
THE FORGE TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE FORGE TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Berry Mr Puttergill Mr Tarr Mr Towner Mrs Trentini
Trustees	Mrs Astill Mr Hessey, Chief Executive and Accounting Officer Ms Murray Mrs Sargisson Mr Scawthon Mrs Trentini, Chair of Trustees Mr Woodman-Clarke (resigned 30 September 2022) Mr Barker (appointed 1 September 2022) Mrs Bird (appointed 1 September 2022) Mr Johnson (appointed 1 September 2022)
Company registered number	09443602
Company name	The Forge Trust
Principal and registered office	Bailey Road Newark Nottinghamshire NG24 4EP
Chief executive officer	Mr Hessey
Senior management team	Mr Hessey, Chief Executive Officer Mr Macintyre, Executive Vice Principal Mr Braithwaite, Consultant Principal Miss Copeland, Chief Financial Officer Mrs Chadburn, Principal Mr Nunn, Principal Mrs Harrison, Principal Mrs Selden, Principal Mrs Knapp, Principal Mr Stirland, Principal Mr Davy, Principal
Independent auditors	Duncan & Toplis Limited Chartered Accountants and Statutory Auditors 4 Henley Way Lincoln Lincolnshire LN6 3QR

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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

Solicitors Langleys Solicitors
 Olympic House
 Doddington Road
 Lincoln
 LN6 3SE

THE FORGE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 trust operates 7 primary academies in the East Midlands.

Its academies have a combined pupil capacity of 2,540 and had a roll of 2,191 in the Autumn 2022 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

The charitable company is known as The Forge Trust.

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

Members' liability

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

Trustees' indemnities

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

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

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

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

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

Policies adopted for the induction and training of Trustees

Trustees receive ongoing training and development. They are kept up to date with the latest published versions of the Academy Trust Handbook and Governance Handbook. Membership to The Key for School Governors is provided to all trustees where they can access on demand training and knowledge bank to support them in their role.

During the year the Chair of Trustees attended a SEND Governors Meeting for the Newark and Tuxford Schools with the Family SENCO. The Chair also attended an EMH MAT Networking Event. The information was shared with all trustees. The Chair and other trustees participated in a virtual Safer Recruitment Refresher Training. Trustees also completed Cyber Security Training and the Chair completed NCC and NSCP Child Protection Training.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

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

The Board of Trustees comprises 5 members and 9 trustees. The Chief Executive Officer [CEO] reports to the Board of Trustees and can delegate to the Deputy CEO, Consultant Principal, Finance Director and academy Principals as necessary. The Executive Senior Leadership Team [ESLT] comprises the CEO, Deputy CEO, Consultant Principal, Finance Director and Executive Principal.

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

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

Related parties and other connected charities and organisations

All related party relationships are declared annually and published on the trust website. Transactions with related parties have been disclosed within the notes to the accounts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Employee involvement and employment of disabled persons

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

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

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

Engagement with employees

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

Annual Academy Advisory Bodies (AAB) are held at each school and senior leaders may attend as staff representatives. The AAB review the performance of the school during the year (further details are included in the Governance section).

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

Engagement with stakeholders

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

Each school holds regular open forums to allow opportunity for parents and members of the wider community to engage with the school.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES AND ACTIVITIES

a. Objects and aims

The vision of the trust is:

Vision:

*Challenging educational orthodoxies so that every child makes good progress in core subjects;
all teachers are committed to personal improvement and fulfil their responsibilities.
all children receive a broad and balanced curriculum.
all academies strive to be outstanding.*

Across the trust, we aim to maintain a caring, supportive and disciplined learning environment where children benefit from the best possible education. All staff are committed to this aim.

Objectives, strategies and activities

The main objectives of the trust are to:

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

The strategies for achieving these objectives are to:

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

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TRUSTEES' REPORT (CONTINUED)
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OBJECTIVES AND ACTIVITIES (continued)

Public benefit

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

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

STRATEGIC REPORT

Achievements and performance

Both The Marton Academy and The West Park Academy were inspected by Ofsted during the year. Both inspection outcomes were positive with The Marton Academy strengthening its overall "Good" rating by achieving "Outstanding" for Behaviour and Attitudes and with The West Park Academy receiving a Good rating having previously been inadequate prior to joining the Trust.

The Sir Donald Bailey Academy ranked first out of 249 schools in Nottinghamshire for writing progress by the end of KS2.

The Sir Donald Bailey Academy ranked fourth out of 249 schools in Nottinghamshire for maths progress by the end of KS2.

The Sir Donald Bailey Academy ranked twelfth out of 249 schools in Nottinghamshire for reading progress by the end of KS2.

The Python Hill Academy ranked tenth out of 249 schools in Nottinghamshire for writing progress by the end of KS2.

The Python Hill Academy ranked eleventh out of 249 schools in Nottinghamshire for maths progress by the end of KS2.

The Python Hill Academy ranked nineteenth out of 249 schools in Nottinghamshire for reading progress by the end of KS2.

The Marton Academy achieved outstanding outcomes for pupils with 100% at least achieving age related expectations.

The Marton Academy were successful in securing additional funding for the replacement of their roofing via the Condition Improvement Fund (CIF).

