



**Forward Education Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Period ended 31 August 2017**

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

**Period of account
4 April 2017 - 31 August 2017**

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Forward Education Trust

Reference and administrative details For the period ended 31 August 2017

Members:

Mr Anthony Greenwood (Chair)
Mrs Constance Henry
Mr Roland Vernon
Mr Amil Khan
Ms Catherine Canty

Trustee:

Mr Anthony Greenwood (Chair)
Mr Roland Vernon
Mrs Helen Redican
Ms Catherine Canty
Mr Brensley Taylor
Ms Tracy Wallis (until 24/7/2017)
Ms June Mole
Mrs Frances Murphy
Mrs Jane Edgerton

Senior leadership Team:

Chief Executive Officer – Mrs Jane Edgerton
Chief Finance Officer – Miss Samantha Hughes
Company Secretary – Miss Samantha Hughes
Director of Finance – Miss Samantha Hughes

Bankers:

Lloyds Bank
1098 Warwick Road
Acocks Green
Birmingham
B27 6BJ

Solicitors:

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Independent Auditor:

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

Company Name and Registered Office:

Forward Education Trust
C/O Brays School
Brays Road
Sheldon
Birmingham
West Midlands
B26 1NS

Company Registration Number: 1068422

Forward Education Trust

Trustees' Report

For the period ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 4 April 2017 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Multi Trust Academy (or the "Trust") operates 3 special schools in Birmingham; 2 primary schools for children 2-11 years across 3 sites, and 1 all through school for children 4-19 years. The Trust has a combined pupil capacity of 564 and had a roll of 541 in the school census of January 2017.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Forward Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Forward Education Trust. Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

The Trustees have liability insurance with Zurich insurance. There is a limit of indemnity of £5,000,000.

Method of Recruitment and Appointment or Election of Trustees

The Trust Incorporated on 20 March 2017. Members and Trustee recruitment for Forward Education Trust was achieved by actively recruiting those with the skills knowledge and experience from other charitable companies in the education sector. Academy Ambassadors, part of the New Schools Network, were used to actively recruit to these posts. An officer of the West Midlands Academy Delivery arm of the DFE indicated that Academy Ambassadors was a suitable recruitment source to find appropriate Members and Trustees. With the exception of one Member and three Trustees all of the governance structure has been achieved in this way as demonstrated through the successful March 2017 DFE academy application and sponsorship application approval processes.

The Members appointed the Chief Executive Officer as a Trustee by ordinary resolution upon Incorporation (20 March 2017). The Board of Trustees currently has one vacancy due to the resignation of a Trustee in July 2017. Vacancies will be filled following "gap analysis" to ensure appropriate experience and skills are brought into the Trust.

Forward Education Trust

Trustees' Report

For the period ended 31 August 2017

Policies and Procedures Adopted for the Induction and Training of Trustee

Upon appointment, all new Trustees and Members were provided with documents relating to their role. This included information relating to the schools and services within The Trust as well as documentation relating to safeguarding of children in line with the Keeping Children Safe in Education 2016 requirements. Induction training took place in March/April 2017 for all Trustees, Members and those on the schools' Local Academy Councils. This included safeguarding training, recruitment of Local Academy Council Members, roles & responsibilities, information on delegated powers, appointments and safer recruitment, decision making and financial delegation.

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

Members and Trustees were made aware of, and booked onto, local and national training events of relevance to them including training on General Data Protection Regulations readiness, DFE update sessions from Academy Ambassadors and legal updates from Anthony Collins Solicitors. All Members and Trustees receive electronic updates from key agencies in order to keep The Trust compliant and work efficiently and effectively.

Organisational structure

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

Trustees have defined roles as described in the Statement of Trustee responsibilities, see page 16.

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

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

The Chief Finance Officer is neither a Member nor a Trustee and is a paid employee.

The current scheme of Financial Delegation is as follows:

Board of Trustees: greater than £10,000.01 up to formal tender

Trustees with Financial responsibility: £5,000.01 - £9,999.99

Head Teachers: up to £5,000

An organigram of the organisational structure and responsibilities is given below.

Forward Education Trust

Trustees' Report

For the period ended 31 August 2017

Organisational structure (*continued*)



Forward Education Trust

Trustees' Report

For the period ended 31 August 2017

Arrangements for setting pay and remuneration of key management personnel

No Trustees and Members with the exception of the CEO are remunerated for their work within the Trust.

When the Trust was Incorporated the group size for the schools along with the pay for the senior leaders in each school and the CEO's pay was reviewed in line with the National Pay and Conditions Policy for teachers and standardised within and across the Trust.

Trustees must be on appointment panels for any appointments to Senior Leadership Roles and support staff appointments at Grade 5 or above.

