



Forest of Dean Trust

Financial accounts for the year ending 31
August 2022

Company Registration number 07695544

***Company Limited by Guarantee
(England & Wales)***

CONTENTS

	Page
Reference and Administrative Information	3
Trustees' Annual Report	4
Governance Statement	11
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16
Independent Reporting Accountant's Report on Regularity	20
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES, AND ADVISORS

Registered office Abenhall Road, Mitcheldean, Glos. GL17 0DU

Registration number 7695544

Members Mr Danny Haines (appointed 1 April 2020)
Mr Jim Peryer (appointed 1 April 2020)
Mr Brian Robinson (appointed 1 April 2020)
Father David Gill (appointed 20 July 2022)

Trustees Mr Matt Reid (Chair) (appointed 29 June 2021)
Mrs Louise Holland (re-appointed 1 April 2020)
Mr Anthony Rose (re-appointed 1 April 2020)
Mr Stephen Brady (re-appointed 1 April 2020)
Mr Julian Grail (appointed 22 November 2020)
Mr Meryon Roderick (appointed 22 November 2020)

Dene Magna Leadership Team

Chief Executive Officer/ Headteacher	Mr Stephen Brady
Deputy Headteacher	Mr Fred Mitchell
Finance Director	Mrs Janet Ray
Director of SEN	Mrs Harry Dixon Gough
Assistant Headteacher	Ms Kellie Bealle
Assistant Headteacher	Mr Jonathan Walters
Assistant Headteacher	Mr Tom Derrick
Head of Sixth Form	Mrs Elizabeth Balmer

Drybrook Primary Leadership Team

Head Teacher Mr Tom Henesey

Company Secretary Janet Ray

Clerk to Trustees Hannah Tufnell

Solicitors Harrison Clark & Rickerbys Solicitors
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

Independent Auditors UHY Hacker Young (Birmingham) LLP
9 – 11 Vittoria Street
Birmingham, B1 3ND

Bankers HSBC Bank
The Cross
Gloucester
GL1 2AP

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees are delighted to see the ongoing performance and expansion of the Trust. With significant financial headwinds with rising costs, we can see a balanced budget can be planned for the future. Governance and controls are being further improved with the addition of an Audit, Risk Committee (ARC) with solid external experience and leadership. Most critically, the impact that the Trust is able to achieve in the local community has been further enhanced with the growth of numbers in Drybrook school and the Sixth Form, on top of an already oversubscribed Dene Magna school.

We look forward to seeing the Trust grow, supporting further Junior schools in the area in the future.

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

The Academy Trust changed its name on 27 March 2020 from Dene Magna School to Forest of Dean Trust. Drybrook Primary School joined Forest Dean Trust on 1 April 2020.

Dene Magna School provides secondary education to mixed gender students with an age range of 11-18. It is located in the Forest of Dean, and is an oversubscribed school, providing the next level of education to our primary feeder schools in the catchment area. The number on roll for this academic year was 1036 (2021: 1,008) students. As an outstanding school the permitted number of students allowed is now 875 following the increase in the PAN to 175 per year. From September 2022 the NOR is 1039 (2021: 1,033).

Drybrook Primary School provides primary education to mixed gender students within an age range of 2 - 11. The number on roll for this academic year September 2022 is 111 (2021: 101) Willow Nursery provide pre school care on the school premises as part of the early years provision.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Forest of Dean Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Forest of Dean Trust. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 3.

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.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omission occurring whilst on Academy business through Zurich Insurance.

Trustees' Indemnities**Third party info**

Whilst some Trustees of the school sit on various charity and local committees within the area. There are no significant financial conflicts of interest and therefore no requirements for third party indemnity provisions in the current financial year.

Method of Recruitment and Appointment or Election of Trustees

The format of the Trust has remained consistent through its first year of operation:

- 4 members for the Members board - Daniel Haines, Jim Peryer, Brian Robinson and Father David Gill
- 6 Trustees - Louise Holland, Matt Reid, Anthony Rose, Paul Weiss, Julian Grail and Meryon Roderick, who was appointed this year
- Members for the Local governing committees for Dene Magna and Drybrook respectively
- Matt Reid continues as Chair of Trustees until the end of year
- The Headteacher who is treated for all purposes as being an ex officio Governor

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Policies and Procedures adopted for the induction and Training of Trustees**

Training and induction is provided for new Trustees, and other skills and development training is dependent on their existing experience. Where necessary, induction is provided on charity, educational, legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and pupils. Trustees on the local governing committees of the schools are allocated a department within the academy to work with and offer assistance.

All Trustees have access to copies of policies and procedures via the web site link and copies of minutes, accounts, budgets, strategic plans and other academy documentation that they require to undertake their role as Trustees.

Trade union facility time

There has been no staff time attributed to trade union meetings or business in this financial year.

Relevant union officials

In June 2020 Mr Matt Bishop became the union representative for GMB Union. Since his appointment, he has attended no meetings during school hours.

Governance Structure

Member level	Members are accountable for the best interests of everyone interested in the school, and the performance and selection of the Trustees
Trustee level	Strategic vision and planning for the MAT, along with statutory compliance with educational requirements, legal and financial
Audit Review Committee (ARC)	The decision was made to create an Audit committee for the trust, this has a lead chair and two trustees in its membership.
Local Governing Committee	Dene Magna and Drybrook school.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The leadership team of the Forest of Dean Trust comprises of the CEO/Head of Dene Magna, Head of Drybrook School, Deputy and three Assistant heads, SENCO, Head of sixth form and the Finance Director. This team control the Forest of Dean Trust at the executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the leadership team are responsible for the authorisation of spending within agreed budgets.

The appointment of staff will follow the safer recruitment policy.

Arrangements for setting pay and remuneration of key management personnel

The Forest of Dean Trust review the pay policy and personnel remuneration annually. This is ratified by Trustees during the September meeting and cascaded to staff. The Forest of Dean Trust currently follow the national guidance for both teachers terms and conditions of employment and the support staff NJC Council guidance. The leadership structure also follows the guidance dictated by the TPTC document and the size of the school and therefore the leadership ranges for Headteachers, Deputies and Assistant Headteachers are categorised accordingly. All Members / Trustees and Committee members of the Trust are appointed on a voluntary basis and no remuneration is provided.

