

Company Registration Number: 07597390 (England & Wales)

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2023

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 12
Governance Statement	13 - 16
Statement of Regularity, Propriety and Compliance	17
Statement of Governors' Responsibilities	18
Independent Auditors' Report on the Financial Statements	19 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 51

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details

Members

Mr C Gregory (Resigned 30 November 2022)
Mr A Hunt
Mr P Irons
Ms A Smart-Gosrani (Resigned 20 March 2023)
Mr M Blatchly
Mrs U Afzal (Appointed 30 November 2022)

Governors

Mr P Irons, Chair¹
Mrs U Afzal
Mr N Capon¹
Mr M Blatchly¹
Mrs C Donaldson
Mr S Deadman-Corsie¹
Mr C Gregory (Resigned 30 November 2022)¹
Mrs R Hudlin¹
Mr A Hunt, Vice Chair¹
Mr N Jackson¹
Mr L J Mead (Resigned 31 December 2022)
Ms A Smart-Gosrani (Resigned 20 March 2023)
Mr A Hicks
Mr P A Burke (Resigned 31 August 2023)²
Mr K Beswick
Mrs R Bennett (Resigned 30 January 2023)
Mrs A Hopkinson
Ms F J Moore (Resigned 11 January 2023)
Ms S Mohammad
Ms L R Silver
Mr L Harrison (Appointed 6 July 2023)
Mr W I Beasley (Appointed 6 January 2023)
Mr C J Gell (Appointed 1 September 2023)
Mr N S Sagoo (Appointed 21 September 2022)¹

¹ members of the Finance, Audit and Risk Committee

² no longer members of the Finance, Audit and Risk Committee but continue to attend meetings

Company registered number 07597390

Company name The Fernwood Academy Trust

Principal and registered office The Fernwood Academy Trust
Goodwood Road
Nottingham
Nottinghamshire
NG8 2FT

Company secretary Mrs S T Law

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details (continued)
For the year ended 31 August 2023

**Senior management
team**

Mr C J Gell, Principal (Appointed 01/09/2023)
Mr P A Burke, Principal (Resigned 30/08/2023)
Mrs J Green, Deputy Principal
Mrs A Cannon, Assistant Principal
Mr M Hughes, Assistant Principal
Mr S Crandley, Assistant Principal
Mr D Jones, Assistant Principal
Mrs J Eldridge, Deputy Principal
Mrs M Morrill, Assistant Principal

Independent auditors

PKF Smith Cooper Audit Limited
Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Bankers

Lloyds TSB
Old Market Square
Nottingham
Nottinghamshire
NG1 6FD

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report
For the year ended 31 August 2023

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

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Governors of The Fernwood Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Fernwood Academy.

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

b. 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.

c. Governors' indemnities

During the period, an indemnity from the Charitable Company was available to the Governors against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Charitable Company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association. The Trust has purchased Academies Risk Protection Arrangement (RPA) which covers Governors Liability Insurance with unlimited indemnity, the RPA also covers staff.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

The Governors (other than associate governors) are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

The term of office for any Governor shall be 4 years. Subject to eligibility any Governor may be reappointed or re-elected.

Details of the Governors who served throughout the year except as noted are included in the reference and administrative details on page 1.

During the period under review the Governing Body held 6 meetings.

The articles of association state that:

- The Trust can appoint 1 Governor,
- The Local Authority appoints 1 Governor,
- The Governing body appoints 2 Partnership Governors and 5 Community Governors,
- 7 Governors are elected Parent Governors,
- 3 Governors are elected Staff Governors,
- 3 further co-opted governors can be appointed by the Governing Body,
- The Principal is an ex-officio Governor.

e. Policies adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. In brief, appropriate training and support is provided to Governors throughout their membership in appropriate areas, for example, induction, or specific areas such as pupil discipline, finance, complaints and admissions. This programme is supplemented by structured Governor visits, including giving Governors a chance to meet staff and students and tour the school. All Governors are provided with copies of policies, procedures, minutes, accounts, budget and other documents that they will need to undertake their role as Governor.

f. Organisational structure

The Governing Body normally meets 6 times each year. The Governing Body establishes an overall framework for the governance of the academy and agrees membership of committees. It receives reports from its committees for approval. It monitors the activities of the committees through the minutes of their meetings. It also establishes the terms of reference for its committees.

The Governing Body is responsible for setting strategy and general policy, adopting an annual plan and budget, monitoring the academy's use of funds and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Principal has responsibility for the day to day management of the academy. The Principal is the accounting officer.

g. Arrangements for setting pay and remuneration of key management personnel

The pay policy does not discriminate between key management personnel and other teaching staff and is based on performance management in line with pupil progress and outcomes. The main parameters used for setting key management personnel salaries are national teacher pay and conditions guidance, job responsibilities and experience.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Objectives and activities

a. Objects and aims

The principal object of The Fernwood Academy Trust is to advance, for the public benefit, education in the United Kingdom, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on care and discipline. In setting our objectives and planning our activities the Governors have given careful consideration to the charity commission's general guidance on public benefit.