The Sir Donald Bailey Academy invested funding to improve the outside learning environment, renovating the Foundation Stage playground area.

Both The Sir Donald Bailey Academy and The Parkgate Academy resurfaced their grounds enhancing the outside areas across both sites.

The Parkgate Academy increased capacity for Foundation Stage One children (relocation providing more space).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT (continued)

Achievements and performance (continued)

The Parkgate Academy invested in wireless access points to improve the connectivity in school.

Additional funding was secured by The Marton Academy and The West Park Academy during the year via the Connect the Classroom scheme which has improved the wireless infrastructure at each site.

Trim Trails were installed at The Forest View Academy and The West Park Academy and a new play tower at The Python Hill Academy for the enjoyment by their pupils.

The West Park Academy have committed plans to renovate their Foundation Stage playground in 2022-23.

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

Key performance indicators

The key performance indicators of the Trust are:

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

Pupil recruitment and retention data

Pupil numbers on roll across the trust has remained relatively consistent with spare capacity at every academy, and using trend analysis, we predict that these numbers will increase next year.

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

Ofsted Inspection outcomes

The Marton Academy and The West Park Academy were inspected by Ofsted during the year with both schools receiving a rating of Good.

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TRUSTEES' REPORT (CONTINUED)
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STRATEGIC REPORT (continued)

Achievements and performance (continued)

2022 Trust Attainment Data

Academy	% of Y6 pupils who achieved ARE in Maths	% of Y6 pupils who achieved ARE in Reading	% of Y6 pupils who achieved ARE in SPaG	% of Y6 pupils who achieved ARE in Writing	% combined
The Sir Donald Bailey Academy	83%	83%	85%	83%	83%
The Parkgate Academy	62%	59%	72%	74%	51%
The Forest View Academy	68%	72%	65%	77%	65%
The Marton Academy	100%	100%	100%	100%	100%
The West Park Academy	84%	79%	84%	86%	79%
The Python Hill Primary School	80%	80%	80%	76%	74%
The St Augustine's Academy	57%	52%	51%	73%	40%
National Averages at National Standard %	71%	74%	72%	69%	59%

	Reading	Writing	SPaG	Maths	Combined
The Forge Trust Averages	75%	81.2%	76.7%	76.3%	70.2%
National Averages	74%	69%	72%	71%	59%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Pupil attendance data

Academy	2021/22 attendance
The Sir Donald Bailey Academy	93%
The Parkgate Academy	90.85%
The Forest View Academy	95.1%
The Marton Academy	94.6%
The West Park Academy	93.76%
The Python Hill Primary School	94.6%
The St Augustine's Academy	92.06%

Staffing costs as a percentage of income

The Forge Trust uses a benchmark of 75% of staffing costs as a percentage of income in line with its objective of low class sizes. The actual percentage for the year to 31st August 2022 was 72%.

Retention of reserves in line with the reserves policy

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

Promoting the success of the company

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

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

Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT (continued)

FINANCIAL REVIEW

Most of the trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

During the year the trust received funding of £13,607,328 (excluding fixed asset and pension transfers on conversion and funding within the restricted fixed asset fund) compared to resources expended (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £12,321,232 and transfers out to the restricted fixed asset fund of £797,292 to give an in year surplus on revenue funding for the year of £488,804.

The total accumulated reserves of the Trust as at 31 August 2022 were £33,953,880.

The amount that can only be realised by disposing of tangible fixed asset is £33,155,783.

Reserves policy

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

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

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

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined an appropriate level of reserves should be equivalent to 2 months' total revenue expenditure which equates to £2,025,672.

The reason for this is to provide sufficient working capital to cover delays between the spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of reserves are above the target at £2,850,982.

The level of restricted funds at the year end, excluding the Restricted Fixed Asset fund; Endowment Fund and Pension Reserve, amounted to £2,586,221.

The level of unrestricted funds at the year-end amounted to £264,761.

Funds in deficit

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities and consequently the balance sheet shows a net liability of £2,130,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary and is reported within the notes to the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Investment policy

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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Principal risks and uncertainties

The Trust has an up to date risk register which details the main risks facing the Trust and the related controls in place to mitigate those risks where possible. Internal control systems and exposure to risks are considered on a regular basis by trustees and management.

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

1. Government funding

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

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

2. Pension liabilities

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

3. Increasing cost pressures

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

The risk of rising costs pressures are mitigated as follows:

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

4. Pupil strategy

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

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

Streamlined energy and carbon reporting

<u>UK Greenhouse gas emissions and energy data for the period 1 September 2021 to 31 August 2022</u>	<u>Current Year 2021-22</u>	<u>Previous year 2020 - 21</u>
Energy consumption used to calculate emissions (kWh)	2,519,739	2,280,987
Energy consumption break down (kWh) <ul style="list-style-type: none"> • Gas • Electricity 	1,727,756 791,983	1,677,125 603,862
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption	311.00	307.18
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	153.15	128.22
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	-	-
Total gross emissions in metric tonnes CO2e	464.15	435.40
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.21	0.25
<u>Quantification and Reporting Methodology</u> We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate standard and have used the 2022 UK Government's Conversion Factors for Company Reporting. <u>Intensity measurement</u> The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector. <u>Measurements taken to improve energy efficiency</u> Energy consumption was higher in 2021-22 due to the addition of a new school joining the trust. However, the overall Tonnes of CO2e per pupil had decreased. In 2021-22 schools were open for the whole period compared to the previous year which had partial closures due to the pandemic. Investments in LED lighting have been made in schools to improve energy efficiency. Video conferencing technology for staff meetings continue to be used to reduce need for travel between sites.		