Related Parties and Other Connected Organisations

There have been no other related party relationships that impact financially on the Forest of Dean Trust.

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The principal object of the charitable company is the provision of education at Forest of Dean Trust.

In accordance with the articles of association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the academy, and that the curriculum should comply with the substance of the national curriculum.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Objects and Aims (cont'd)**

The main objectives of the academy during the year ended 31 August 2022 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and
- to raise the standard of educational achievement of all pupils;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the academy's business in accordance with the highest standards of integrity and openness.

Public Benefit

The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

This is reflected in the Forest of Dean Trust purpose of the education of pupils between the ages of 2 – 18, and the provision of community education programmes outside of the school day.

Financial objectives

The Academy's financial objectives are:-

- to achieve a sustainable financial budget for all schools within the Trust;
- to manage funding available for the benefit of current pupils;
- to invest in the maintenance and renewal of the schools facilities and infrastructure to provide excellent learning and teaching facilities.

Sustainability

The Forest of Dean Trust is committed to sustainable development throughout all aspects of its operations and has created a strategic development plan for the expansion of the school environment to benefit students and staff.

Strategic Report

Total students in the year ended 31 August 2022 were 1036 (2021: 1,008). As an outstanding school the permitted number of students will increase following the permitted increase in the PAN to 175 per year group.

Year	DM Places Available 11-16	DM NOR 11-16	Sixth form Places	Sixth form NOR	Drybrook Places Available	Drybrook NOR	Total Trust
2021/2022	875	872	100/100	90/71	140	113	1146
2022/2023	875	872	100/100	83/84	140	111	1150

Dene Magna Results Summary 2022

Level 2 Courses (GCSE Equivalent)

	2019	2020	2021	2022
Average Point Score on Entry (Year 7)	28.4	28.6	101.6	103.3
Basics (4+ in En and Ma)	73%	72%	78%	72%
Basics (5+ in En and Ma)	44%	53%	53%	42%
Attainment 8	47.8			
Progress 8 Score	0.16			

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

GCSE's

Subject	Total Entries	Number of students achieving each grade										Cumulative %		
		9	8	7	6	5	4	3	2	1	7-9	5-9	4-9	
English Language	168	3	11	15	26	33	37	27	13	3	23%	62%	80%	
English Literature	168	7	6	14	26	40	27	28	15	4				
Maths	168	3	13	14	25	23	50	22	9	8	18%	46%	76%	
Biology	26	3	5	10	6	2	0	0	0	0	69%	100%	100%	
Chemistry	26	2	7	5	7	4	1	0	0	0	53%	96%	100%	
Physics	26	4	6	8	5	2	1	0	0	0	69%	96%	100%	
Science (combined)	282	1	5	20	32	53	76	74	19	2	9%	39%	66%	
Art and Design	37	7	3	5	12	7	3	0	0	0	41%	92%	100%	
Business Studies	55	1	8	1	5	10	11	12	5	2	18%	45%	65%	
Computer Science	25	3	4	2	6	3	3	4	0	0	36%	72%	84%	
Design & Technology	42	2	3	3	7	8	8	11	0	0	19%	55%	74%	
Drama	19	0	2	4	5	5	3	0	0	0	32%	84%	100%	
French	44	1	2	5	7	18	7	4	0	0	18%	75%	91%	
Geography	81	5	6	7	14	9	9	16	14	1	22%	51%	62%	
History	81	1	5	8	16	12	17	13	5	4	17%	52%	73%	
Music	17	1	1	1	4	3	3	4	0	0	18%	59%	76%	
PE	60	4	6	9	16	8	8	8	1	0	32%	72%	83%	
Religious Studies	5	0	0	0	0	1	2	1	1	0	0%	20%	60%	
Psychology	1	1	0	0	0	0	0	0	0	0	100%	100%	100%	
Polish	2	0	0	1	0	1	0	0	0	0	50%	100%	100%	
		Level 2						Level 1						
		Distinction*	Distinction	Merit	Pass	Distinction	Merit	Pass	% L2 Distinction+	% L2 Merit+	% L2 Pass+			
Catering (WJEC National)	40	11	10	15	2	0	1		0.53	90%	95%			
IT (BTec)	34	4	2	8	5	8	3	3	0.18	41%	56%			
Child Development	29	2	4	8	9	4	2	0	0.21	48%	79%			
Construction (Level 1)	15							15						

A Level Courses

Subject	Total Entries	Number of students achieving each grade							Cumulative %		
		A*	A	B	C	D	E		A*	A	A
English Lan/Lit	5	1	0	2	2	0	0		20%	60%	80%
English Literature	9	1	1	2	5	0	0		22%	44%	89%
Mathematics	14	0	0	2	4	0	8		0%	14%	43%
Further Mathematics	2	0	0	0	0	0	1		0%	0%	0%
Biology	16	0	1	1	2	2	8		6%	13%	25%
Chemistry	3	0	1	0	0	0	0		33%	33%	33%
Physics	13	0	0	1	1	1	3		0%	8%	15%
Geography	8	0	0	1	3	1	3		0%	13%	50%
History	10	0	0	3	4	3	0		0%	30%	70%
Business Studies	6	0	0	1	2	3	0		0%	17%	50%
Computer Science	5	0	2	0	0	2	1		40%	40%	40%
Drama & Theatre Studies	9	0	0	2	3	3	1		0%	22%	56%
Psychology	30	1	0	6	5	5	9		3%	23%	37%
Physical Education	6	0	1	0	1	3	0		17%	17%	33%
Politics	10	0	2	4	3	0	0		20%	60%	90%
Product Design	3	0	0	0	1	2	0		0%	0%	33%
Fashion and Textiles	3	0	0	0	2	0	1		0%	0%	66%
Sociology	13	0	3	0	2	6	1		23%	23%	39%
French	3	0	0	0	2	1	0		0%	0%	66%
Spanish	3	0	0	1	0	1	0		0%	33%	33%
Level 3 Mathematical Studies	15	0	2	4	2	4	3		13%	40%	53%

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Going Concern**

The board of Trustees is confident that the academy 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.

Value for Money Statement

In line with the Department for Education guidance, the value for money statement has been agreed by the Board of Trustees of the Academy for the period of 1 September 2021 to 31 August 2022.