In accordance with The Fernwood Academy Trust's funding agreement, arrangements are made to meet the conditions of grant on such matters as admissions, exclusions, arrangements for pupils with special educational needs (SEN) and the curriculum.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

b. Objectives, strategies and activities

The Fernwood Academy Trust's main strategy is encompassed in its vision and ethos which is to ensure that the academy is one where everybody will achieve the highest standards. In particular we aim to:

- challenge every pupil to raise their aspirations and excel in academic achievements;
- instil in pupils the values and characteristics necessary to become successful, confident and responsible members of society;
- teach pupils the values of self-discipline, resilience and endeavour in order to become life-long learners;
- prepare pupils to participate in and contribute to a society with ever changing scientific, technical and international needs.

To this end, the activities that will be provided include those to:

- establish a broad, balanced and innovative curriculum which integrates theory, practice and has enterprise and 'learning by doing' at its core;
- be relentlessly focused on developing the potential of all students, helping them learn for themselves and then support others;
- foster creativity and initiative, encouraging everyone to aim for excellence in all they do;
- build pride by valuing each and every individual and equipping them to take responsibility for their own actions;
- provide a range of additional enrichment activities for every student beyond the normal academy day;
- build strong partnerships with parents, carers, employers and the local community, with the academy becoming a centre of learning for the local community;
- work with a range of partners, including business, together with further and higher education to enhance the curriculum, provide work placements and to build strong employability skills;
- recruit, retain and develop high quality, enterprising and open minded staff that are positive, cooperative and contributing members of the local community and make best use of existing and new staff expertise;
- make extensive and innovative use of well-designed ICT to engage learners and improve teaching and administration.

c. Public benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. The main public benefit delivered by The Fernwood Academy Trust is the maintenance and development of a quality education by the school. It is the Governors' aim to deliver outstanding learning to all its students during the journey of improvement towards excellence.

d. Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the work place. The Fernwood Academy Trust aims to establish equal opportunities in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Strategic report

Achievements and performance

a. Key performance indicators

This is Fernwood School's twelfth annual report since converting to academy status on 1st May 2011.

This was the second year post pandemic where most of the national pandemic measures had been lifted and actions were taken by the DfE to try to return to pre-pandemic standards. Therefore, the reporting year was not dominated by the Covid-19 pandemic. Although the impact from the pandemic was still a significant consideration for schools.

During the reporting year the following achievements, developments, proposals and aspirations were secured, discussed and implemented:

School Standards

- The Progress 8 score for the school was +0.42 which is in line with 2022's score of +0.43 which was the school's best performance to date.
- The Attainment 8 score of 57.6 was comparable to last year's score of 57.98 and well above the national average of 46.2.
- 69% of students achieved a grade 5 or above in English and Maths which was well above the national average of 45%.
- Disadvantaged students had a Progress 8 score of -0.45 and Attainment 8 score of 42.3. This will continue to be an area of focus for the school moving forwards.

School Finances

- The Governing Body was again pleased to receive a clean audit in 2021/22 with no significant findings identified by the external auditors. Internal audit reports in the period also continued to find no significant issues. The reserves carry-forward from 2021/22 into 2022/23 was confirmed at £1.033m.
- Termly reviews of both the in-year revenue budget and the projections of the medium-term financial plan enabled the Governing Body to continue its focus in maintaining the Academy's financial position. Such reports were accompanied by further papers on the Trust's cash flow position and key financial performance indicators.
- The prudent financial discipline adopted in previous years informed the termly reviews referred to above and ensured that Governors continued to carry out their strategic financial monitoring role in an effective manner.
- Given the above caveats, a 2022/23 year-end surplus of £988k was projected (which would protect the budget in future years in the light of the information presented in the following paragraph). This was an improvement on the projection at the beginning of the 2022/23 year.
- In setting the budget for 2023/24, an in-year deficit position was presented in the sum of £335k. For years 2 and 3 an in-year deficit of £281k and £16k was projected respectively. The situation was due to the lagged funding model for pupil funding caused by the gradual increase in pupil number following the increase in PAN to 300. The school will be at capacity in 2024/25 and from 2025/26 the lagged funding from the full cohorts will be in the budget. Governors were advised that proper accounting procedures had been followed in presenting the information in this manner. On this basis, a budget for 2023/24 was approved with the in-year deficit reported above.
- The medium-term financial plan was submitted to the ESFA for 2023/24.
- The in-depth consideration of the content of the Risk Register, undertaken by the Finance, Audit and Risk Committee on a termly basis, continued.
- A new Academy Trust Financial Handbook was issued in September 2022, all relevant changes were implemented and adhered to.
- The requirement for all ESFA letters to Academy Chief Financial Officers to be formally reported to the

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Governing Body continued to be adhered to and all such letters were so reported during the year.