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

The Trust adopted the national pay policy for teachers and continued to remunerate support staff in line with the pay local policy from the previous employer. The Trust follows national recommendations around pay rises and inflation awards

The Trust agreed that where performance is good a single point pay progressions is available to staff and exceptional performance could attract the maximum of a two point pay increment.

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

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

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

Related Parties and other Connected Charities and Organisations

Forward Education Trust sponsors Hallmoor School, which came into the Trust on 4 April 2017. Hallmoor School receives support in a number of ways included but not exhausted to: leadership and management advice and guidance, support with procurement of services, human resources and payroll support, raising educational standards through advice support and intervention for teaching and learning, staff restructuring and providing budget setting and monitoring support.

Objects and Aims

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

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

Forward Education Trust

Trustees' Report

For the period ended 31 August 2017

Objectives, Strategies and Activities

Leadership & Management

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

Pupil Progress and Teaching and Learning

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

Public Benefit

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

The Trust meets these objectives by

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

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

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.

Trustees' Report

For the period ended 31 August 2017

Strategic Report

Achievements and Performance

Brays School Initial Data Summary July 2017

End of Reception – EYFSP

End Reception	No.	Emerging in all areas of learning
Total Pupils	30	30 (100%)
Brays Sheldon	9	9 (100%)
Brays Tile Cross	21	21 (100%)

Phonics Screening. Yr 1 (Threshold 32/40)

Yr 1	No.	Threshold Met	Test taken Threshold not met but scored	Test taken No Score	Test not appropriate
Total Pupils	37	3 (8%)	8 (21.6%)	1 (2.7%)	25 (67.6%)
Brays Sheldon	11	0 (0%)	1 (9%)	0 (0%)	10 (91%)
Brays Tile Cross	26	3 (11.5%)	7 (27%)	1 (4%)	15 (57.5%)

Phonics Screening. Yr 2 (Threshold 32/40)

Yr 2	No.	Threshold Met	Test taken Threshold not met but scored	Test taken No Score	Test not appropriate
Total Pupils	37	6 (16%)	6 (16%)	1 (2.7%)	24 (65%)
Brays Sheldon	13	1 (7.7%)	1 (7.7%)	1 (7.7%)	10 (77%)
Brays Tile Cross	24	5 (21%)	5 (21%)	0 (0%)	14 (58%)

End of KS 1 PKF = Attaining within KS1 descriptors for pupils working below the test standard

BLW = Attaining below any KS1 descriptors and assessed through P levels

HNM = Attaining below any KS1 descriptors and assessed through P levels

Yr 2	No.	Reading KS1 (PKF)	Reading P Levels (BLW)	Writing KS1 (PKF)	Writing P Levels (BLW)	Maths KS1 (PKF)	Maths P Levels (BLW)	Science P Levels (HNM)
Total Pupils	37	3 (8%)	34 (92%)	3 (8%)	34 (92%)	3 (8%)	34 (92%)	100%
Brays Sheldon	13	1 (8%)	12 (92%)	1 (8%)	12 (92%)	1 (8%)	12 (92%)	100%
Brays Tile Cross	24	2 (8%)	22 (92%)	2 (8%)	22 (92%)	2 (8%)	22 (92%)	100%

End of KS 2 PKF = Attaining within KS2 descriptors for pupils working below the test standard

BLW = Attaining below any KS2 descriptors and assessed through P levels

HNM = Attaining below any KS2 descriptors and assessed through P levels

Yr 6	No.	Reading KS1 (PKF)	Reading P Levels (BLW)	Writing KS1 (PKF)	Writing P Levels (BLW)	Maths KS1 (PKF)	Maths P Levels (BLW)	Science P Levels (HNM)
Total Pupils	13	1 (8%)	12 (92%)	0 (0%)	13(100%)	0 (0%)	13(100%)	100%
Brays Sheldon	13	1 (8%)	12 (92%)	0 (0%)	13(100%)	0 (0%)	13(100%)	100%
Brays Tile Cross	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Initial analysis indicates that 75% of those four pupils with the highest achievement at the end of KS1 and KS 2 are eligible for Pupil Premium. They are all boys and all belong to ethnic minority groups.