The value for money initiatives that we have introduced are:-

- 1 Review of Cyber security and ICT infrastructure, resulting in upgrade of processes, equipment and systems in line with government guidance and the world internet requirements.
- 2 Investment in additional teaching classrooms and educational resources both at Dene Magna and Drybrook Primary school.
- 3 Strategic review of succession planning and Trust opportunities for staff development in preparation for the expansion of the MAT at an appropriate point in the future.

Performance Indicators – Ofsted grading

Forest of Dean Trust is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. The last inspection from Ofsted in November 2012 concluded that Dene Magna School was an "Outstanding school".

As Drybrook became a sponsored Academy within the FOD Trust, the previous grading given in 2018 is suspended. The results below are for Dene Magna School.

Assessment	Inspection Grade
Overall effectiveness of the school	1
The schools capacity for sustained improvement	1
Outcomes for individuals and groups of pupils	1
The quality of teaching	1
The effectiveness of leadership and management in embedding	1

Ofsted Quotes:-

"Teaching is outstanding and assessment is used extremely well to ensure lesson tasks meet the learning needs of all students".

"Students behaviour is exemplary and students flourish within a very supportive, caring and safe environment".

FINANCIAL REVIEW**Reserves Policy**

The Trustees review the reserve levels of the Academy regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves, the investment and reserves policy sits within the Finance policy of the Trust.

The current balance of unrestricted funds held is £374,000 (2021 : £312,000).

The Trustees have agreed that a balance of £300k (2021: £300k) in the reserves account will enable the school to operate in a safe and manageable manner, providing an adequate contingency.

The value of free reserves after deducting 4 weeks working capital requirements are £438k (2021: £702k).

Investment Policy and Plans for the Future**Fundraising**

FDMA - Friends of Dene Magna Association to raise money on their behalf for Dene Magna School. FDMA are registered with the charity commission - 293390 and report annual accounts are per the regulations. Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is as follows:

- Fundraising in the school is co-ordinated by Houses for specific events - each of these has generated income collectively - The Uranian Appeal

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Fundraising (cont'd)**

- The Academy Trust has a complaints procedure as listed under the school's policy should questions need to be raised to validate the use and collection on behalf of external bodies.
- The Academy Trust protects the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Most of the Forest of Dean Trust's income is obtained from the DFE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Drybrook Primary school benefit from a parent support group called the PTFA, they are not registered through the charity commission.

The Forest of Dean Trust also receives grants for capital investment. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2022, total expenditure of £7,971,000 (2021: £6,962,000), the excess of expenditure over income for the year (excluding restricted fixed assets) was £1,000 (2021: £48,000) excess income over expenditure).

As at 31 August 2022 the net book value of the fixed assets was £14,863,000 (2021: £14,541,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy and benefit of the community.

The company operates a defined benefit pension scheme for support staff and is therefore required to recognise the assets and liabilities of the pension fund on its balance sheet. The Forest of Dean Trust has obtained a valuation report from its actuaries, Hymans Robertson LLP, which shows that at 31 August 2022 the scheme has assets of £4,694,000 (2021 : £4,613,000) and liabilities' of £5,647,000 (2021 : £8,216,000) with a pension deficit of £953,000 (2021 : £3,603,000). The Directors recognise that this is not a significant issue as the scheme has only 15 (2021:6) current pensioners being paid and 89 (2021:54) active and contributing members.

Risk Management

The Forest of Dean Trust has recently completed a robust review of the risk registers and protocols and procedures to protect the Forest of Dean Trust's assets and reputation.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Forest of Dean Trust's control. Other factors besides those listed below may also adversely affect the Academy.

Government Funding

The Forest of Dean Trust has considerable reliance on continued Government funding through the ESFA. In the period under review 98% (2021: 98%) of the income was ultimately public funded and this level of requirement is expected to continue.

This risk is mitigated in a number of ways:

- Funding is derived through a number of agreements such as letting of facilities to derive additional income streams.
- By ensuring the Academy is rigorous in delivering high quality education and training, thus attracting the maximum pupils.
- Continuing to monitor Government funding proposals and make provision accordingly.

Academic Performance

The student achievements add to the reputation of the school and the ability to deliver the optimum results. Close attention is paid to monitoring students predicted grades and forecasts and remedial measures installed to support staff and pupils to ensure results are consistently good.

The Local governing committee of each school continues to monitor the academic performance and curriculum offer.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022**Academic Performance (cont'd)**

The trust continues to offer a balanced and future proof curriculum, now providing all through educational provision from 2 - 19 years.

Pupil Premium funding is utilised to assist with student interventions for entitled students, to ensure maximum progress is achieved.

Maintain adequate funding of pension liabilities

The Financial Statements report the share of the pension scheme deficit on the Forest of Dean Trust's balance sheet in line with the requirement of FRS 102. Whilst this currently shows a large liability, the Trustees do not believe this poses any risk to the school as the pension scheme has many contributing members. The liability is therefore anticipated to reduce steadily.

Plans for Future Periods

The Forest of Dean Trust will continue striving to improve levels of academic performance and has rigorous targets and monitoring strategies in place to achieve this.

The Forest of Dean Trust will continue to review the quality of service and value for money of external service providers to ensure that these fully meet the needs of our learners.

Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they should have taken to make themselves aware of any relevant audit information, and to ensure that the auditor is aware of that information.

The financial audit provision was put to tender and UHY Hacker Young were reappointed. They are the auditors for 1 September 2021 - 31 August 2022.

The report to the Trustees was approved by the Trustees on 22 November 2022 and signed on their behalf by:



Matt Reid
Chair of Trustees

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**Scope of Responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive 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 Forest of Dean 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 Trustee Body has formally met 5 times during the year, plus the AGM. Attendance during the year at meetings was as follows:

Trustees	Meetings Attended	Meetings Held
Matthew Reid	5	5
Louise Holland	5	5
Tony Rose	4	5
Meryon Roderick	4	5
Stephen Brady	4	5
Janet Ray	5	5
Julian Grail	4	5
Hannah Tufnell (Clerk)	3	5
Janet Ray (Company)	5	5

Effective oversight of the Academy Trust funds are maintained by:

- regular ad hoc meetings on matters of financial importance;
- review of monthly management accounts;

Conflict of Interest

Annually the declarations of interest forms are completed and any changes noted to the website, and the file. At each meeting for all committees there is an agenda item checking updates on the declaration of interest.