School Staffing

- The principal staffing decision taken in the reporting period was to appoint a new Head Teacher to replace Mr Burke who retired from his post on 31st August 2023. A robust process was undertaken, which attracted a strong field of candidates, both in quantitative and qualitative terms. Mr Chris Gell, previously Vice Principal at Granville Academy was appointed and took up post on 1st September 2023.
- Inevitably some staff turnover took place over the year, however the Academy continued to be able to attract suitable replacements despite the difficulties experienced nationally in school with recruitment. The process was ably supported by Governors where possible. All appointments were reported to the Academy Trust or Governing Body.
- Outcomes from teachers' performance appraisal in 2021/22 were considered by the Pupils and Personnel Committee in the autumn term having regard to targets set for the preceding year in accordance with the Fernwood appraisal process and, in appropriate cases, salary progression was approved with effect from 1st September 2022.
- The Academies Financial Handbook in September 2018 determined that formal arrangements for the reporting of executive pay were required. In the circumstances, the Trust established such arrangements (including the appointment of an external consultant) which were applied in the appraisal of the Head Teacher's performance against the targets set for 2021/22. The outcome was reported to the full Governing Body Meeting in November 2022.

Admissions

- The Governing Body continues to operate as an Own Admissions Authority, adhering to the 2014 School Admissions Code. The Academy continues to be popular and heavily over-subscribed. Some 597 applications were received for the 300 places available for the September 2023 year 7 intake, this being the fourth year of the revised PAN of 300 (the number of applications being slightly up on the 587 received for intake in 2022/23). The increased PAN has relieved the historic local pressure for places as all applications for siblings, in-catchment, feeder school and children of staff members were able to be met. Indeed, some 13 out of catchment applications could also be met on this occasion.
- Admissions for 2023/24 were ranked in accordance with the Academy's approved admissions arrangements and the Code referred to above. Further internal rigour continues to be added to the process in checking applications. This applies also to in-year applications which the Trust continues to administer internally. Any in-year applications are considered by Governors prior to places being offered. Any appeals against admission decisions are processed in accordance with the 2012 School Admissions Appeals Code and the Trust contracts with Nottingham City Council who provide a Clerked Appeals Service.
- No consultation was required for the proposed admission arrangements for 2024/25 and the Governing Body formally adopted the 2024/25 admission arrangements in January 2023.

Safeguarding/Behaviour/Exclusions

- Senior leadership continued to apply a high priority to safeguarding issues within the school. Staff training was regularly updated, and staff were made aware of the revised Keeping Children Safe in Education guidance, September 2022.
- Three permanent exclusions were issued by the Head Teacher in the reporting year and the Governing Body's Pupil Discipline Committee upheld the Head's decision in all cases. General information on this case and internal and fixed term exclusions are reported to the Governing Body.
- Attendance was monitored and recorded and remains significantly above national average.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Governance

For the 2022/23 academic year the well-established governance arrangements prior to the first school lockdown had already resumed and it was considered appropriate to discontinue the small number of the emergency governance measures adopted during the first lockdown and subsequent two academic years.

- 6 formal Board meetings scheduled for the year took place, supported by a committee structure. The Governing Body continued to operate as a strong corporate body.
- Some membership turnover took place in the year and the Governing Body has been able to successfully recruit to vacancies by appointing suitably skilled and experienced persons.
- The Governing Body continues to feel that it is well led by its Chair who maintains a good working relationship with senior leadership at the school, continuing to hold regular meetings with the Head Teacher.
- Agenda content of the Trust and committee meetings was informed by the Department for Education (DfE) / National Governance Association (NGA) advice referred to,
- The structured schedule of Governor visits took place in the summer term.
- A number of key governor visits took place during the year including Safeguarding visits (termly), pupil premium, data.
- Governor challenge in holding the Head Teacher to account continues to be a firm feature of all meetings and challenge and questions are recorded in all minutes. Examples of governor impact being the recruitment of the Head Teacher and Pupil Discipline Committee Meetings.
- The Governing Body subscribed to the NGA for 2022 to enable Governors to have access to a wider range of related information and advice including advice on governance. This subscription was upgraded to gold during the year with the added advantages this membership provides including adviceline for Clerk, Chair and governors.
- The practice of providing more information to Governors through presentations to enable them to carry out their core duties more effectively continued: - 2022 Performance Management Outcomes, Role of Teaching Development Leads, Rainbow Flag Award, Relationships and Sex Education and middle management role.

b. Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Financial review

a. Reserves policy

The academy held total reserves of £14,032,000 including £13,492,000 in fixed asset reserves.

A surplus of £540,000 has arisen on the General Restricted Fund. This includes the deficit of £465,000 on the Local Government Pension Scheme ("LGPS") which is allocated to this fund. The LGPS liability will not crystallise immediately and, as a consequence, any following commentary with regard to the Restricted General Fund excludes the LGPS deficit.

The governors have set a reserves policy as follows:

- Maintain £300,000 in reserves in order to cover any unexpected urgent expenditure requirements
- Maintain sufficient reserves to cover the cost of replacing the academy's existing ICT equipment and buildings when they come to the end of their useful life.

The reserves policy excludes fixed asset reserves. It also excludes any deficit in respect of the pension liability. Balances as at 31 August 2023 exceeded those required to be held under the reserves policy.

b. Investment policy

The academy operates an investment policy that seeks to maximise returns, commensurate with a very low risk profile.

c. Principal risks and uncertainties

Given the nature of the academy's operations and financing, the financial risks faced by the academy are limited. The academy manages such risks by ensuring an adequate level of reserves is maintained to deal with unexpected events. The academy also carefully monitors and manages cash flow through the year including working capital requirements.