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods

The following aims and key objectives are as set out in the Strategic Growth Plan 2022-23:

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

Funds held as custodian on behalf of others

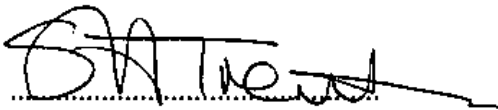
The Trust holds no funds as Custodian Trustee on Behalf of Others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, including a Strategic Report, was approved by order of the Board of Trustees, as the Company Directors, on 12 December 2022 and signed on its behalf by:



Mrs S Trentini
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Forge Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mrs Astill	3	3
Mr Hessey, Chief Executive and Accounting Officer	3	3
Ms Murray	2	3
Mrs Sargisson	3	3
Mr Scawthron	1	3
Mrs Trentini, Chair of Trustees	3	3
Mr Woodman-Clarke	0	3
Mr Barker	0	0
Mrs Bird	0	0
Mr Johnson	0	0

P Towner, H Berry and T Puttergill attend meetings as observers and do not have any voting rights.

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

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

A full review of the impact and effectiveness of the Board of Trustees was carried out during the year. As a result 3 new trustees were appointed with different skills sets to strengthen the structure and composition of the board and its sub-committees to focus on the core strengths and expertise of each trustee and allow more meaningful debate, challenge and review. The Scheme of Delegation Policy provides an in-depth analysis of the roles and responsibilities of the Board of Trustees, its sub-committees and the executive senior leadership team. Academy Advisory Bodies are set up at local level to allow academy Principals to have more control and autonomy over the day-to-day operations of individual academies.

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

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Conflict of interest

The Trustees are responsible for ensuring that, in its conduct and operation, the Trust applies financial and other controls which conform with the requirements both of propriety and of good financial management. The Trust has taken all necessary steps to ensure that any conflicts of interest are recorded within the register of interests and appropriately disclosed within financial statements. Transactions are completed at arms length and the related party has no involvement in decisions in which they have an interest. The Trust financial procedures include consideration of related party transactions, to ensure that staff are alert to the possibility of conflicts of interest and their impact.

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

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

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Woodman-Clarke (chair)	0	6
Mrs Trentini	6	6
Mr Puttergill	6	6
Mr Scawthon	3	6
Mrs Astill	6	6

Mr Puttergill attends meetings as an observer and does not have any voting rights.

The Strategic Management Committee is also a sub-committee of the main Board of Trustees. Its purpose is to provide assurance to the board of trustees in relation to education outcomes. Its responsibilities include:

- Monitoring the performance of individual academies against agreed KPI's;
- Assessing the quality of leadership in each academy in terms of academic performance, quality of teaching, exclusions and pupil / staff attendance;
- Reviewing development plans and progress made against targets;
- Reviewing any Ofsted or DfE Inspection reports and implementing recommended practice;
- Ensuring the effective use of SEND, Pupil Premium and PE/Sport Premium funding;
- Monitoring pupil progress and assessing the impact of any changes to national curriculum on the Trust and its academies.

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

Attendance at meetings in the year was as follows:

THE FORGE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustee	Meetings attended	Out of a possible
Ms Murray (Chair)	2	3
Mr Puttergill	3	3
Mrs Trentini	3	3
Mrs Sargisson	1	3

Academy Advisory Bodies

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

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

Academy Open Forums

The Trust gauges parent opinions in termly open forums.

ESLT Meetings

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

Review of value for money

As accounting officer, the Chief Executive has responsibility for ensuring that the academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes 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:

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

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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

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

- testing of income systems;
- testing of credit card expenditure;
- testing of control account/ bank reconciliations.

On an at least annual basis, the reviewer 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 year to 31 August 2022 no material control issues were identified by the reviewer as a result of the work carried out.

The revised FRC ethical standards for auditors prohibits the external auditor of an entity to carry out internal audit services. The Trust appointed Duncan & Topliss Limited as their external auditor.

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GOVERNANCE STATEMENT (CONTINUED)

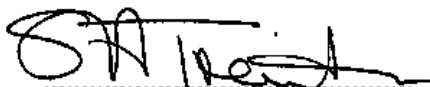
Review of effectiveness

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

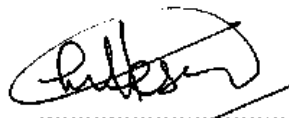
- the work of the reviewer;
- the work of the external auditor;
- the work of the financial management and governance reviewer;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance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

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

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on their behalf by:



Mrs S Trentini
Chair of Trustees



Mr L Hessey
Accounting Officer

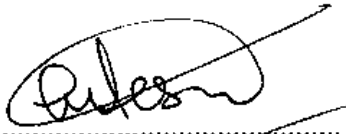
THE FORGE TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Mr L Hessey
Accounting Officer
Date: 12 December 2022

THE FORGE TRUST
(A company limited by guarantee)

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

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

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


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

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on its behalf by:



Mrs S Trentini
Chair of Trustees

THE FORGE TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE FORGE TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

The potential impact of different laws and regulations varies considerably. Firstly, the Academy is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements, (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimate and judgemental areas of the financial statements such as depreciation of tangible fixed asset, as well as the risk of inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of material and unusual journal entries and challenging management on key accounting estimates, assumptions and judgements made in preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods used by management to make those estimates, re-performing the calculation, and reviewing the outcome of prior year estimates.

