fund, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The total contribution made for the year ended 31 August 2021 was £903,000 (2020: £2,382,000), of which employer's contributions totalled £690,000 (2020: £2,181,000) and employees' contributions totalled £213,000 (2020: £201,000). The agreed contribution rates for future years are:

- Brays School 19.4% for employers and 6.0% for employees;
- Hallmoor School 19.4% for employers and 6.0% for employees;
- The Bridge School 19.4% for employers and 6.0% for employees.

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

Notes to the Financial Statements
For the year ended 31 August 2021

24. Pension and Similar Obligations (*continued*)

The Academy LGPS has an estimated deficit of £15,743,000

	£000
Brays	6,782
Hallmoor	5,203
The Bridge	3,758
	<u>15,743</u>

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.85%	3.25%
Rate of increase for pensions in payment/inflation	2.85%	2.25%
Discount rate for scheme liabilities	1.65%	1.65%
Inflation assumption (CPI)	2.55%	2.25%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.6	21.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	23.4	23.8
Females	25.8	26.0

Notes to the Financial Statements
For the year ended 31 August 2021

24. Pension and Similar Obligations (continued)

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2021 £000	Fair value at 31 August 2020 £000
Equity instruments	4,906	3,396
Debt instruments	1,159	891
Property	566	456
Cash	297	400
Other	1,128	903
Total market value of assets	8,056	6,046

The actual return on scheme assets was £1,142,000 (2020: £366,000).

Amounts recognised in the statement of financial activities

	2021 £000	2020 £000
Current service cost (net of employee contributions)	1,846	1,510
Net interest cost	198	199
Total operating charge	2,044	1,709

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

	2021 £000	2020 £000
At 1 September 2020	18,500	14,322
Current service cost	1,846	1,510
Interest cost	304	273
Employee contributions	213	201
Benefits paid	(35)	(79)
Actuarial (gain)/loss	2,971	2,273
At 31 August 2021	23,799	18,500

Notes to the Financial Statements

For the year ended 31 August 2021

24. Pension and Similar Obligations (*continued*)

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

	2021	2020
	£000	£000
At 1 September 2020	6,046	2,710
Upon conversion	-	-
Interest income	106	74
Return on plan assets (excluding net interest on the net defined pension liability)	1,036	292
Actuarial (gain)/loss	-	667
Employer contributions	690	2,181
Employee contributions	213	201
Benefits paid	(35)	(79)
At 31 August 2021	8,056	6,046

Sensitivity analysis

Adjustment to discount rate	0.10%	0.0%	-0.10%
Present value of total obligation (£'000)	23,136	23,799	24,482
Projected service cost (£'000)	2,164	2,246	2,332
Adjustment to long term salary increase	0.10%	0.00%	-0.10%
Present value of total obligation (£'000)	23,882	23,799	23,717
Projected service cost (£'000)	2,248	2,246	2,246
Adjustment to pension increases and deferred revaluation	0.10%	0.00%	-0.10%
Present value of total obligation (£'000)	24,391	23,799	23,224
Projected service cost (£'000)	2,331	2,246	2,164
Adjustment to life expectancy assumptions	+ 1 year	0 years	- 1 year
Present value of total obligation (£'000)	24,791	23,799	22,848
Projected service cost (£'000)	2,349	2,246	2,149

25. Related Party Transactions

No related party transactions took place in the year, other than certain Trustees' remuneration and expenses already disclosed in note 9. An employee of the Trust, who is deemed Key Management Personnel, is a related party of one of the Trustees. The Trustees do not feel the disclosure of the transaction between the Trust and the employee would provide further transparency to the user of the financial statements given the Trustee had no involvement in the appointment of the employee or the terms that they are employed under.

Notes to the Financial Statements
For the year ended 31 August 2021

26. Academy Trust Teaching School

One of the schools within the Academy Trust receives core funding from the Department for Education ("DfE"). The 2016/17 teaching school funds were included in the brought forward surplus on conversion to an Academy Trust. The 2020/21 income and expenditure are shown on the face of the Statement of Financial Activities.

The Chief Accounting officer is the Director of Services responsible for the Brays School. DfE core funding expenditure impact analysis is submitted to the DfE online annually in July prior to the new year core funding being received by the associated school.

27. Comparative SOFA

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000
Income and endowments from:				
Donations and capital grants	-	32	1,335	1,367
Charitable activities:				
Funding for the Trust's educational operations	-	11,684	-	11,684
Other trading activities	101	10	-	111
Teaching school	3	44	-	47
Total	104	11,770	1,335	13,209
Expenditure on:				
Raising funds	-	-	-	-
Charitable activities:				
Trust educational operations	208	11,995	122	12,325
Teaching school	3	44	-	47
Total	211	12,039	122	12,372
Net income / (expenditure)	(107)	(269)	1,213	837
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	(1,314)	-	(1,314)
Net movement in funds	(107)	(1,583)	1,213	(477)
Reconciliation of funds				
Total funds brought forward	2,230	(10,652)	13,819	5,397
Total funds carried forward	2,123	(12,235)	15,032	4,920