A liability of £465,000 is shown in the academy balance sheet in respect of the local government pension scheme. The academy does not expect to have to fund the deficit other than in the normal course of making contributions to the pension fund. The risk to the academy is that if the deficit increases so too will the amount of pension contributions the academy is required to make. However this risk may be mitigated by any future proposed reform of the pension scheme. The academy maintains a three year financial plan, which considers various funding scenarios and how these can be managed and planned for. The academy's risk management policy requires the governors to assess the major risks to which the trust will be exposed and consider how the risks can be managed and mitigated.

Capital works and academy estate

The academy requires large amounts of building and maintenance work, due to the buildings that house the academy being old and, in some cases, quite frail. It is difficult to assess what health and safety issues will emerge throughout the year and cost can build up. The building/maintenance work is continuous and can lead to disruption to pupils and staff. These risks are managed through the academy holding a large reserve and timing building/maintenance works to be scheduled for completion out of school hours and during the holidays where practical.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governors' Report (continued)
For the year ended 31 August 2023

Funding

The department of education (DfE) continues to work towards a national funding formula. National Tutoring Programme funding and Additional Supplementary funding was allocated. The academy continues to hold a large reserve which will support the academy if funding were to decrease.

Child protection and welfare issues

This is managed through having clear child protection and health and safety policies; Adherence to statutory recruitment procedures including CRB checks; child protection training for all staff; conducting external child protection and health and safety audits and implementing any recommendations. The academy employs a dedicated child protection officer and retains the services of a strategic health and safety advisor.

Fundraising

The academy holds regular non-uniform days for pupils to raise funds. The funds are for both the academy and external charities, external fundraising has been undertaken for projects such as Comic Relief and Movember. The academy has also set up an optional donation's item on the academy's electronic payment system which is currently raising funds for a Fitness Trail. All participation by staff, pupils and parents is completely voluntary. The academy does not work with any commercial participators.

Plans for future periods

In accordance with the aims and objectives of The Fernwood Academy Trust, the performance of its students at all levels and will continue to ensure that all students progress to further and higher education.

The Academy will continue to develop outstanding teaching and learning as identified by Ofsted in April 2012 by attracting, recruiting and developing outstanding teachers and leaders. This will be achieved by further developing the school's professional development road map.

The Academy will push boundaries in relation to curriculum innovation. In particular it seeks to focus on the use of new technology to expand the areas of science, engineering, maths and computing.

The specific focus for 2023-24 is to:

- Continue to further improve the quality of education so that all pupils can be successful with a focus on improving literacy, the key stage 3 assessment system and outcomes for PP and SEND students.
- Further develop the behaviour and attitudes of pupils through the continual embedding of the Fernwood ethos, bespoke interventions and training staff.
- Further improve Careers education for all pupils, a comprehensive programme of extra-curricular opportunities and a culture that celebrates diversity.
- Ensure the school site and ICT systems are safe for students, develop approaches that are always mindful of staff wellbeing and improve the school infrastructure to maximise efficiencies.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

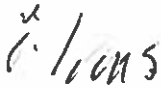
Governors' Report (continued)
For the year ended 31 August 2023

Disclosure of information to auditors

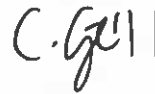
Insofar as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 29/11/23 and signed on its behalf by:



Mr P Irons
Chair of the Governing Body



Mr C J Gell
Accounting Officer

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

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

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

The Board of Governors has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Fernwood Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 6 times during the year.

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

Governor	Meetings attended	Out of a possible
Mr P Irons, Chair	6	6
Mrs U Afzal	6	6
Mr N Capon	1	6
Mr M Blatchly	5	6
Mrs C Donaldson	5	6
Mr S Deadman-Corsie	4	6
Mr C Gregory	1	2
Mrs R Hudlin	5	6
Mr A Hunt, Vice Chair	6	6
Mr N Jackson	6	6
Mr L J Mead	1	2
Ms A Smart-Gosrani	3	3
Mr A Hicks	5	6
Mr P A Burke	6	6
Mr K Beswick	4	6
Mrs R Bennett	0	3
Mrs A Hopkinson	6	6
Ms F J Moore	2	2
Ms S Mohammad	5	6
Ms L R Silver	4	6
Mr L Harrison	0	0
Mr W I Beasley	4	4
Mr C J Gell	0	0
Mr N S Sagoo	2	5

- The policy review undertaken in 2019/2020 has led to a much more efficient and effective system for reviewing policies.
- The Trust's governance arrangements are reviewed annually with due regard to any changes in legislation and governors are satisfied the scheme of delegation and committee structures remain fully fit for purpose.
- A Self-evaluation exercise of the trust governing body took place in the 2021/2022 academic year.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Conflict of Interest

Whilst the Trust has always had clear guidance in place to combat any potential conflicts of interest to ensure conflicts do not arise, a Conflict of Interest Policy has also been introduced for 2022/23 which considers the below three factors:

- identify a conflict of interest
- deal with a conflict of interest
- record a conflict of interest

These three factors are managed by way of pecuniary interest forms and a register of business interest.