Secondly, the Academy is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified Ofsted regulations, Health and Safety regulations, compliance with the Funding agreement and compliance with the Academy Trust Handbook as most likely to have such an effect.

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

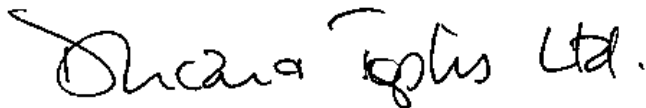
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection. We have performed audit work through enquiries with management regarding any non-compliance and reviewed all available information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

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

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

Use of our report

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



Timothy Godson FCA (Senior statutory auditor)
for and on behalf of
Duncan & Topliss Limited
Chartered Accountants and Statutory Auditors
4 Henley Way
Lincoln
Lincolnshire
LN6 3QR

12 December 2022

THE FORGE TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 2 November 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 The Forge Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Forge Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

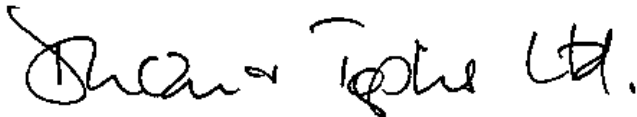
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

THE FORGE TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



Timothy Godson FCA
Reporting Accountant
Duncan & Toplis Limited
Chartered Accountants and Statutory Auditors

4 Henley Way
Lincoln
Lincolnshire
LN6 3QR

Date: 12 December 2022

THE FORGE TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	56,718	471,371	528,089	49,714
Other trading activities	5	101,891	70,671	-	172,562	89,716
Investments	6	322	-	-	322	226
Charitable activities: Funding for the academy trust's educational operations	4	-	13,117,547	-	13,117,547	10,266,529
Transfer on conversion from local authority into the academy trust	33	-	(2,147,821)	6,809,006	4,661,185	-
Total income		102,213	11,097,115	7,280,377	18,479,705	10,406,185
Expenditure on:						
Raising funds	7	82,876	41,811	-	124,687	73,851
Charitable activities: Academy trust's educational operations	8	3,265	13,362,280	703,645	14,069,190	10,357,867
Total expenditure		86,141	13,404,091	703,645	14,193,877	10,431,718
Net income/(expenditure)		16,072	(2,306,976)	6,576,732	4,285,828	(25,533)
Transfers between funds	20	-	(797,292)	797,292	-	-
Net movement in funds before other recognised gains/(losses)		16,072	(3,104,268)	7,374,024	4,285,828	(25,533)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	29	-	9,008,000	-	9,008,000	(822,000)
Net movement in funds		16,072	5,903,732	7,374,024	13,293,828	(847,533)
Reconciliation of funds:						

THE FORGE TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Note					
Total funds brought forward	248,689	(5,447,511)	25,858,874	20,660,052	21,507,585
Net movement in funds	16,072	5,903,732	7,374,024	13,293,828	(847,533)
Total funds carried forward	264,761	456,221	33,232,898	33,953,880	20,660,052

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

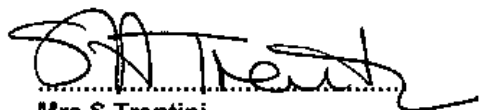
BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	33,155,783	25,875,031
Current assets			
Debtors	17	727,215	342,521
Cash at bank and in hand		3,457,579	2,593,859
		<u>4,184,794</u>	<u>2,936,380</u>
Liabilities			
Creditors: amounts falling due within one year	18	(1,247,649)	(575,613)
		<u>2,937,145</u>	<u>2,360,767</u>
Net current assets			
		36,092,928	28,235,798
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(9,048)	(14,746)
		<u>36,083,880</u>	<u>28,221,052</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	29	(2,130,000)	(7,561,000)
		<u>33,953,880</u>	<u>20,660,052</u>
Total net assets			
		<u><u>33,953,880</u></u>	<u><u>20,660,052</u></u>
Funds of the academy trust			
Restricted funds:			
Restricted fixed asset funds	20	33,232,898	25,858,874
Restricted income funds	20	2,586,221	2,113,489
		<u>35,819,119</u>	<u>27,972,363</u>
Restricted funds excluding pension liability	20	35,819,119	27,972,363
Pension reserve	20	(2,130,000)	(7,561,000)
		<u>33,689,119</u>	<u>20,411,363</u>
Total restricted funds	20	33,689,119	20,411,363
Unrestricted income funds	20	264,761	248,689
		<u>33,953,880</u>	<u>20,660,052</u>
Total funds			
		<u><u>33,953,880</u></u>	<u><u>20,660,052</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 31 to 72 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mrs S Trentini
Chair of Trustees
Date: 12 December 2022