Any relevant conflicts are then reviewed by the appropriate body and action taken where needed – whether that is notification to the ESFA or notes in minutes of meetings.

This year there have been no declarations that have been cause for review or concern.

Governance Review

The Forest of Dean Trust reviews its governance arrangements on an annual basis.

The Members Board are now planning to focus on Dene Magna, Drybrook Primary school and the sixth form and the opportunities that arise through this.

An annual self review of governance has been performed. A summary of key points include:-

- the make up of the Trust and the key skills of the Members and Trustees. Dene Magna School is well established and the reputation is strong;
- the activities of The Trust are being undertaken in accordance with the Academy's Articles of Association;
- there is clarity of vision, ethos and strategic direction;
- the CEO and Primary Headteacher and the Leadership Team are held to account for the education of performance of the school and its pupils;
- the financial performance of the school is monitored and value for money obtained;
- governance by the Board of Trustees is effective.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**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:

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 ongoing 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 this year was delivered by internal audits performed by Bishops Fleming, the two audits have provided a comprehensive review of the Trusts operations and no significant issues have been identified for the year 1 September 2021 to 31 August 2022.

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 ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and will be further enhanced with the new ARC Committee which has had Terms of Reference approved, and will commence in October 2022.

The internal financial systems

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

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

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint as internal auditor, Bishop Fleming, to provide a programme of work. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period based on a consideration of their relative risks included:

- Review of Trustee and committee operational processes
- Review of Cyber security and ICT practises
- Review of standard operating practises with sample testing of payroll, purchases, income transactions

During the period, the internal auditor provided two audit findings reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. During the period the internal auditor has delivered the schedule of work as planned and no material control issues were identified, they also prepare an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**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:

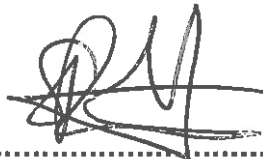
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- correspondence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

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the trustees along with a focus plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 22 November 2022 and signed on its behalf by:



Matt Reid
Chair of Trustees



Stephen Brady, Chief Executive
Accounting Officer


STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

As Accounting Officer of Forest of Dean Trust I have considered my responsibility to notify the Academy's Governing Body and the Education and Skills Funding Agency (ESFA) 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. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy's Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2021.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

- Failure to comply with the requirement to separately publish on the Trust's website information regarding staff earning in excess of £100k in 2021/22.



.....
Stephen Brady, Chief Executive Officer
Accounting Officer

22 November 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who act as Trustees of Dene Magna School 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 issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

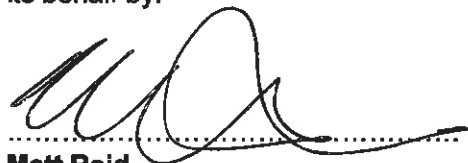
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 22 November 2022 and signed on its behalf by:



Matt Reid
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST OF DEAN TRUST FOR THE YEAR ENDED 31 AUGUST 2022**Opinion**

We have audited the financial statements of Forest of Dean Trust (the charitable company) for the year ended 31 August 2022 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

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 company 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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST OF DEAN TRUST FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the Strategic Report, and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Forest of Dean 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.

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:

Based on our understanding of the Forest of Dean Trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Forest of Dean Trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2021 and 2022. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the Forest of Dean Trust's net income for the year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST OF DEAN TRUST FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

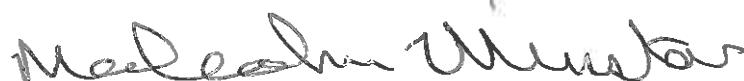
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 academy trust'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 academy trust 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOREST OF DEAN TRUST FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Use of our report**

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



.....
Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

22 November 2022

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DENE MAGNA SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 19 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Dene Magna School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Forest of Dean Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Dene Magna School's funding agreement with the Secretary of State for Education dated 1 July 2011, and the Academy Trust Handbook extant from 1 September 2021 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
DENE MAGNA SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE
YEAR ENDED 31 AUGUST 2022 (cont'd)**


The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity;
- Discussions with and representations from the Accounting Officer and other Key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

Conclusion

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

- Failure to comply with the requirement to separately publish on the Trust's website information regarding staff earning in excess of £100k in 2021/22.



Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

22 November 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(Including Income and Expenditure Account)

		Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2022 £'000	Total 2021 £'000
	Note					
Income from:						
Donations and capital grants	3	9	-	199	208	439
Transferred from local authority on conversion	31	-	-	-	-	945
Charitable activities:						
- Funding for the Academy Trust's educational operations	4	-	7,508	-	7,508	6,551
Teaching school hub	4	-	-	-	-	40
Other trading activities	5	88	-	-	88	31
Investment income	6	-	-	-	-	-
Total		97	7,508	199	7,804	8,006
Expenditure on:						
Raising funds	7	15	-	-	15	341
Charitable activities:						
- Academy Trust's educational operations	7	-	7,582	367	7,949	6,587
Teaching school hub	7	-	7	-	7	34
Total		15	7,589	367	7,971	6,962
Net income/(expenditure)		82	(81)	(168)	(167)	1,044
Transfers between funds	17	(20)	(474)	494	-	-
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes	28	-	3,001	-	3,001	(347)
Net movement in funds		62	2,446	326	2,834	697
Reconciliation of funds						
Total funds brought forward	18	312	(2,777)	14,515	12,050	11,353
Total funds carried forward	18	374	(331)	14,841	14,884	12,050

All of the Academy Trust's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	13	<u>14,863</u>	<u>14,566</u>
		<u>14,863</u>	<u>14,566</u>
Current assets			
Debtors	14	362	208
Cash at bank and in hand		<u>1,061</u>	<u>1,469</u>
		<u>1,423</u>	<u>1,677</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(416)</u>	<u>(553)</u>
Net current assets		<u>1,007</u>	<u>1,124</u>
Total assets less current liabilities		15,870	15,690
Creditors: Amounts falling due after more than one year	16	<u>(33)</u>	<u>(37)</u>
Net assets excluding pension liability		<u>15,837</u>	<u>15,653</u>
Defined benefit pension scheme liability	28	<u>(953)</u>	<u>(3,603)</u>
Total Net Assets		<u><u>14,884</u></u>	<u><u>12,050</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	14,841	14,515
- Restricted income fund	17	622	826
- Pension reserve	17	<u>(953)</u>	<u>(3,603)</u>
Total Restricted Funds		<u>14,510</u>	<u>11,738</u>
Unrestricted income fund	17	<u>374</u>	<u>312</u>
Total Unrestricted Funds		<u>374</u>	<u>312</u>
Total Funds		<u><u>14,884</u></u>	<u><u>12,050</u></u>