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Governors. Part of its remit is to consider all financial management, internal control and budgeting matters and advise the Governing Body on appropriate courses of actions in relation to these matters.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr P Irons	2	3
Mr M Blatchly	3	3
Mr P A Burke	3	3
Mr S Deadman-Corsie	3	3
Mr C Gregory	1	1
Mrs R Hudlin	3	3
Mr A Hunt	3	3
Mr N Jackson	2	3
Mr N Capon	2	3

Review of value for money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Regularly reviewing the functions of the academy and challenging how and why services are provided and setting targets and performance indicators for improvement.
- Monitoring and regularly reviewing the academy estate ensuring it is safe and meets mandatory legislative requirements.
- Monitoring outcomes and comparing performance with similar academies.
- Consulting appropriate stakeholders before major decisions are made; and prompting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of value for money (continued)

Value for money examples:

- A continued reduction in the number of surplus teaching periods has ensured that the cost ratio of teacher periods: student numbers has reduced even though the number of students continues to increase.
- Facilities annual maintenance contracts were assessed and new suppliers in some instances were engaged to ensure value for money.
- Since January 2013 the Trust has outsourced its finance function to SAAF Education Ltd. This is reviewed regularly to ensure continued best value.
- The appropriate governing body committee receives regular reports throughout the year dealing with building issues, estates management and health and safety which are used when considering best value for money in relation to estates management decisions.

The Trust is committed to continued best value for money practice and will be reviewing the following areas in future periods:

- Continually review of the curriculum and its delivery
- Continually review of back-office systems and IT
- Continually review of facilities management

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Governors 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 Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors
- regular reviews by the Finance, Audit and Risk 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
- identification and management of risks

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

The risk and control framework (continued)

The Board of Governors has decided to employ Wright Vigar (Chartered Accountants) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of purchase systems
- testing of payroll systems
- testing of control account/bank reconciliations
- testing capital contracts
- testing of income transactions

On an annual basis, the internal auditor reports to the board of Governors through the audit and risk committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The Board of Governors confirm that the internal auditor has delivered their schedule of work as planned with no significant points arising.

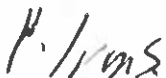
Review of effectiveness

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

- the work of the internal auditor;
- the 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 work of the external auditors;
- correspondence from ESFA.

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

Approved by order of the members of the Board of Governors and signed on their behalf by:



Mr P Irons
Chair of the Governing Body

Date: 29/11/22



Mr C J Gell
Accounting Officer

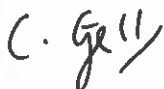
THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Fernwood Academy Trust I have considered my responsibility to notify the Academy board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy including for estates safety and management, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Financial Handbook 2022, including responsibilities for estates safety and management.

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

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



Mr C J Gell
Accounting Officer
Date: 29/11/23

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Governors' responsibilities
For the year ended 31 August 2023

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

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

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

The Governors 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 Governors and signed on its behalf by:



Mr P Irons
Chair of the Governing Body

Date: 29/10/23

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Fernwood Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Fernwood Academy Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy'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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Fernwood Academy Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Academy and industry, key laws and regulations that we identified included the Companies Act, Charities SORP and guidance included within the Academy Trust Financial Handbook and Accounts Direction.

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made
- management override of controls
- posting of unusual journals or transactions
- non-compliance with the Academy Trust Financial Handbook and Accounts Direction

We focussed on those areas that could give rise to a material misstatement in the Academy financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance/review of correspondence around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud and enquiries with third party advisors about potential claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular in relation to the LGPS valuation;
- A separate limited scope regularity review has been undertaken in respect of compliance with the Academy Trust Financial Handbook and our report in respect of this is contained within the financial statements.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Fernwood Academy Trust (continued)

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

Use of our report

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



Sarah Flear (Senior Statutory Auditor)
for and on behalf of
PKF Smith Cooper Audit Limited
Statutory Auditors
NG1 1PB

Date: 19/12/23

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 7 August 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Fernwood Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Fernwood Academy Trust's funding agreement with the Secretary of State for Education dated 27 March 2019 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion was as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out a programme of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited
2 Lace Market Square
Nottingham
NG1 1PB

Date: *19/11/23*

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2023

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Note					
Income from:					
Donations and capital grants	3	1	-	68	29
Funding for the academy trust's educational operations	4	52	8,377	-	7,303
Other income	5	297	30	-	280
Total income	350	8,407	68	8,825	7,612
Expenditure on:					
Raising funds		303	-	-	252
Charitable activities		22	8,351	462	7,983
Total expenditure		325	8,351	462	8,235
Net income/(expenditure)		25	56	(394)	(313)
Transfers between funds	17	-	(220)	220	-
Net movement in funds before other recognised gains		25	(164)	(174)	(623)
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	24	-	644	-	3,909
Net movement in funds		25	480	(174)	3,286
Reconciliation of funds:					
Total funds brought forward		502	(467)	13,666	10,415
Net movement in funds		25	480	(174)	3,286
Total funds carried forward		527	13	13,492	13,701

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 51 form part of these financial statements.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)
Registered number: 07597390