Trustees' Report

For the period ended 31 August 2017

Achievements and Performance (continued)

The Bridge School Initial Data Summary 2017

End of Reception – EYFSP

End Reception	No.	Emerging in all areas of learning
Total Pupils	8	8 (100%)

Phonics Screening. Yr 1 (Threshold 32/40)

Yr 1	No.	Threshold Met	Test taken Threshold not met but scored	Test taken No Score	Test not appropriate
Total Pupils	10	0	0	0	10

Phonics Screening. Yr 2 (Threshold 32/40)

Yr 2	No.	Threshold Met	Test taken Threshold not met but scored	Test taken No Score	Test not appropriate
Total Number of pupils who did not meet the standard last year.	12/13	0	0	1 (9%)	11 (91%)

1 pupil met the threshold for the Phonics Screening Test last year therefore did not need to be re-tested

End of KS 1 PKF = Attaining within KS1 descriptors for pupils working below the test standard

BLW = Attaining below any KS1 descriptors and assessed through P levels

HNM = Attaining below any KS1 descriptors and assessed through P levels

Yr 2	No.	Reading KS1 (PKF)	Reading P Levels (BLW)	Writing KS1 (PKF)	Writing P Levels (BLW)	Maths KS1 (PKF)	Maths P Levels (BLW)	Science P Levels (HNM)
Total Pupils	12	0	12 (100%)	0	12 (100%)	0	12 (100%)	100%

P Level Information- Yr 2

Yr 2 – 12 pupils	P1 – P3	P4- P7	P8
English	3 pupils (25%)	9 pupils (75%)	0
Maths	3 pupils (25%)	9 pupils (75%)	0
Science	3 pupils (25%)	9 pupils (75%)	0

Initial analysis indicates that 77% (7) of those nine pupils with the highest achievement at the end of KS 1 are eligible for Pupil Premium. They are 5 boys (3 belong to ethnic minority groups) and 2 girls (1 belongs to an ethnic minority group). One pupil is a Child in Care.

End of KS 2 PKF = Attaining within KS2 descriptors for pupils working below the test standard

BLW = Attaining below any KS2 descriptors and assessed through P levels

HNM = Attaining below any KS2 descriptors and assessed through P levels

Yr 6	No.	Reading KS1 (PKF)	Reading P Levels (BLW)	Writing KS1 (PKF)	Writing P Levels (BLW)	Maths KS1 (PKF)	Maths P Levels (BLW)	Science P Levels (HNM)
Total Pupils	12	2 (16.6%)	10(83.3%)	2 (16.6%)	10(83.3%)	2(16.6%)	10(83.3%)	100%

Trustees' Report

For the period ended 31 August 2017

Achievements and Performance (continued)

The Bridge School Initial Data Summary 2017 (continued)

P Level Information for Yr 6

Yr 6 – 12 pupils	P1 – P3	P4- P7	P8
English	3 pupils (25%)	5 pupils (41.6%)	4 pupils (33.3%)
Maths	3 pupils (25%)	5 pupils (41.6%)	4 pupils (33.3%)
Science	3 pupils (25%)	6 pupils (50%)	3 pupils (25%)

Initial analysis indicates that 100% of those four pupils (English and Maths) with the highest achievement at the end of KS 2 are eligible for Pupil Premium. They are all boys and three belong to ethnic minority groups. 1 pupil is a Child in Care.

Hallmoor School Initial Data Summary

Pupils	Pupils Premium	Boys	Girls	Emerging in all areas
3	0	66.6%	33.4%	100%

Phonics Testing: Year 1 and Year 2

	Pupils Entered	Pupil premium	Boys	Girls	Girls who achieved Benchmark 32	Boys who achieved Benchmark
Year 1	5	40%	40%	60%	0	0
Year 2	5	0	60%	40%	0	0

KS1 Teacher Assessment

	Data submitted for pupils	Pupil Premium	Boys	Girls	Reading	Writing	Maths	Science
Year 2	5	0	60%	40%	100% BLW	100% BLW	100% BLW	100% BLW

KS2 Teacher Assessment

	Data Submitted for pupils	Pupil premium	boys	Girls	Reading	Writing	Maths	Science
Year 6	12	83.4%	58%	42%	BLW 25% PKF 42% PKE 16.5% PKG 16.5%	BLW 33.5% PKF 50% PKE 16.5 % PKG 0%	BLW 66.75% PKF 8.25% PKE 16.5% PKG 8.25%	BLW 100%

% of Pupil Premium pupils working at for KS2 TA

4 pupils entered for SATs all pupil premium

	Reading	Writing	Maths	Science
Below	100%	3/3	75%	3/4
Foundation	60%	3/5	40%	2/5
Emerging	100%	2/2	100%	2/2
Growing	100%	2/2	-	100%
				1/1

Trustees' Report

For the period ended 31 August 2017

Hallmoor School Data Summary 2017 (*continued*)

Year 11 – 20 pupils

Yr 11	No.			
Maths GCSE (1-9)	4	U – 100%		
Maths Entry Level	9	Level 3 – 66%	Level 2 – 34%	
English GCSE (1-9)	2	Grade 2 – 50%	Grade 1 – 50%	
English (Entry Level)	9	Level 2 – 55%	Level 1 – 33%	Did not meet the benchmark – 11%
Art and design (Entry Level)	8	Level 1 – 100%		
Design Technology (Entry Level)	18	Level 3 – 50%	Level 2 – 33%	Level 1 – 17%