The financial statements on pages 22 to 45 were approved by the Trustees and authorised for issue on 22 November 2022 and are signed on their behalf by:



.....
Matt Reid
 Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	92	(721)
Cash flows from investing activities	22	(465)	880
Cash flows from financing activities	23	(35)	1
Change in cash and cash equivalents in the reporting period		<u>(408)</u>	<u>160</u>
 Cash and cash equivalents at 1 September	24	1,469	1,309
Cash and cash equivalents at 31 August	24	<u>1,061</u>	<u>1,469</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**1 Statement of Accounting Policies**

A summary of 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 the Academy 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Transfer of State Maintained School to a Multi Academy Trust

The transfer of state maintained schools to the Forest of Dean Trust involved the transfer of identifiable assets and liabilities and the operation of the school for nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the Local Authority to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. Their fair value is in accordance with the accounting policies set out for Forest of Dean Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding net amount recognised as a net gain/loss in the Statement of Financial Activities and analysed as donations transferred from local authority on conversion. Further details of the transactions are set out in note 31.

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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

Capital grants are recognised in full when there is an 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 Sheet in the restricted fixed asset fund.

- **Donations**

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

- **Other income**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

- **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 Academy Trust's accounting policies.

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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.

Assets costing less than £1,000 except ICT at £500 are written off in the year of acquisition. All other assets are capitalised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Tangible Fixed Assets (cont'd)**

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Freehold buildings	50 years straight line basis
Building improvements	10 and 25 years for improvements
Furniture and equipment	5 years straight line basis
Computer equipment and software	5 years straight line basis

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.

In view of the extensive development on the school site over the past five years, the Governors requested that the assets of the school were valued. This valuation has been reflected in the finances on the balance sheet within the year.

Leased Assets

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

Financial Instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instrument, and are measured at amortised cost as detailed in note 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stocks

Catering stocks are valued at the lower of cost and net realisable value and heating oil stocks are valued at the lower of cost.

Taxation

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

Pensions Benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**Pensions Benefits (cont'd)**

The LGPS is a multi funded employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating net income/(expenditure) are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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/Department for Education.

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit 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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022 (See note 17).

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
3 DONATIONS AND CAPITAL GRANTS				
Devolved formula capital grant	-	27	27	25
Land and buildings transferred from local authority upon conversion	-	-	-	945
Condition improvement fund grant	-	-	-	374
Section 106 funding - GCC	-	172	172	-
Donations	9	-	9	40
	9	199	208	1,384

The income from donations and capital grants was £208,000 (2021 : £1,384,000) of which £9,000 (2021 : £8,000) was unrestricted, £Nil (2021 : £32,000) restricted and £199,000 (2021 : £1,344,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	5,927	5,927	5,394
Rates relief grant	-	21	21	23
Other DfE/ESFA Grants				
Free School Meals from GAG	-	11	11	27
Pupil Premium	-	234	234	215
Schools Games Organiser	-	-	-	10
Teachers pay grant	-	11	11	74
Teachers pension grant	-	31	31	210
PE & Sports grant	-	17	17	17
Supplementary Grant	-	72	72	-
National Tutoring Programme	-	31	31	-
Other ESFA/DfE revenue grant	-	4	4	-
Start-up grant	-	-	-	25
	-	6,359	6,359	5,995
Other Government grants				
SEN grant - GCC	-	227	227	197
Pupil Premium -GCC	-	104	104	24
Other LA grants	-	65	65	50
Other government grants	-	58	58	-
	-	454	454	271
COVID-19 DfE/ESFA additional funding				
Catch up premium	-	-	-	77
Recovery premium	-	29	29	-
Other DfE/ESFA COVID-19 funding	-	31	31	39
	-	60	60	116
Other income from the academy trust's educational operations				
Pupil catering income	-	140	140	81
Pupil trips	-	495	495	88
	-	635	635	169
Teaching school hub				
DfE/ESFA grants	-	-	-	40
	-	-	-	40
	-	7,508	7,508	6,591

The income from the Academy Trusts' other educational operations was restricted for both 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Facilities and lettings	20	-	20	5
Other income	68	-	68	26
	<u>88</u>	<u>-</u>	<u>88</u>	<u>31</u>

The income from the Academy Trusts' other trading activities was unrestricted for both 2022 and 2021.

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Bank interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the Academy Trusts' other trading activities was unrestricted for both 2022 and 2021.

7 EXPENDITURE

	Non Pay Expenditure			Total 2022 £'000	Total 2021 £'000
	Staff Costs £'000	Premises £'000	Other Costs £'000		
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Allocated support costs	-	-	15	15	341
Academy's educational operations					
Direct costs	4,686	367	992	6,045	5,231
Allocated support costs	1,153	439	312	1,904	1,356
Teaching school hub					
Direct costs	-	-	7	7	33
Allocated support costs	-	-	-	-	1
	<u>5,839</u>	<u>806</u>	<u>1,311</u>	<u>7,956</u>	<u>6,621</u>
	<u>5,839</u>	<u>806</u>	<u>1,326</u>	<u>7,971</u>	<u>6,962</u>

The expenditure was £7,971,000 (2021 : £6,962,000) of which £15,000 (2021 : £229,000) was unrestricted, £7,589,000 (2021 : £6,481,000) restricted and £367,000 (2021 : £252,000) restricted fixed assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

7 EXPENDITURE (cont'd)

Net income/(expenditure) for the year includes:

	Total 2022 £'000	Total 2021 £'000
Operating leases rentals	21	25
Depreciation	367	252
Fees payable to auditor for:		
Audit	11	10
Other services	4	6

8 CHARITABLE ACTIVITIES

	Total 2022 £'000	Total 2021 £'000
Direct costs - educational operations	6,045	5,231
Support costs - educational operations	1,904	1,356
	7,949	6,587