Balance Sheet
As at 31 August 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	12	13,492	13,666
		13,492	13,666
Current assets			
Stocks	13	-	1
Debtors	14	451	490
Cash at bank and in hand	21	775	882
		1,226	1,373
Creditors: amounts falling due within one year	15	(221)	(340)
		1,005	1,033
Net current assets		1,005	1,033
Total assets less current liabilities		14,497	14,699
Net assets excluding pension liability		14,497	14,699
Defined benefit pension scheme liability	24	(465)	(998)
Total net assets		14,032	13,701
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	13,492	13,666
Restricted income funds	17	478	531
		13,970	14,197
Restricted funds excluding pension asset	17	13,970	14,197
Pension reserve	17	(465)	(998)
		13,505	13,199
Total restricted funds	17	13,505	13,199
Unrestricted income funds	17	527	502
		14,032	13,701
Total funds		14,032	13,701

The financial statements on pages 25 to 51 were approved and authorised for issue by the Governors and are signed on their behalf, by:

P. Irons
Mr P Irons
 Chair of the Governing Body

Date: 29/11/23

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Cash Flows
For the year ended 31 August 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	181	273
Cash flows from investing activities			
	20	(288)	(163)
Change in cash and cash equivalents in the year		(107)	110
Cash and cash equivalents at the beginning of the year		882	772
Cash and cash equivalents at the end of the year	21, 22	<u>775</u>	<u>882</u>

The notes on pages 28 to 51 form part of these financial statements

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Fernwood Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £1,000.

1.2 Going concern

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

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

• **Grants**

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

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

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

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

1. Accounting policies (continued)

1.3 Income (continued)

• **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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

• **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

Accordingly, the Academy 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.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

1. Accounting policies (continued)

1.7 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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Furniture and equipment	-	20% straight line
Computer equipment	-	33% straight line
Motor vehicles	-	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

1. Accounting policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy'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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

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

1.14 Pensions

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

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

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

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

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

1. Accounting policies (continued)

1.15 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	1	-	-	1	6
Capital Grants	-	-	68	68	23
	<u>1</u>	<u>-</u>	<u>68</u>	<u>69</u>	<u>29</u>
<i>Total 2022</i>	<u>-</u>	<u>6</u>	<u>23</u>	<u>29</u>	

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,089	7,089	6,432
Other DfE/ESFA grants				
Pupil Premium	-	311	311	223
Other DfE Group grants	-	371	371	121
	-	7,771	7,771	6,776
Other Government grants				
Local authority grants	-	321	321	290
Special educational projects	-	83	83	23
	-	404	404	313
Other income from the Academy's funding for academy trust's educational operations	52	202	254	166
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	-	-	48
	-	-	-	48
	52	8,377	8,429	7,303
	52	8,377	8,429	7,303
<i>Total 2022</i>	38	7,265	7,303	

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

5. Income from other trading activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Staff consultancy	-	30	30	27
Catering income	245	-	245	220
Hire of facilities	52	-	52	33
	<u>297</u>	<u>30</u>	<u>327</u>	<u>280</u>
<i>Total 2022</i>	<u>253</u>	<u>27</u>	<u>280</u>	

6. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Expenditure on raising voluntary income:					
Direct costs	117	-	186	303	252
Funding for academy trust's educational operations:					
Direct costs	6,132	-	839	6,971	6,111
Allocated support costs	808	700	356	1,864	1,871
	<u>7,057</u>	<u>700</u>	<u>1,381</u>	<u>9,138</u>	<u>8,234</u>
<i>Total 2022</i>	<u>6,549</u>	<u>562</u>	<u>1,123</u>	<u>8,234</u>	

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Funding for academy trust's educational operations	6,971	1,864	8,835	7,982
<i>Total 2022</i>	<i>6,111</i>	<i>1,871</i>	<i>7,982</i>	

Analysis of direct costs

	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Teaching and educational support staff costs	6,132	5,467
Depreciation	135	105
Educational supplies	209	239
Examination fees	107	67
Staff development	13	5
Educational consultancy	62	27
Other direct costs	203	120
Technology costs	109	80
Travel and subsistence	1	1
	6,971	<i>6,111</i>

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Staff costs	808	982
Depreciation	327	317
Insurance	28	24
Technology costs	6	11
Water rates	22	17
Recruitment and support	12	10
Maintenance of premises	137	111
Cleaning	10	17
Rates	30	29
Operating lease rentals	10	15
Energy	227	112
Other support costs	164	156
Transport	41	37
Other occupancy costs	22	18
Governance costs	20	15
	1,864	<i>1,871</i>

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023	2022
	£000	£000
Operating lease rentals	10	11
Depreciation of tangible fixed assets	462	422
Fees paid to auditors for:		
- audit	13	10
- other services	5	5
	<u> </u>	<u> </u>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£000	£000
Wages and salaries	4,907	4,390
Social security costs	483	423
Pension costs	1,193	1,360
	<u>6,583</u>	<u>6,173</u>
Agency staff costs	474	376
	<u>7,057</u>	<u>6,549</u>
	<u> </u>	<u> </u>

Staff restructuring costs comprise:

	2023	2022
	£000	£000
Redundancy payments	-	17
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

9. Staff (continued)

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	84	79
Administration and support	59	58
Management	9	9
	152	146
	152	146

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	2	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
	1	-
	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,019,332 (2022 - £904,397).