Year 14 - 18 pupils

Yr 14	No.				
Maths GCSE (1-9)	5	Grade 2 -40%	Grade 1 -20%	Did not meet benchmark – 40%	
English GCSE (1-9)	6	Grade 3- 17%	Grade 2– 33%	Grade 1 -33%	Did not meet benchmark 17%
English (Functional Skills)	8	Did not meet Bench mark Level 2 -50%	Did not meet Bench mark Level 1 -37.5	Pass Level 1-12.5%	
Art and design (GCSE)	2	Grade F 50%	Grade G- 50%		
Peer Mentoring	6	Pass- 100%			

Key Financial Performance Indicators

- **Maintaining a balanced budget at year end**

The Trustees monitor the financial position on a monthly basis and review actual against year-end projections. After allowing for liabilities at the year end the available reserves (balance sheet) is £5,353,000.

- **Benchmarking expenditure against other similar organisations**

The nature of our Academy Special Schools does not lend itself to standard benchmarking analysis and therefore the Trust can only benchmark against its own schools to determine the financial viability and efficiency of each establishment. Trustees have continued to monitor staffing levels and reduce staffing costs as the opportunities arise through natural wastage.

- **Achieving Value for Money**

Through effective financial management procedures, the Trust has maintained compliance with the Academies Financial Handbook. Our procedures of financial management and internal control have planned scrutiny by both external, internal and peer scrutiny.

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

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

Forward Education Trust

Trustees' Report

For the period ended 31 August 2017

Financial Review

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

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

Use of this funding is restricted to particular purpose. The grants received from these sources during the period up to 31 August 2017 and the associated expenditure are shown as Restricted General funds in the statement of Financial Activities.

The operating surplus (Restricted and unrestricted funds) for the period 4 April 2017– 31 August 2017 is £5,353,000. The operating surplus is the result of sound budget control procedures, which have been embedded in the Trust's daily financial management practice in accordance with the Academies Financial Handbook.

The appointment of a Director of Finance has enabled us to centralise services and non-staff contracts and provide better value for money and will continue to provide improved budget forecasting, monitoring and planning.

The Trust received a substantial Local Authority transfer on conversion carry forward from the previously maintained schools into the Academy Trust. One of the schools within the Trust is currently part of a five-year capital projects expansion program funded by Birmingham City Council and carry forward funds for this scheme are approved by the Trust to be being utilised over the remaining two years to ensure a suitable provision is delivered under this scheme.

Reserves Policy

The Trust holds reserves to ensure that it can continue to operate and meet its objectives throughout the period. The Trustees consider the level of reserves appropriate for this purpose and review will them annually.

The level of reserves held as at 31 August 2017 was as follows:

Unrestricted funds for any use:	£1,663,000
Restricted local government pension scheme deficit ("LGPS"):	£(10,089,000)
Restricted general funds:	£346,000
Restricted fixed asset funds:	£13,433,000

Further information around the LGPS pension deficit can be found in note 23 to the accounts.

Investment Policy

The Academy Trust has no material investments.

Principal Risks and uncertainties

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

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

- 'Special measures' or 'requiring improvement' Ofsted outcomes, indicating a drop in educational standards

Trustees' Report

For the period ended 31 August 2017

Principal Risks and uncertainties (*continued*)

- Fall in student numbers, which will result in a fall in revenue
- Breach of data protection
- LGPS Pension deficit funding
- Detrimental media publicity
- Weak governance
- Failure of internal financial control
- Loss of key staff
- Health and Safety (Failure to safeguard pupils & staff)

The Trust's policies and procedures seek to mitigate these risks and are documented and provided to all staff across the 3 schools. There is also training provided to all staff on these areas and peer reviews performed regularly to ensure compliance.

Plans for Future Periods

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

We will continuously improve our teaching and learning standards and practices to ensure that our provisions provide outstanding learning environments for our children.

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

Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 4 December 2017 and signed on the Board's behalf by:

A V Greenwood
Chair of Trustees

Governance statement

For the period ended 31 August 2017

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 2 times during the period. Attendance during the period at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Greenwood (Chair)	2	2
Catherine Canty	2	2
Roland Vernon	1	2
Jane Edgerton	2	2
Frances Murphy	2	2
Helen Redican	2	2
June Mole	2	2
Brensley Taylor	2	2
Tracy Wallis	2	2

Review of Value for Money

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

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

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

Forward Education Trust

Governance statement

For the period ended 31 August 2017

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Forward Education Trust for the period 4 April 2017 to 31 August 2017 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 4 April 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Birmingham City Council as the Trusts' internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Due to the short operating time of the Academy Trust the first outsourced internal audit will be completed Spring term 2018.