THE FORGE TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	22	8,370,067	942,230
Cash flows from investing activities	24	(7,499,695)	(283,214)
Cash flows from financing activities	23	(6,652)	(6,668)
Change in cash and cash equivalents in the year		863,720	652,348
Cash and cash equivalents at the beginning of the year		2,593,859	1,941,511
Cash and cash equivalents at the end of the year	25, 26	3,457,579	2,593,859

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

- **Legacies**

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.3 Income (continued)

assets received.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.11 Provisions

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

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

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

1.15 Fund accounting

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	56,718	-	56,718	6,718
Capital Grants	-	-	471,371	471,371	42,996
Total 2022	-	56,718	471,371	528,089	49,714
Total 2021	1,912	4,806	42,996	49,714	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy Trust's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Academy trust's educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	9,690,371	9,690,371	7,472,040
Other DfE/ESFA grants			
Start Up Grant	25,000	25,000	-
Pupil Premium	1,142,632	1,142,632	839,232
Other DfE/ESFA Revenue grants	479,062	479,062	295,553
Teachers pay and pension grants	42,182	42,182	345,053
	<u>-</u>	<u>11,379,247</u>	<u>8,951,878</u>
Other government grants			
SEN 1-1 Funding	272,204	272,204	213,100
Other government revenue grants	176,647	176,647	125,687
Early years funding	700,232	700,232	473,728
	<u>1,149,083</u>	<u>1,149,083</u>	<u>812,515</u>
Other income from the academy trust's funding for the academy trust's educational operations	374,805	374,805	215,866
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	126,081
Free school meal vouchers	-	-	158,053
Emergency funding	-	-	2,136
Other DfE/ESFA COVID-19 funding	214,412	214,412	-
	<u>214,412</u>	<u>214,412</u>	<u>286,270</u>
	<u>13,117,547</u>	<u>13,117,547</u>	<u>10,266,529</u>
	<u>13,117,547</u>	<u>13,117,547</u>	<u>10,266,529</u>
Total 2021	<u>10,266,529</u>	<u>10,266,529</u>	

During the year the academy received £Nil (2021: £126,081) of Coronavirus Catch-Up Premium and costs incurred in respect of this funding totalled £Nil (2021: £126,081), meaning there is £Nil to be spent in 2022/23.

During the year the academy received £Nil (2021: £2,136) of Coronavirus Emergency Funding and costs

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy Trust's educational operations (continued)

incurred in respect of this funding totalled £Nil (2021: £2,136), meaning there is £Nil to be spent in 2022/23.

During the year the academy received £214,412 (2021: £Nil) of Coronavirus Recovery Premium and National Tutoring Programme funding and costs incurred in respect of this funding totalled £214,412 (2021: £Nil), meaning there is £Nil to be spent in 2022/23.

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Letting income	14,511	-	14,511	9,334
Sale of goods	-	19,561	19,561	22,834
Catering Income	64,086	-	64,086	21,717
Other income	23,294	51,110	74,404	35,831
Total 2022	101,891	70,671	172,562	89,716
<i>Total 2021</i>	<i>38,727</i>	<i>50,989</i>	<i>89,716</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest received	322	322	226
<i>Total 2021</i>	<i>226</i>	<i>226</i>	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on raising voluntary income:					
Direct costs	-	-	1,504	1,504	4,660
Expenditure on fundraising trading activities:					
Direct costs	46,776	-	76,407	123,183	69,191
Activities:					
Direct costs	8,814,943	587,766	954,228	10,356,937	7,619,924
Support costs	2,167,970	813,560	730,723	3,712,253	2,737,943
Total 2022	11,029,689	1,401,326	1,762,862	14,193,877	10,431,718
<i>Total 2021</i>	<i>8,059,494</i>	<i>1,124,274</i>	<i>1,247,950</i>	<i>10,431,718</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Educational operations	3,265	14,065,925	14,069,190	10,357,867
<i>Total 2021</i>	-	10,357,867	10,357,867	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	10,356,937	3,712,253	14,069,190	10,357,867
<i>Total 2021</i>	7,619,924	2,737,943	10,357,867	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	8,814,943	8,814,943	6,603,488
Depreciation	703,645	703,645	555,436
Educational supplies	555,057	555,057	301,813
Technology costs	30,551	30,551	18,381
Staff development	79,785	79,785	48,077
Other costs	172,956	172,956	92,729
Total 2022	<u>10,356,937</u>	<u>10,356,937</u>	<u>7,619,924</u>
<i>Total 2021</i>	<u>7,619,924</u>	<u>7,619,924</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	2,167,970	2,167,970	1,445,411
Technology costs	151,886	151,886	109,060
Recruitment and support	3,383	3,383	1,900
Maintenance of premises and equipment	173,063	173,063	113,094
Cleaning	329,236	329,236	292,528
Rent and rates	82,302	82,302	55,762
Energy costs	183,283	183,283	136,388
Insurance	53,020	53,020	35,461
Security	44,910	44,910	21,687
Transport	2,838	2,838	542
Telephone, postage and stationery	21,917	21,917	17,121
Catering	206,543	206,543	293,685
Other costs	184,243	184,243	113,370
Bank interest and charges	896	896	598
Auditors' remuneration	26,935	26,935	23,500
Legal costs - conversion	9,568	9,568	-
Professional fees	70,260	70,260	77,836
Total 2022	3,712,253	3,712,253	2,737,943
Total 2021	2,737,943	2,737,943	