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

10. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		2023	2022
		£000	£000
Mrs A Hopkinson	Remuneration	30 - 35	25 - 30
	Pension contributions paid	5 - 10	5 - 10
Mr N Jackson	Remuneration	45 - 50	40 - 45
	Pension contributions paid	10 - 15	10 - 15
Mr W I Beasley (appointed 6 January 2023)	Remuneration	45 - 50	-
	Pension contributions paid	10 - 15	-
Mr L J Mead	Remuneration	40 - 45	40 - 45
	Pension contributions paid	10 - 15	5 - 10
Mr P A Burke	Remuneration	120 - 125	110 - 115
	Pension contributions paid	25 - 30	25 - 30

During the year ended 31 August 2023, travel and stationery expenses totalling £212 were reimbursed or paid directly to 2 Governors (2022 - £20 to 1 Governor).

11. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

12. Tangible fixed assets

	Freehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2022	15,434	-	504	884	20	16,842
Additions	11	22	152	102	-	287
Disposals	-	-	-	(56)	-	(56)
At 31 August 2023	<u>15,445</u>	<u>22</u>	<u>656</u>	<u>930</u>	<u>20</u>	<u>17,073</u>
Depreciation						
At 1 September 2022	2,164	-	371	636	5	3,176
Charge for the year	275	-	47	135	5	462
On disposals	-	-	-	(57)	-	(57)
At 31 August 2023	<u>2,439</u>	<u>-</u>	<u>418</u>	<u>714</u>	<u>10</u>	<u>3,581</u>
Net book value						
At 31 August 2023	<u>13,006</u>	<u>22</u>	<u>238</u>	<u>216</u>	<u>10</u>	<u>13,492</u>
At 31 August 2022	<u>13,270</u>	<u>-</u>	<u>133</u>	<u>248</u>	<u>15</u>	<u>13,666</u>

Included in freehold property is freehold land at valuation of £1,709,000 (2022: £1,709,000), which is not depreciated.

13. Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	-	1

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

14. Debtors

	2023	2022
	£000	£000
Due within one year		
Trade debtors	3	52
Other debtors	21	102
Prepayments and accrued income	181	179
VAT recoverable	246	157
	451	490
	451	490

15. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	70	147
Other creditors	51	83
Accruals and deferred income	100	110
	221	340
	221	340

	2023	2022
	£000	£000
Deferred income		
Deferred income at 1 September 2022	34	21
Resources deferred during the year	57	34
Amounts released from previous years	(34)	(21)
	57	34
	57	34

Deferred income relates to SEN grants of £35k, lunch payments of £11k and tutoring claw back of £11k, all of which relate to the 2023/24 academic and financial year.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

16. Financial instruments

	2023	2022
	£000	£000
Financial assets		
Financial assets measured at fair value through income and expenditure	775	882
Financial assets that are debt instruments measured at amortised cost	23	454
	798	1,336
	798	1,336
	2023	2022
	£000	£000
Financial liabilities		
Financial liabilities measured at amortised cost	(221)	(306)
	(221)	(306)
	(221)	(306)

Financial assets measured at fair value through income and expenditure comprises cash at bank.

Financial assets that are debt instruments measured at amortised cost comprises trade debtors and other debtors excluding the VAT debtor.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

17. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Funds	502	350	(325)	-	-	527
Restricted general funds						
General Annual Grant (GAG)	531	7,089	(6,922)	(220)	-	478
Pupil Premium	-	311	(311)	-	-	-
Other DfE grants	-	371	(371)	-	-	-
Other income	-	233	(233)	-	-	-
Local authority grants	-	403	(403)	-	-	-
Pension reserve	(998)	-	(111)	-	644	(465)
	(467)	8,407	(8,351)	(220)	644	13
Restricted fixed asset funds						
Fixed assets transferred on conversion	5,949	-	(198)	-	-	5,751
DfE Group Capital Grants	4,688	68	(154)	-	-	4,602
Donations	23	-	(1)	-	-	22
Capital expenditure from GAG	1,938	-	(74)	220	-	2,084
Local authority grants	1,030	-	(34)	-	-	996
Other income	38	-	(1)	-	-	37
	13,666	68	(462)	220	-	13,492
Total Restricted funds	13,199	8,475	(8,813)	-	644	13,505
Total funds	13,701	8,825	(9,138)	-	644	14,032

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

17. Statement of funds (continued)

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

The General Annual Grant, and other DfE Group grants relate to government funding for the provision of education by the academy including Special Educational Needs projects. Other restricted income relates to non-government restricted funding.

Unrestricted reserves comprise the net of income and expenditure from Music, Catering, Lettings and Uniform transactions.

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

The gain of £644,000 is an actuarial gain on the defined benefit pension scheme.