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the members and a plan to ensure continuous improvement of the system is in place. Approved by order of the members of the Board of Trustees on 4 December 2017 and signed on its behalf by:

A V Greenwood
Chair of Trustees

J Edgerton
Accounting Officer

Statement on Regularity, Propriety and Compliance

For the period ended 31 August 2017

As Accounting Officer of Forward Education Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.

J Edgerton
Accounting Officer

4 December 2017

Statement of Trustee's Responsibilities For the period ended 31 August 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 4 December 2017 and signed on its behalf by:

A V Greenwood
Chair of Trustees

Independent Auditor's Report on the Financial Statements For the period ended 31 August 2017

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

Opinion on financial statements

We have audited the financial statements of Forward Education Trust (the "Trust") for the period ended 31 August 2017 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 published by the Education and Skills Funding Agency ("ESFA").

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable Trust's affairs as at 31 August 2017 and of its incoming resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("Charities SORP (FRS 102)") and the Academy Accounts Direction 2016 to 2017 issued by the Education Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Independent Auditor's Report on the Financial Statements For the period ended 31 August 2017

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Trustees' responsibilities statement set out on page 16, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report on the Financial Statements For the period ended 31 August 2017

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

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

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

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

**Philippa Hawkes BA CA (Senior Statutory Auditor)
For and on behalf of BSN Associates Limited**

4 December 2017

Independent Reporting Accountant's Report on Regularity For the period ended 31 August 2017

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

In accordance with the terms of our engagement letter dated 12 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Forward Education Trust during the period 4 April 2017 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Forward Education Trust's funding agreement with the Secretary of State for Education dated 20 March 2017 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 4 April 2017 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

Forward Education Trust

Independent Reporting Accountant's Report on Regularity For the period ended 31 August 2017

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 4 April 2017 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
BSN Associates Limited

4 December 2017

Statement of Financial Activities incorporating Income and Expenditure Account

For the period ended 31 August 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017
Income and endowments from:	Note	£000	£000	£000	£000
Donations and capital grants	3	-	28	-	28
Transfer from local authority on conversion	3,25	1,682	(9,479)	13,478	5,681
Charitable activities:					
Funding for the Trust's educational operations	4	-	4,201	-	4,201
Other trading activities	5	37	58	-	95
Total		1,719	(5,192)	13,478	10,005
Expenditure on:					
Raising funds	6	-	-	-	-
Charitable activities:					
Trust educational operations	6, 7	56	4,262	45	4,363
Other		-	-	-	-
Total		56	4,262	45	4,363
Net income / (expenditure)		1,663	(9,454)	13,433	5,642
Transfers between funds	15	-	-	-	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	15,23	-	(289)	-	(289)
Net movement in funds		1,663	(9,743)	13,433	5,353
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		1,663	(9,743)	13,433	5,353

Balance Sheet

For the period ended 31 August 2017

	2017	
	Notes	£000
Fixed assets		
Tangible assets	12	13,441
Current assets		
Debtors	13	262
Cash at bank and in hand		2,702
		2,964
Liabilities		
Creditors: Amounts falling due within one year	14	(963)
Net current assets		2,001
Total assets less current liabilities and net assets excluding pension liability		15,442
Defined benefit pension scheme liability	23	(10,089)
Total assets		5,353
Funds of the Trust:		
Restricted funds		
. Fixed asset fund	15	13,433
. Restricted income fund	15	346
. Pension reserve	15	(10,089)
Total restricted funds		3,690
Unrestricted income funds	15	1,663
Total Funds		5,353

The financial statements on pages 22 to 29 were approved by the Trustees, and authorised for issue on 4 December 2017 and are signed on their behalf by:

A V Greenwood
Chair of Trustees

Statement of Cash Flows
For the period ended 31 August 2017

	Notes	2017
		£000
Cash flows from operating activities		
Net cash provided by (used in) operating activities	19	2,665
Cash flows from financing activities		
	20	(10)
Change in cash and cash equivalents in the reporting period		
		<u>2,655</u>
Cash and cash equivalents transferred on conversion		
		47
Cash and cash equivalents at the 31 August 2017		
	21	<u>2,702</u>

Notes to the Financial Statements For the period ended 31 August 2017

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of Forward Education Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going Concern

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

Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the 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 period is deducted from income and recognised as a liability.