During the year ended 31 August 2022, the Academy incurred the following Governance costs:

£65,431 (2021 - £66,748) included within the table above in respect of Funding for the Academy's educational operations.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	2,252	-	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	30,736	30,501
Depreciation of tangible fixed assets	695,092	555,436
Internal audit services	4,000	4,000
Fees paid to auditors for:		
- audit	20,350	17,750
- other services	2,585	1,750
	<u>20,350</u>	<u>17,750</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	7,654,348	5,755,538
Social security costs	664,732	514,201
Pension costs	2,681,360	1,771,809
	<u>11,000,440</u>	<u>8,041,548</u>
Agency staff costs	29,249	17,946
	<u>11,029,689</u>	<u>8,059,494</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2022	2021
	£	£
Severance payments	-	7,502
	<u>-</u>	<u>7,502</u>
	<u>-</u>	<u>7,502</u>

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	149	103
Administrative and support	232	183
Management	11	10
	<u>392</u>	<u>296</u>
	<u>392</u>	<u>296</u>

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	123	101
Administrative and support	132	93
Management	11	10
	<u>266</u>	<u>204</u>
	<u>266</u>	<u>204</u>

c. Higher paid staff

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Staff (continued)

c. Higher paid staff (continued)

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

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £984,054 (2021 £865,827).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Central services

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

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

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

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

Outstanding - 4% of GAG

Good - 6% of GAG

Requires Improvement - 7.5% of GAG

Special Measures - 9% of GAG

The actual amounts charged during the year were as follows:

	2022 £	2021 £
The Sir Donald Bailey Academy	134,721	123,346
The Parkgate Academy	103,458	96,816
The Forest View Academy	65,849	60,131
The Marton Academy	27,392	26,334
The West Park Academy	64,775	102,176
The Python Hill Academy	77,985	110,368
The St Augustine's Academy	107,241	-
Total	581,421	519,171

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14. Trustees' remuneration and expenses

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

		2022 £	2021 £
Mr L Hessey, Principal	Remuneration	105,000 - 110,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

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

15. Trustees' and Officers' insurance

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

16. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	27,757,411	142,216	316,970	14,495	28,231,092
Additions	992,877	37,176	158,342	-	1,188,395
Transfer on conversion from Local Authority	6,796,000	-	-	-	6,796,000
Disposals	-	-	(8,551)	-	(8,551)
At 31 August 2022	35,546,288	179,392	466,761	14,495	36,206,936
Depreciation					
At 1 September 2021	2,073,846	87,618	194,295	302	2,356,061
Charge for the year	587,766	26,126	86,128	3,623	703,643
On disposals	-	-	(8,551)	-	(8,551)
At 31 August 2022	2,661,612	113,744	271,872	3,925	3,051,153

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16. Tangible fixed assets (continued)

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Net book value					
At 31 August 2022	32,884,676	65,648	194,889	10,570	33,155,783
At 31 August 2021	25,683,565	54,598	122,675	14,193	25,875,031

Included in leasehold property is leasehold land at valuation of £5,335,000 (2021: £4,125,000), which is not depreciated.

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

The academy trust's transactions relating to land and buildings included a transfer in of buildings for £6,796,000 that relates to St Augustine's Academy that was transferred in during the period from the local authority.

17. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	1,040	1,218
Other debtors	1,500	2,581
Prepayments and accrued income	576,705	288,840
VAT recoverable	147,970	49,882
	<u>727,215</u>	<u>342,521</u>

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	5,698	6,653
Trade creditors	537,930	122,783
Other taxation and social security	162,613	125,183
Other creditors	184,868	154,775
Accruals and deferred income	356,540	166,219

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18. Creditors: Amounts falling due within one year (continued)

	2022 £	2021 £
	<u>1,247,649</u>	<u>575,613</u>

Other loans includes loans payable within one year of £5,698, which consists of:

£4,718 relates to a Salix loan agreement, incepted as part of a heating system project. This loan is repayable through six-monthly instalments over the remaining 3 year period, with an interest rate of 0%.

£980 relates to a loan for solar panels. This is repayable through six-monthly instalments over the remaining 2 year period, with an interest rate of 4.5%.

	2022 £	2021 £
Deferred income at 1 September 2021	117,528	152,704
Resources deferred during the year	197,645	117,528
Amounts released from previous periods	(117,528)	(152,704)
	<u>197,645</u>	<u>117,528</u>

Deferred income for 2021/22 includes £94,829 in respect of Universal Infant Free School Meals for 2022/23, £43,930 SEN Income for 2022/23, £21,545 for rates relief, £15,130 for trip income, £440 LCC bus supervision income and £21,770 AFN income all received in advance.

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

	2022 £	2021 £
Other loans	<u>9,048</u>	<u>14,746</u>

Other loans includes loans payable after more than one year of £9,048, which consists of:

£7,077 relates to a Salix loan agreement, incepted as part of a heating system project. This loan is repayable through six-monthly instalments over the remaining 3 year period, with an interest rate of 0%.

£1,971 relates to a loan for solar panels. This is repayable through six-monthly instalments over the remaining 2 year period, with an interest rate of 4.5%.