Analysis of Support Costs

Support staff costs	1,153	773
Depreciation	-	-
Technology costs	12	54
Premises costs	439	430
Legal costs other	1	25
Other support costs	228	36
Governance	71	38
	1,904	1,356

9 STAFF

a Staff costs

Staff costs during the year were:

	2022 £'000	2021 £'000
Wages and salaries	4,070	3,865
Social security costs	397	344
Pension costs	1,366	1,109
	5,833	5,318
Agency staff costs	6	4
Staff restructuring costs	-	-
	5,839	5,322

Staff restructuring costs comprise:

	2022 £'000	2021 £'000
Redundancy payments	-	-
Severance payments	-	-
	-	-

b Staff severance contractual payments

The academy trust paid Nil (2021: Nil) severance payments in the year, disclosed in the following bands:

	2022	2021
0 - £25,000	-	-
£25,001 - £50,000	-	-
£50,001 - £100,000	-	-
	-	-

c Special staff severance non contractual payments

Included in staff restructuring costs are special severance payments totalling £Nil (2021 : £Nil). Individually, the payments were £Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

9 STAFF (cont'd)**d Staff numbers**

The average number of persons (including senior management team) employed by the Academy Trust during the year ended 31 August 2022 expressed as whole persons was as follows:

	2022	2021
	No	No
Charitable Activities		
Teachers	67	68
Administration and support	100	82
Management	8	8
	<u>175</u>	<u>158</u>

e Higher paid staff

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

	No	No
£60,001 - £70,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	<u>1</u>	<u>1</u>

f Key management personnel

The key management of the Academy Trust comprise the Trustees and the senior management team as listed on page 3 and encompasses all schools within the trust. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £698,714 (2021 : £608,795). The Leadership Team now includes the role of the school SENCO post.

10 CENTRAL SERVICES

Forest of Dean Trust has provided the following central services to Dene Magna School and Drybrook Primary School:

- Chief Executive Officer;
- Human resources;
- IT;
- Financial services;
- Legal services;
- Educational support services; and
- Accounting services.

Forest of Dean Trust charges for these services a management fee based on pupil numbers at a rate of 5% of the General annual grant funding.

The actual amounts charged during the year were as follows:

	2022	2021
	£'000	£'000
Dene Magna School	273	248
Drybrook Primary School	<u>24</u>	<u>22</u>
	<u>297</u>	<u>270</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

11 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 Academy Trust. The Headteacher and other Staff Trustees receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees remuneration and other remuneration was as follows:

	2022	2021
S Brady (Headteacher):		
Remuneration	£100,000 - £105,000	£100,000 - £105,000
Employers pension cont's	£20,000 - £25,000	£20,000 - £25,000

During the year ended 31 August 2022 and 31 August 2021 there were no travel and subsistence expenses reimbursed or paid directly to the staff or trustees.

Other related party transactions including trustees are set out in note 29.

12 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect its Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the year ended 31 August 2022 was included in the total insurance cost of £25,472 (2021 : £25,852).

13 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Computer Equipment	Fixtures & Fittings	Assets Under Construction	Total
Cost	£'000	£'000	£'000	£'000	£'000
At 1 September 2021	14,893	247	184	-	15,324
Additions	346	244	13	61	664
Disposals	-	-	-	-	-
At 31 August 2022	15,239	491	197	61	15,988
Depreciation					
At 1 September 2021	442	188	128	-	758
Charged in year	302	45	20	-	367
Disposals	-	-	-	-	-
At 31 August 2022	744	233	148	-	1,125
Net book value					
At 31 August 2022	14,495	258	49	61	14,863
At 31 August 2021	14,451	59	56	-	14,566

A valuation was conducted by Andrew Forbes, a firm of Chartered Surveyors on 16 May 2019 of the freehold land and buildings which valued the land and buildings at £13,000,000 and resulted in a revaluation gain of £1,219,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

14 DEBTORS	2022	2021
	£'000	£'000
Trade debtors	174	3
VAT recoverable	66	56
Other debtors	122	149
	<u>362</u>	<u>208</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
ESFA Loan	5	36
Trade creditors	44	100
Other creditors	10	14
Accruals and deferred income	357	403
	<u>416</u>	<u>553</u>

Deferred Income

	2022	2021
	£'000	£'000
Deferred income at 1 September 2021	127	186
Resources deferred in the year	219	127
Amounts released from previous years	(127)	(186)
Deferred income at 31 August 2022	<u>219</u>	<u>127</u>

At the balance sheet date the Academy was holding funds received in advance for 2022/23 School Games Organiser £15,450 (2021 : £12,400), Local Authority Pupil Premium £144,769 (2021 : £87,839), School Fund £36,998 (2021: £12,517), Rates Relief £11,872 (2021: £10,453), OSF Grant £Nil (2021: £3,276), GCC Music £Nil (2021: £674), PTA £3,427 (2021: £Nil) and UIFSM £6,678 (2021 : £Nil).

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2022	2021
	£'000	£'000
ESFA CIF Loan	33	37
	<u>33</u>	<u>37</u>

An ESFA condition improvement fund loan for £41,800 was taken out in February 2021 over 10 years at an interest rate of 1.95% repayable in equal annual installments with a maturity date of September 2031.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

17 FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2021 £'000	Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General annual grant (GAG) (note i)	790	5,927	(5,640)	(474)	603
Rates relief grant	-	21	(21)	-	-
Free School Meals from GAG	-	11	(11)	-	-
Pupil premium ESFA	-	234	(234)	-	-
Other DfE/ESFA COVID-19 funding	-	31	(31)	-	-
Teachers pay grant	-	11	(11)	-	-
Teachers pension grant	-	31	(31)	-	-
Teaching school hub	7	-	(7)	-	-
PE & Sports grant	-	17	(17)	-	-
Supplementary Grant	-	72	(72)	-	-
Other government grants	-	58	(58)	-	-
SEN grant (note iii)	-	227	(227)	-	-
Pupil premium GCC	-	65	(65)	-	-
Other LA grants (note ii)	-	104	(104)	-	-
Private trips fund (note iv)	29	495	(505)	-	19
National Tutoring Programme	-	31	(31)	-	-
Recovery Premium	-	29	(29)	-	-
Catering income	-	140	(140)	-	-
Other DfE/ESFA revenue grants	-	4	(4)	-	-
	826	7,508	(7,238)	(474)	622
Restricted fixed asset funds					
Fixed asset fund - all funds (note v)	11,460	-	(236)	-	11,224
Lottery grant (note vi)	2	-	-	-	2
EIG grant (note vii)	32	-	(8)	-	24
Section 106 funding - GCC (note ix)	-	172	(2)	-	170
Assets Capitalised (note viii)	2,278	-	(47)	-	2,231
Devolved Formula Capital (note viii)	123	27	(12)	-	138
Capital expenditure from GAG (note viii)	620	-	(62)	494	1,052
	14,515	199	(367)	494	14,841
Restricted pension scheme liability					
Pension reserve	(3,603)	-	(351)	3,001	(953)
	(3,603)	-	(351)	3,001	(953)
Total restricted funds	11,738	7,707	(7,956)	3,021	14,510
Unrestricted funds					
Unrestricted funds	312	97	(15)	(20)	374
Total unrestricted funds	312	97	(15)	(20)	374
Total funds	12,050	7,804	(7,971)	3,001	14,884