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

- **Donations**

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

Notes to the Financial Statements For the period ended 31 August 2017

1. Statement of Accounting Policies (*continued*)

- **Other Income**
Other income, including catering income, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Expenditure

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

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

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

Tangible Fixed Assets

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

Notes to the Financial Statements For the period ended 31 August 2017

1. Statement of Accounting Policies (*continued*)

Tangible Fixed Assets (*continued*)

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

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

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

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

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

Liabilities

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

Provisions

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

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

Leased assets

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

Financial instruments

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

Forward Education Trust

Notes to the Financial Statements For the period ended 31 August 2017

1. Statement of Accounting Policies (*continued*)

Financial instruments (*continued*)

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Taxation

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

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Notes to the Financial Statements For the period ended 31 August 2017

1. Statement of Accounting Policies (*continued*)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Conversion to a Multi Academy Trust

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

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

2. General Annual Grant (“GAG”)

Under the funding agreement with the Secretary of State the Trust was not subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. This was because The Multi Academy Trust did not commence operation until 4 April 2017.

3. Donations and capital grants

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2017 £000	
Capital Grants	-	28	-		28
Donated fixed assets	-	-	13,478		13,478
Other donations	1,682	(9,479)	-		(7,797)
	1,682	(9,451)	13,478		5,709

Notes to the Financial Statements For the period ended 31 August 2017

4. Funding for the Trust's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Total 2017 £000
DfE / EFA grants			
General Annual Grant (GAG)	-	2,369	2,369
Start Up Grants	-	-	-
Other DfE/EFA grants	-	247	247
	<hr/>	<hr/>	<hr/>
		2,616	2,616
Other Government grants			
Local authority grants	-	1,585	1,585
Special educational projects	-	-	-
	<hr/>	<hr/>	<hr/>
		1,585	1,585
Other income from the Trust's educational operations	-	-	-
	<hr/>	<hr/>	<hr/>
		4,201	4,201

5. Other Trading activities

	Unrestricted Funds £000	Restricted General Funds £000	Total 2017 £000
Educational trips			
	1	-	1
Other income	36	58	94
	<hr/>	<hr/>	<hr/>
	37	58	95

6. Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2017 £000
		Premises £000	Other £000	
Expenditure on raising funds	-	-	-	-
<i>Academy's educational operations:</i>				
Direct costs	2,805	102	89	2,996
Allocated support costs	316	198	853	1,367
	<hr/>	<hr/>	<hr/>	<hr/>
	3,121	300	942	4,363

Notes to the Financial Statements For the period ended 31 August 2017

6. Expenditure (continued)

Net income/(expenditure) for the period includes:

	2017
	£000
Operating lease rentals	58
Depreciation	47
Fees payable to auditor for:	
- audit	8
- other services	-
	<hr/>
	113

7. Charitable Activities

	2017
	£000
Direct costs – educational operations	2,996
Support costs – educational operations	1,367
	<hr/>
	4,363

Analysis of support costs

	Educational operations	Total 2017
	£000	£000
Support staff costs	316	316
Depreciation	47	47
Premises costs	151	151
Other support costs	797	797
Governance costs	56	56
Total support costs	1,367	1,367

Notes to the Financial Statements For the period ended 31 August 2017

8. Staff

a. Staff costs

Staff costs during the period were:

	Total
	2017
	£000
Wages and salaries	2,404
Social security costs	200
Operating costs of defined benefit pension schemes	206
	<hr/>
	2,810
Supply staff costs	312
	<hr/>
	3,122

b. Staff numbers

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

	2017
	No.
Teachers	51
Administration and support	247
Management	13
	<hr/>
	311

c. Higher paid staff

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

	2017
£60,001 - £70,000	2
£70,001 - £80,000	1
£80,001 - £90,000	-
£90,001 - £100,000	-
£101,000 - £110,000	1
	<hr/>
	4

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £80,170 (2016: n/a).

Notes to the Financial Statements

For the period ended 31 August 2017

9. Related Party Transactions - Trustees' Remuneration and Expenses

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

The value of Trustees' remuneration and other benefits per annum was as follows:

J Edgerton (CEO and Trustee):

- Remuneration £90,000 - £100,000
- Employer's pension contributions paid £10,000 - £15,000

During the period ended 31 August 2017, travel and subsistence expenses totalling £135 were reimbursed or paid directly to 2 Trustees.

Other related party transactions involving the Trustees are set out in note 24.

10. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2017 was £1,600 (2016: n/a). The cost of this insurance is included in the total insurance cost.

11. Central Services

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

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

The Trust charges for these services as a 5% flat percentage of all GAG income.