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20. Statement of funds

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

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20. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Assets from predecessor school	22,269,413	6,796,000	(511,631)	-	-	28,553,782
Condition Improvement Fund	2,204,137	332,865	(47,982)	-	-	2,489,020
Capital expenditure from donations	-	1,241	(385)	-	-	856
	<u>25,858,874</u>	<u>7,280,377</u>	<u>(703,645)</u>	<u>797,292</u>	<u>-</u>	<u>33,232,898</u>
Total Restricted funds	<u>20,411,363</u>	<u>18,377,492</u>	<u>(14,107,736)</u>	<u>-</u>	<u>9,008,000</u>	<u>33,689,119</u>
Total funds	<u>20,660,052</u>	<u>18,479,705</u>	<u>(14,193,877)</u>	<u>-</u>	<u>9,008,000</u>	<u>33,953,880</u>

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20. Statement of funds (continued)

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

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

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

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

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

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

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £1,169,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £9,008,000 actuarial decrease in the net pension fund deficit.

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

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

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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General Funds	234,297	40,865	(26,473)	-	-	248,689
Restricted general funds						
General Annual Grant (GAG)	1,206,205	7,472,042	(6,396,485)	(270,356)	-	2,011,406
Other DfE/ESFA grants	30,058	1,479,623	(1,475,110)	-	-	34,571
Government grants	9,682	785,227	(785,227)	-	-	9,682
Other income	47,863	299,163	(294,307)	522	-	53,241
Covid Catch-up Premium	-	126,080	(126,080)	-	-	-
COVID-19 free school meal vouchers	-	158,053	(153,464)	-	-	4,589
COVID-19 other funding	-	2,136	(2,136)	-	-	-
Pension reserve	(6,122,000)	-	(617,000)	-	(822,000)	(7,561,000)
	<u>(4,828,192)</u>	<u>10,322,324</u>	<u>(9,849,809)</u>	<u>(269,834)</u>	<u>(822,000)</u>	<u>(5,447,511)</u>
Restricted fixed asset funds						
DfE/ESFA Capital Grant	181,638	42,996	(48,309)	-	-	176,325
Capital expenditure from GAG	1,005,052	-	(59,234)	263,181	-	1,208,999
Assets from predecessor school	22,667,375	-	(399,911)	1,949	-	22,269,413
Condition Improvement Fund	2,247,415	-	(47,982)	4,704	-	2,204,137

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20. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
	<u>26,101,480</u>	<u>42,996</u>	<u>(555,436)</u>	<u>269,834</u>	<u>-</u>	<u>25,858,874</u>
Total Restricted funds	<u>21,273,288</u>	<u>10,365,320</u>	<u>(10,405,245)</u>	<u>-</u>	<u>(822,000)</u>	<u>20,411,363</u>
Total funds	<u>21,507,585</u>	<u>10,406,185</u>	<u>(10,431,718)</u>	<u>-</u>	<u>(822,000)</u>	<u>20,660,052</u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
The Sir Donald Bailey Academy	249,033	525,778
The Forest View Academy	476,479	360,048
The Parkgate Academy	467,385	434,244
The Forge Trust	517,206	452,050
The Marton Academy	305,660	213,460
The West Park Academy	265,108	240,442
The Python Hill Academy	239,088	136,156
The St Augustine's Academy	331,023	-
Total before fixed asset funds and pension reserve	2,850,982	2,362,178
Restricted fixed asset fund	33,232,898	25,858,874
Pension reserve	(2,130,000)	(7,561,000)
Total	33,953,880	20,660,052

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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
The Sir Donald Bailey Academy	2,139,266	506,004	153,028	452,272	3,250,570	2,930,306
The Forest View Academy	851,456	216,977	56,096	155,059	1,279,588	1,219,404
The Parkgate Academy	1,340,186	340,702	103,641	327,815	2,112,344	1,839,189
The Forge Trust	271,781	147,820	1,303	166,302	587,206	517,045
The Marton Academy	364,186	36,203	14,017	77,895	492,301	474,882
The West Park Academy	1,039,553	182,348	52,344	211,115	1,485,360	1,383,871
The Python Hill Academy	1,125,389	219,053	70,059	230,246	1,644,747	1,511,585
The St Augustine's Academy	1,699,763	549,001	104,773	284,579	2,638,116	-
Academy trust	8,831,580	2,198,108	555,261	1,905,283	13,490,232	9,876,282

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

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	25,875,031	25,875,031
Current assets	256,513	2,674,625	5,242	2,936,380
Creditors due within one year	(7,824)	(561,136)	(6,653)	(575,613)
Creditors due in more than one year	-	-	(14,746)	(14,746)
Provisions for liabilities and charges	-	(7,561,000)	-	(7,561,000)
Total	248,689	(5,447,511)	25,858,874	20,660,052

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

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of financial activities)	4,285,828	(25,533)
Adjustments for:		
Depreciation	703,645	555,435
Capital grants from DfE and other capital income	(484,377)	(42,996)
Interest receivable	(322)	(226)
Defined benefit pension scheme cost less contributions payable	983,000	521,000
Defined benefit pension scheme finance cost	186,000	96,000
Increase in debtors	(384,698)	(48,869)
Increase/(decrease) in creditors	672,991	(111,102)
Profit on asset disposal	-	(1,479)
Transfer on conversion from local authority into academy trust	2,408,000	-
Net cash provided by operating activities	8,370,067	942,230

23. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(6,652)	(6,668)
Net cash used in financing activities	(6,652)	(6,668)

24. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	322	226
Purchase of tangible fixed assets	(1,188,394)	(328,436)
Proceeds from the sale of tangible fixed assets	-	2,000
Capital grants from DfE Group	484,377	42,996
Land and buildings transferred on conversion	(6,796,000)	-
Net cash used in investing activities	(7,499,695)	(283,214)

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25. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank	3,457,579	2,593,859
Total cash and cash equivalents	3,457,579	2,593,859

26. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,593,859	863,720	3,457,579
Debt due within 1 year	(6,653)	955	(5,698)
Debt due after 1 year	(14,746)	5,698	(9,048)
	2,572,460	870,373	3,442,833

27. Contingent liabilities

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

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

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

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

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28. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>197,228</u>	<u>104,850</u>

29. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council (The Forge Trust, Forest View Academy, Parkgate Academy, Sir Donald Bailey Academy, West Park Academy, Python Hill Academy and St Augustine's Academy) and Lincolnshire County Council (Marton Academy). Both are multi-employer defined benefit schemes.

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

Contributions amounting to £187,983 were payable to the schemes at 31 August 2022 (2021 - £139,191) and are included within creditors.

Teachers' Pension Scheme

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

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

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29. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,121,757 (2021 - £874,281).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £700,000 (2021 - £492,000), of which employer's contributions totalled £548,000 (2021 - £382,000) and employees' contributions totalled £ 152,000 (2021 - £110,000). The agreed contribution rates for future years are 20.8 per cent for employers and various per cent for employees for employees within the Nottinghamshire County Council Pension Fund and 21.4 per cent for employers and various per cent for employees within the Lincolnshire County Council Pension Fund.

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

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

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29. Pension commitments (continued)

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.90	3.85
Rate of increase for pensions in payment/inflation	2.90	2.85
Discount rate	4.25	1.7

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.6
Females	24.4	24.3
<i>Retiring in 20 years</i>		
Males	23.0	22.9
Females	25.8	25.7

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

	2022	2021
	%	%
Rate of increase in salaries	3.25	3.2
Rate of increase for pensions in payment/inflation	2.95	2.9
Discount rate for scheme liabilities	4.25	1.65

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

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29. Pension commitments (continued)

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.7	23.6
<i>Retiring in 20 years</i>		
Males	22.1	22.0
Females	25.1	25.1

Sensitivity analysis

	2022 £000	2021 £000
Discount rate -0.1%	253	344
Mortality assumption - 1 year increase	264	442
CPI rate +0.1%	229	308

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29. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	4,523,000	3,667,000
Gilts	211,000	217,000
Corporate bonds	503,000	336,000
Property	1,099,000	576,000
Cash and other liquid assets	424,000	229,000
Other	866,000	596,000
Total market value of assets	7,626,000	5,621,000

The actual return on scheme assets was £(45,000) (2021 - £694,000).

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

	2022 £	2021 £
Current service cost	(1,556,000)	(903,000)
Net interest cost	(160,000)	(107,000)
Total amount recognised in the Statement of financial activities	(1,716,000)	(1,010,000)

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

	2022 £	2021 £
At 1 September	13,182,000	10,691,000
Transferred in on conversion from local authority joining the academy trust	3,870,000	-
Current service cost	1,556,000	903,000
Interest cost	282,000	172,000
Employee contributions	152,000	110,000
Actuarial (gains)/losses	(9,177,000)	1,438,000
Benefits paid	(109,000)	(132,000)
At 31 August	9,756,000	13,182,000

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29. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	5,621,000	4,569,000
Transferred in on conversion from local authority joining the academy trust	1,462,000	-
Interest income	122,000	76,000
Actuarial (losses)/gains	(169,000)	616,000
Employer contributions	548,000	382,000
Employee contributions	152,000	110,000
Benefits paid	(109,000)	(132,000)
At 31 August	7,627,000	5,621,000

30. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	38,507	13,156
Later than 1 year and not later than 5 years	84,126	16,696
	122,633	29,852

31. Members' liability

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

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32. Related party transactions

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

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

Mrs D Hall, daughter of Mr A Stirland, the principal of The Python Hill Academy, is employed by the school as a teacher. Mr A Stirland was not involved with the appointment or setting of her pay.

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

33. Transfer of conversion from local authority into the academy trust

On 1 September 2021 the St Augustine's Academy converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Forge Trust from the Nottinghamshire County Council for Enil consideration.

The transfer has been accounted for as a combination that is in substance 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 in the Statement of Financial Activities as transfer on conversion from local authority into the academy trust.

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

The St Augustine's Academy

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	6,796,000	6,796,000
Current assets		
Cash at bank and in hand	273,185	273,185
Liabilities		
Pensions		
Pensions - pension scheme assets	1,462,000	1,462,000

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33. Transfer of conversion from local authority into the academy trust (continued)

	Value reported by transferring trust £	Transfer in recognised £
Pensions - pension scheme liabilities	(3,870,000)	(3,870,000)
Net assets	<u>4,661,185</u>	<u>4,661,185</u>