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**17 FUNDS (cont'd)****Notes**

- i) General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2022 (see note 2).
- ii) Grants received from the Local Authority in respect of additional teaching requirements.
- iii) SEN funding has been used to support deprived children from outside the Local Authority.
- iv) Private trips fund has been used to pay for educational trips and school activities in the future.
- v) DFE Capital Grant Restricted Fixed Asset Fund represents the value of assets transferred to the Academy upon conversion from the Local Authority.
- vi) Lottery Grant received for the purchase of new capital equipment.
- vii) Environmental Improvement Grant has been fully spent.
- viii) Assets capitalised, devolved formula capital and GAG received from the ESFA for the maintenance of capital assets within the school.
- ix) Section 106 funding received for the expansion of the freehold land & buildings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

17 FUNDS (cont'd)

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

	Balance at 1 September 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds	595	5,394	(5,132)	(67)	790
General annual grant (GAG) (note i)					
Rates relief grant		23	(23)	-	-
Free School Meals from GAG	-	27	(27)	-	-
Pupil premium ESFA		215	(215)		-
Schools Games Organiser	-	10	(10)	-	-
Teachers pay grant	-	74	(74)	-	-
Teachers pension grant	-	210	(210)	-	-
Teaching school hub	1	40	(34)	-	7
PE & Sports grant	-	17	(17)	-	-
Start-up grant	-	25	(25)	-	-
Catch up premium	-	77	(77)	-	-
Other restricted grants	-	32	(32)	-	-
Other DfE/ESFA COVID-19 funding		39	(39)		-
SEN grant (note iii)	-	197	(197)	-	-
Pupil premium GCC		24	(24)		-
Other LA grants (note ii)	-	50	(50)	-	-
Private trips fund (note iv)	39	88	(98)	-	29
	635	6,542	(6,284)	(67)	826
Restricted fixed asset funds					
Fixed asset fund - all funds (note v)	10,668	945	(153)	-	11,460
Lottery grant (note vi)	2	-	-	-	2
EIG grant (note vii)	40	-	8	-	32
Assets Capitalised (note viii)	1,946	374	(42)	-	2,278
Devolved Formula Capital (note viii)	111	25	(13)	-	123
Capital expenditure from GAG (note viii)	589	-	(36)	67	620
	13,356	1,344	(252)	67	14,515
Restricted pension scheme liability					
Pension reserve	(3,059)	-	(197)	(347)	(3,603)
	(2,708)	-	(197)	(347)	(3,603)
Total restricted funds	10,932	7,886	(6,733)	(347)	11,738
Unrestricted funds					
Unrestricted funds	421	120	(229)	-	312
Total unrestricted funds	421	120	(229)	-	312
Total funds	11,353	8,006	(6,962)	(347)	12,050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

	2022	2021
TOTAL FUNDS ANALYSIS BY ACADEMY	Total	Total
Fund balances at 31 August 2022 were allocated as follows:	£'000	£'000
Dene Magna School	973	1,069
Drybrook Primary School	(31)	16
Central Services	54	53
Total before fixed assets and pension reserve	996	1,138
Restricted fixed assets fund	14,841	14,515
Pension reserve	(953)	(3,603)
	13,888	10,912
Total	14,884	12,050

Drybrook Primary School is carrying a net deficit of £31,000 (2021: net surplus £16,000). The current operating deficit for Drybrook is being addressed strategically by the investment of the additional classroom and teaching resource. This enables the school to expand the pupil numbers and offer year specific classes rather than mixed year groups. This is facilitated by the development of Mannings Farm residential housing estate. Whilst this is underwritten by the Trust in the initial years, Drybrook is expected to realise a break even point by year three.

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies Funds	Other Costs (excluding Dep'n) Funds	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Dene Magna School	4,119	957	958	598	6,632	5,557
Drybrook School	482	156	28	10	676	627
Central Services	85	40	13	158	296	526
Academy Trust	4,686	1,153	999	766	7,604	6,710

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	14,863	14,863
Current assets	374	-	1,033	16	1,423
Current liabilities	-	-	(411)	(5)	(416)
Non-current liabilities	-	-	-	(33)	(33)
Pension scheme	-	(953)	-	-	(953)
	374	(953)	622	14,841	14,884

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

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	14,566	14,566
Current assets	312	-	1,343	22	1,677
Current liabilities	-	-	(517)	(36)	(553)
Non-current liabilities	-	-	-	(37)	(37)
Pension scheme	-	(3,603)	-	-	(3,603)
	312	(3,603)	826	14,515	12,050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

19 CAPITAL COMMITMENTS

	2022	2021
	£'000	£'000
Contracted for, but not provided in the financial statements	29	Nil
Authorised by Trustees, but not yet contracted	Nil	350

20 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022	2021
	Other	Other
	£000s	£000s
Operating leases which expire:		
. Within one year	21	21
. Within two to five years	36	54
	<u>57</u>	<u>78</u>

21 RECONCILIATION OF NET (DEFICIT)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£'000	£'000
Net (deficit)/income for the reporting period (as per the statement of financial activities)	(167)	1,044
Adjusted for:		
Depreciation (note 13)	367	252
Capital grants from DfE and other capital income	(199)	(1,344)
Fixed assets donation (note 33)	-	(945)
Defined benefit pension scheme cost less contributions payable (note 28)	289	144
Defined benefit pension scheme finance cost (note 28)	62	53
Increase in debtors	(154)	(41)
(Decrease)/increase in creditors	(106)	116
Net cash provided by/(used in) operating activities	<u>92</u>	<u>(721)</u>