The actual amounts charged during the period were as follows:

	2017
	£000
Brays Academy	59
Hallmoor Academy	69
The Bridge Academy	19
Physical Difficulties Support Services ("PDSS")	4
Teaching School	4
	<hr/>
	155

Forward Education Trust

Notes to the Financial Statements For the period ended 31 August 2017

12. Tangible Fixed Assets

	Leasehold Land and Buildings £000	Computer Hardware £000	Total £000
Cost			
Transferred on conversion at 1st April 2017	13,478	-	13,478
Additions	-	10	10
Disposals	-	-	-
At 31 August 2017	13,478	10	13,488
Depreciation			
Charged in the period	45	2	47
Disposals	-	-	-
At 31 August 2017	45	2	47
Net book values			
At 31 August 2017	13,433	8	13,441

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

In the absence of a formal valuation, the provisional value for leasehold land and buildings has been derived from the insurers rebuild valuation of the buildings. These valuations will be updated in 2017/18 once final valuations have been obtained.

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

13. Debtors

	2017 £000
VAT recoverable	97
Other debtors	73
Prepayments and accrued income	92
	262

**Notes to the Financial Statements
For the period ended 31 August 2017****14. Creditors: Amounts Falling due within one year**

	2017
	£000
Trade creditors	71
Other creditors	413
Accruals and deferred income	479
	963

	2017
	£000
Deferred income	
Deferred income at 1 April 2017	-
Released from previous years	-
Resources deferred in the period	97
Deferred Income at 31 August 2017	97

At the balance sheet date the Trust was holding funds received in advance for Universal Infant Free School Meals for the Autumn term 2017 of £19,000 and £78,000 of grant funding from Birmingham City Council for PDSS provision.

Notes to the Financial Statements For the period ended 31 August 2017

15. Funds

	Transfer on conversion £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,369	(2,156)	-	213
Donations and capital grants	-	28	-	-	28
Other DfE/EFA grants	-	247	(247)	-	-
Local authority grants	-	1,585	(1,585)	-	-
Other trading activities	-	58	-	-	58
School fund	47	-	-	-	47
Pension reserve	(9,526)	-	(274)	(289)	(10,089)
	(9,479)	4,287	(4,262)	(289)	(9,743)
Restricted fixed asset funds					
Transfer on conversion	13,478	-	(45)	-	13,433
DfE/EFA capital grants	-	-	-	-	-
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	-	-	-	-	-
	13,478	-	(45)	-	13,433
Total restricted funds	3,999	4,287	(4,307)	(289)	3,690
Total unrestricted funds	1,682	37	(56)	-	1,663
Total funds	5,681	4,324	(4,363)	(289)	5,353

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:	Total 2017 £000
Brays Academy	1,097
The Bridge Academy	175
Hallmoor Academy	367
Central services	370
Total before fixed assets and pension reserve	2,009

Forward Education Trust

Notes to the Financial Statements For the period ended 31 August 2017

15. Funds (*continued*)

	Total 2017 £000
Restricted fixed asset fund	13,433
Pension reserve	(10,089)
Total	5,353

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2017 £000
Brays Academy	1,246	166	114	141	1,667
The Bridge Academy	558	77	56	42	733
Hallmoor Academy	967	73	95	111	1,246
Central services	34	-	30	606	670
Academy Trust	2,805	316	295	900	4,316

16. Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	8	-	13,433	13,441
Current assets	2,521	443	-	2,964
Current liabilities	(866)	(97)	-	(963)
Pension scheme liability	-	(10,089)	-	(10,089)
Total net assets	1,663	(9,743)	13,433	5,353

Notes to the Financial Statements For the period ended 31 August 2017

17. Capital Commitments

	2017
	£000
Committed to, but not provided in the financial statements	235
The Tiles Cross site that is part of Brays School is due to be expanded from October 2017 which will be funded by Birmingham City Council. The expansion will yield four further classrooms and a new toilet block. £200,000 has been earmarked in the Brays budget to refurbish the new facilities. £35,000 has also been set aside for refurbishment works at the Bridge School.	

18. Commitments under operating leases

At 31 August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017
	£000
Amounts due within one year	166
Amounts due between one and five years	166
Amounts due after five years	-
	<u>332</u>

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

	2017
	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,642
Adjusted for:	
Depreciation charges (note 6)	47
Defined benefit pension scheme obligation inherited	9,479
Transfer of buildings from local authority	(13,478)
Defined benefit pension scheme cost less contributions payable (note 23)	165
Defined benefit pension scheme finance cost (note 23)	109
(Increase)/decrease in debtors	(262)
Increase/(decrease) in creditors	963
Net cash provided by / (used in) Operating Activities	<u>2,665</u>

Notes to the Financial Statements For the period ended 31 August 2017

20. Cash Flows from Investing Activities

	2017
	£000
Purchase of tangible fixed assets	(10)
Net cash provided by / (used in) investing activities	(10)

21. Analysis cash and cash equivalents

	At 31 August 2017
	£000
Transferred on conversion	47
Cash flows	2,655
Total cash and cash equivalents	2,702

22. Members' Liability

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

23. Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were outstanding contributions at 31 August 2017 of £54,756 included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Notes to the Financial Statements For the period ended 31 August 2017

23. Pension and Similar Obligations (*continued*)

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the period the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £170,406.