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

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
General Funds	476	291	(265)	-	-	502
Restricted general funds						
General Annual Grant (GAG)	527	6,432	(6,289)	(139)	-	531
Pupil Premium	-	223	(223)	-	-	-
Other DfE grants	-	121	(121)	-	-	-
Other DfE/ESFA Covid-19 funding	-	48	(48)	-	-	-
Other income	-	161	(161)	-	-	-
Local authority grants	-	313	(313)	-	-	-
Pension reserve	(4,514)	-	(393)	-	3,909	(998)
	<u>(3,987)</u>	<u>7,298</u>	<u>(7,548)</u>	<u>(139)</u>	<u>3,909</u>	<u>(467)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	6,133	-	(184)	-	-	5,949

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

17. Statement of funds (continued)

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
DfE Group Capital Grants	4,809	23	(144)	-	-	4,688
Donations	24	-	(1)	-	-	23
Capital expenditure from GAG	1,859	-	(60)	139	-	1,938
Local authority grants	1,062	-	(32)	-	-	1,030
Other income	39	-	(1)	-	-	38
	<u>13,926</u>	<u>23</u>	<u>(422)</u>	<u>139</u>	<u>-</u>	<u>13,666</u>
Total Restricted funds	<u>9,939</u>	<u>7,321</u>	<u>(7,970)</u>	<u>-</u>	<u>3,909</u>	<u>13,199</u>
Total funds	<u><u>10,415</u></u>	<u><u>7,612</u></u>	<u><u>(8,235)</u></u>	<u><u>-</u></u>	<u><u>3,909</u></u>	<u><u>13,701</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	13,492	13,492
Current assets	527	699	-	1,226
Creditors due within one year	-	(221)	-	(221)
Provisions for liabilities and charges	-	(465)	-	(465)
Total	<u><u>527</u></u>	<u><u>13</u></u>	<u><u>13,492</u></u>	<u><u>14,032</u></u>

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Restricted fixed asset funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	-	-	13,666	13,666
Current assets	502	871	-	1,373
Creditors due within one year	-	(340)	-	(340)
Provisions for liabilities and charges	-	(998)	-	(998)
Total	502	(467)	13,666	13,701

19. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(313)	(623)
Adjustments for:		
Depreciation	462	422
Defined benefit pension scheme cost less contributions payable	71	318
Defined benefit pension scheme finance cost	40	75
Decrease in stocks	1	1
Decrease/(increase) in debtors	39	(123)
(Decrease)/increase in creditors	(119)	203
Net cash provided by operating activities	181	273

20. Cash flows from investing activities

	2023 £000	2022 £000
Loss on disposal of scrapped assets	(1)	-
Purchase of tangible fixed assets	(287)	(218)
Reduction in prior year addition estimate shown as disposal	-	55
Net cash used in investing activities	(288)	(163)

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

21. Analysis of cash and cash equivalents

	2023	2022
	£000	£000
Cash in hand and at bank	775	882
	<u>775</u>	<u>882</u>

22. Analysis of changes in net debt

	At 1	Cash flows	At 31
	September	£000	August 2023
	2022	£000	£000
Cash at bank and in hand	882	(107)	775
	<u>882</u>	<u>(107)</u>	<u>775</u>

23. Capital commitments

	2023	2022
	£000	£000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	22	-
	<u>22</u>	<u>-</u>

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2023.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £878,000 (2022 - £789,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £256,000 (2022 - £229,000), of which employer's contributions totalled £198,000 (2022 - £178,000) and employees' contributions totalled £58,000 (2022 - £51,000). The agreed contribution rates for future years are 21.8 per cent for employers and 5.5 - 12.5 per cent 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.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

24. Pension commitments (continued)

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

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

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	4,203	4,584
Discount rate -0.1%	4,355	4,799
Mortality assumption - 1 year increase	4,401	4,830
Mortality assumption - 1 year decrease	4,159	4,555
CPI rate +0.1%	4,352	4,791
CPI rate -0.1%	4,206	4,591

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31	At 31 August
	August 2023	2022
	£000	£000
Equities	2,240	2,164
Gilts	75	87
Corporate bonds	212	255
Property	444	535
Cash and other liquid assets	233	211
Other	609	440
Total market value of assets	3,813	3,692

The actual return on scheme assets was £4,000 (2022 - £-24,000).

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

24. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2023	2022
	£000	£000
Current service cost	(269)	(496)
Interest cost	(38)	(73)
Administrative expenses	(2)	(2)
Total amount recognised in the Statement of Financial Activities	(309)	(571)

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

	2023	2022
	£000	£000
At 1 September	4,690	8,071
Interest cost	198	133
Contributions by scheme participants	58	51
Change in financial assumptions	(826)	(3,993)
Estimated benefits paid net of transfers in	(111)	(68)
Current service cost	269	496
At 31 August	4,278	4,690

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

	2023	2022
	£000	£000
At 1 September	3,692	3,557
Interest on assets	160	60
Return on assets less interest	(182)	(84)
Contributions by employer including unfunded	198	178
Contributions by scheme participants and other employers	58	51
Estimated benefits paid plus unfunded net of transfers in	(111)	(68)
Administrative expenses	(2)	(2)
At 31 August	3,813	3,692

THE FERNWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2023

25. Operating lease commitments

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

	2023	<i>2022</i>
	£000	<i>£000</i>
Not later than 1 year	19	-
Later than 1 year and not later than 5 years	66	-
	<hr/> 85 <hr/>	<hr/> - <hr/>

26. Members' liability

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

27. Related party transactions

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