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2022	2021
	£'000	£'000
Purchase of tangible fixed assets	(664)	(465)
Receipts from sale of tangible fixed assets	-	1
Capital grants from DfE/ESFA and other capital income	199	1,344
Net cash (used in)/provided by investing activities	<u>(465)</u>	<u>880</u>

23 CASH FLOWS FROM FINANCING ACTIVITIES

	2022	2021
	£'000	£'000
Repayments of borrowing	(35)	(41)
Cash inflows from new borrowing	-	42
Net cash (used in)/provided by financing activities	<u>(35)</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At 31 Aug 2022	At 31 Aug 2021
	£'000	£'000
Cash in hand and at bank	1,061	1,469
Total cash and cash equivalents	<u>1,061</u>	<u>1,469</u>

25 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021	Cash Flows	At 31 Aug 2022
	£'000	£'000	£'000
Cash at bank	1,469	(408)	1,061
Overdraft	-	-	-
	<u>1,469</u>	<u>(408)</u>	<u>1,061</u>
Loans within one year	(36)	31	(5)
Loans within more than one year	(37)	4	(33)
	<u>1,396</u>	<u>(373)</u>	<u>1,023</u>

26 CONTINGENT LIABILITIES

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

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

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

27 MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

28 PENSION AND SIMILAR OBLIGATIONS

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

The total pension cost to the Academy during the year ended 31 August 2022 was £1,366,000 (2021: £1,109,000) of which £633,000 (2021: £576,000) relates to the TPS and £733,000 (2021: £533,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £Nil were payable to the scheme at 31 August 2022 (2021: £Nil) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**28 PENSION AND SIMILAR OBLIGATIONS (cont'd)****Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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

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

The employer costs paid to TPS in the period amounted to £633,000 (2021: £576,000).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2022 was £455,000 (2021: £400,000) of which employer's contributions totalled £382,000 (2021: £336,000) and employees contributions totalled £73,000 (2021: £64,000). The agreed contributions for future years are 32.5% (2021: 32.5%) for employers and 5.5% to 8.5% (2021: 5.5% to 8.5%) for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension 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 2022 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2022 % per annum	At 31 August 2021 % per annum
Discount rate	4.3%	1.7%
Salary increases	3.5%	3.2%
Pension increase	3.2%	2.9%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2022 Approx % Increase to Employers Liability	At 31 August 2022 Approx £'000	At 31 August 2021 Approx % Increase to Employers Liability	At 31 August 2021 Approx £'000
Discount rate decreased by 0.1% per annum	2.0%	95	5.0%	164
Assumed salary increased by 0.1% per annum	0.0%	3	0.0%	8
Assumed pension increased by 0.1% per annum	2.0%	92	4.0%	154

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

	2022 years	2021 years
Longevity at age 65 retiring today		
- Men	21.7	21.9
- Women	24.1	24.3
Longevity at age 65 retiring in 20 years		
- Men	22.6	22.9
- Women	25.8	26.0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

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

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equity instruments	3,192	3,229
Debt instruments	892	969
Property	516	323
Cash/liquidity	94	92
Total market value of assets	4,694	4,613
Present value of scheme liabilities		
- Funded	(4,694)	(4,613)
- Unfunded	(953)	(3,603)
Total liabilities	(5,647)	(8,216)
Deficit in the scheme	(953)	(3,603)

The actual return on the scheme assets in the year was a deficit of £258,000 (2021: surplus £711,000).

Amounts recognised in the Statement of Financial Activities

	2022 £'000	2021 £'000
Current service cost	671	480
Interest income	(79)	(64)
Interest cost	141	117
Total amount recognised in the SOFA	733	533

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2022	2021
	£'000	£'000
Changes in deficit during the year		
Balance at 1 September 2021	3,603	3,059
Movement in year:		
- Transferred from LA on conversion	-	-
- Employer service cost (net of employee contributions)	671	480
- Expected return on scheme assets	(79)	(64)
- Interest cost	141	117
- Employer contributions	(382)	(336)
- Actuarial (gains)/losses	(3,001)	347
Deficit in the scheme at 31 August 2022	953	3,603

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

	2022	2021
	£'000	£'000
Scheme liabilities at 1 September 2021	8,216	6,670
Transferred from LA on conversion	-	-
Current service cost	671	480
Past service cost	-	-
Interest cost	141	117
Contributions by scheme participants	73	64
Benefits paid	(116)	(109)
Actuarial (gains)/losses	(3,338)	994
Scheme liabilities at 31 August 2022	5,647	8,216

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

	2022	2021
	£'000	£'000
Fair value of scheme assets at 1 September 2021	4,613	3,611
Transferred from LA on conversion	-	-
Expected return on scheme assets	79	64
Contributions by employer	382	336
Contributions by scheme participants	73	64
Benefits paid	(116)	(109)
Actuarial (losses)/gains	(337)	647
Fair value of scheme assets at 31 August 2022	4,694	4,613

The estimated value of employer contributions for the year ended 31 August 2023 is £377,000 (2022: £329,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**29 RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account, other than certain trustee's remuneration and expenses already disclosed in note 11.

30 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the trust received £13,356 (2021 : £7,209) and disbursed £17,651 (2021 : £2,173) from the fund. An amount of £8,921 (2021 : £13,216), is included in other creditors relating to undistributed funds repayable to the ESFA.

31 CONVERSION TO AN ACADEMY TRUST

On 1 April 2020 Drybrook Primary School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Forest of Dean Trust from Gloucestershire County Council for nil consideration.

On 29 November 2020 the land and buildings of Drybrook primary school were valued by the ESFA using a desk top valuation at £945,000.

The transfer has been accounted for as a combination that is in subsistence a gift. The assets and liabilities transferred 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/(loss) in the Statement of Financial Activities as donations transferred from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset £'000	Total Funds £'000
LGPS pension deficit	-	(267)	-	(267)
Land and buildings valuation	-	-	945	945
Net assets/(liabilities)	-	(267)	945	678

The above net assets/(liabilities) include £Nil that were transferred as cash.

32 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting events arising after the balance sheet date.