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

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

Local Government Pension Scheme

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

The administering authority for the Fund is Wolverhampton City Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. West Midlands Pension Fund is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Pension Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2019 and will set contributions for the period from 1 April 2020 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

Notes to the Financial Statements For the period ended 31 August 2017

23. Pension and Similar Obligations (*continued*)

The total contribution made for the year ended 31 August 2017 was £442,000, of which employer's contributions totalled £314,000 and employees' contributions totalled £128,000. The agreed contribution rates for future years are:

- Brays School 19.6% for employers and 6.8% for employees;
- Hallmoor School 23.3% for employers and 6.8% for employees;
- The Bridge School 21.3% for employers and 6.8% for employees.

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

The Academy LGPS has an estimated deficit of £10,089,000

	£000
Brays	3,818
Hallmoor	3,748
The Bridge	<u>2,523</u>
	10,089

Principal Actuarial Assumptions	At 31 August 2017	At 1 April 2017
Rate of increase in salaries	4.20%	4.30%
Rate of increase for pensions in payment/inflation	2.70%	2.80%
Discount rate for scheme liabilities	2.60%	2.80%
Inflation assumption (CPI)	2.70%	n/a
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2017	At 1 April 2017
<i>Retiring today</i>		
Males	21.8	21.8
Females	24.3	24.2
<i>Retiring in 20 years</i>		
Males	24.0	23.9
Females	26.6	26.5

Notes to the Financial Statements For the period ended 31 August 2017

23. Pension and Similar Obligations (*continued*)

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

	Fair value at 31 August 2017	Fair value at 1 April 2017
	£000	£000
Equity instruments	317	23
Debt instruments	55	6
Property	36	3
Cash	24	3
Other	66	4
Total market value of assets	498	39

The actual return on scheme assets was £13,000 (2016: n/a).

Amounts recognised in the statement of financial activities

	2017	
	£000	
Current service cost (net of employee contributions)	479	
Net interest cost	109	
Total operating charge	588	

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

	2017	
	£'000	
At 1 April 17	-	
Upon conversion	9,565	
Current service cost	479	
Interest cost	112	
Employee contributions	128	
Actuarial (gain)/loss	299	
At 31 August 17	10,583	

Notes to the Financial Statements For the period ended 31 August 2017

23. Pension and Similar Obligations (*continued*)

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

	2017
	£'000
At 1 April 17	-
Upon conversion	39
Interest income	3
Return on plan assets (excluding net interest on the net defined pension liability)	10
Employer contributions	314
Employee contributions	128
At 31 August	494

Sensitivity analysis

Adjustment to discount rate	0.10%	0.0%	-0.10%
Present value of total obligation (£'000)	10,282	10,583	10,893
Projected service cost (£'000)	1,164	1,198	1,234
 Adjustment to long term salary increase	 0.10%	 0.00%	 -0.10%
Present value of total obligation (£'000)	10,653	10,583	10,514
Projected service cost (£'000)	1,198	1,198	1,198
 Adjustment to pension increases and deferred revaluation	 0.10%	 0.00%	 -0.10%
Present value of total obligation (£'000)	10,823	10,583	10,351
Projected service cost (£'000)	1,234	1,198	1,164
 Adjustment to life expectancy assumptions	 + 1 year	 0 years	 - 1 year
Present value of total obligation (£'000)	10,920	10,583	10,257
Projected service cost (£'000)	1,236	1,198	1,161

24. Related Party Transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

Notes to the Financial Statements For the period ended 31 August 2017

25. Conversion to an Academy Trust

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

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities 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 Donations – transfer from local authority on conversion.

In the absence of a formal valuation, the provisional value for leasehold land and buildings has been derived from the insurers rebuild valuation of the buildings. These valuations will be updated in 2017/18 once final valuations have been obtained.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	13,478	13,478
Budget surplus / (deficit) on LA funds	1,682	-	-	1,682
Budget surplus / (deficit) on other school funds	-	-	-	-
LGPS pension surplus/(deficit)	-	(9,479)	-	(9,479)
Net assets / liabilities	1,682	(9,479)	13,478	5,681

26. Academy Trust Teaching School

One of the schools within the Academy Trust receives core funding from the National College of Teaching and Learning (“NCTL”). The 2016/17 teaching school funds were included in the brought forward surplus on conversion to an Academy Trust. In the financial year ended 31 August 2018 any teaching school income and expenditure will be shown separately on the face of the Statement of Financial Activities.

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