

**FOREST SCHOOL, ESSEX
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2020**

Haysmacintyre LLP
Chartered Accountants
Registered Auditors
London

Company Number: 00429150
Registered Charity Number: 312677

FOREST SCHOOL, ESSEX

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FOREST SCHOOL, ESSEX

REFERENCE AND ADMINISTRATIVE INFORMATION

GOVERNORS

D. Wilson, LL.B (1)
The Venerable E. Cockett, Archdeacon of West Ham (3)
J.D. Davies (3)
W.M. Fuller (1), (2), (4 – Chair)
Dr S M Hadi
Mrs G. Jenkinson, AGSM, Dip Ed (3)
W. Kennedy (1 – Chair), (2), (4)
Mrs P. Oates B.Ed. (3 – Chair)
A.M. Robinson (1), (2 – Chair), (4)
S.T. Perry (1)
Ms G. Atlee (3)

- (1) Finance and General Purposes Committee
- (2) Health, Safety and Risk Management Committee
- (3) Education Committee
- (4) Estates Committee

Warden

Mr M. Cliff Hodges

Bursar and Secretary

Mrs D. Coombs

Registered Office

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Solicitors

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Auditors

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EC4R 1AG

Bankers

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London
EC2A 1DS

Company Number: 00429150
Registered Charity Number: 312677

FOREST SCHOOL, ESSEX

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Reflection on the past year is inevitably overshadowed by the shocking impact of the Covid-19 pandemic, not least the devastation it has wrought on the physical, social and financial wellbeing of communities across the world.

Yet it is also with huge pride and admiration that I reflect on how the Forest School community has responded: by showing, and continuing to show, an outstanding resilience and resolve to sustain the very best education for our pupils and care for their happiness and wellbeing. This was achieved through an extraordinary remote learning and wellbeing programme during the period of the first lockdown and, since September with our pupils back on site, through a carefully crafted and flexible plan to maintain a safe and as full a Forest experience as the restrictions permit. Forest staff met these huge challenges with admirable professionalism. Also, during lockdown, the School was honoured to support key workers by having pupils, both Forest's and those from local schools, on site to allow their parents to fulfil much needed frontline services.

Forest parents have been generous in their support and appreciation of the School's efforts. Many have written to the School, others have made generous contributions to hardship funding and others declined the 10% reduction on the 2020 Trinity term fees we were able to provide from cost savings made while the School was closed. For all of the support we are very grateful.

Evident from our Financial Statement which follows is that the School has managed its finances prudently during this most challenging of years, even after providing the 10% fee rebate to parents. This has been made possible by careful cost control and higher than anticipated grants from the furlough scheme, which have arisen from the Government's extension to the Job Retention Scheme.

This carefully measured approach has necessarily continued into the current financial year (Year Ending 31st August 2021), with a £1.5m cost-cutting plan. This allows Forest to provide parents with the financial benefit of these cost saving measures in the form of a freeze on school fees in September 2020, without compromising our future financial sustainability and our ability to maintain a large and complex site in what are likely to be challenging years ahead.

The Forest Leadership team, and my fellow Governors, were active throughout the closure, closely managing and monitoring the on-going financial position and ensuring that the School's broad programme of activity was not adversely impacted by fast moving events. Most notable has been the £6.5m development programme to extend our Prep School which began at Easter 2019 and now nears completion, almost to the timetable set two years ago. This is a remarkable achievement, producing a stunning facility and which, in these dark times, shines a light on the future of Forest.

In September 2019, Forest was proud to establish its Founders' Day Bursary specifically for children in care or with experience of the care system. Alongside Forest's developing Assisted Places Programme, the School remains unbending its resolve to open up the benefits of a Forest education to those for whom it would not ordinarily be available and using its surpluses to achieve this. I am especially proud that our pupils, unsurprisingly, are active in this endeavour through fundraising schemes, so they can share Forest's unique experience with peers from the local community.

Our pupils are active also in many local outreach projects which, although largely curtailed at present, will resume when possible as a clear expression of Forest's values and commitment to the community in which the School sits.

Together with my fellow Governors I thank the Forest Leadership team and all staff for their ceaseless efforts to secure the financial future of this exceptional school, in order that future generations might experience and benefit from all it has to offer.



D. Wilson
Chairman

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors are pleased to submit their Report on the School's activities together with the Financial Statements for the year ended 31 August 2020, which have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the 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) – (2nd Edition, effective 1 January 2019) and the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

Details of the Governors, executive officers and advisers are shown on page 1.

Mrs P Oates, Mrs J Davies and A.M. Robinson retire by rotation at the Annual General Meeting on 10 December 2020 and, being eligible, offer themselves for re-election.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The School was founded in 1834 and was incorporated in 1947 as a Company Limited by Guarantee. Each member of the company has a liability under the guarantee that is limited to £1.

The organisation and operations of the School are primarily governed by the School's Memorandum and Articles of Association.

Organisation

The School is managed by a Board of Governors which represents the members of the Forest Association and provide their services on a voluntary basis. The following are also relevant to understanding the basis on which the School is managed:

a) Finance and General Purposes Committee

The Committee meets at least three times a year to consider major policy and financial matters; it reports its findings to the Board of Governors. It comprises nominated Governors, with the Warden and the Bursar in attendance.

b) Health, Safety and Risk Management Committee

The Committee meets at least three times a year in order to continue the identification and evaluation of potential threats to the future operation of the School. It reports its findings to the Board of Governors. It comprises nominated Governors, with the Warden, Bursar, Director of Health, Safety and Compliance, Information Director and other senior leadership team members in attendance.

c) Education Committee

The Committee meets termly and has a monitoring and advisory role relating to the School's curricular and pastoral provision. It comprises nominated Governors with the Warden and other senior staff in attendance.

d) Estates Committee

The Committee meets termly to review and monitor the implementation of new capital projects; planned maintenance programme; school lettings policy and relationships with local authority planning authorities and related agencies. It comprises nominated Governors with the Warden, Bursar and the Estates Manager in attendance.

e) Operational Management

The operational daily management of the School is the responsibility of the Warden, who is primarily supported by the Deputy Warden, Head of the Preparatory School and the Bursar.

f) Use of Unpaid Volunteers

All Governors provide their services on a voluntary unpaid basis. There are no other unpaid volunteers.

Staff

The School employs an average of 381 staff, of whom 216 are teaching staff.

The Board of Governors consists of eleven members and, along with its sub-committees, meets every term. In addition, individual members support the Warden and his Leadership Team on specific projects and aspects of the School's work. Forest's Board of Governors are drawn from a wide range of experience in education, business, finance and the professions. Governors give freely of their time and are solely committed to the enduring success, health and happiness of the School.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

All new Governors will be checked through the Disclosure and Barring Service and are inducted into the workings of the School prior to the date of formal appointment. Training is provided for all Governors as appropriate to keep them abreast of their legal and trustee responsibilities.

Key Management Personnel

The day-to-day running of the School is delegated to the Warden and the Bursar. They are supported by the Senior Leadership Team and together this group are the key management personnel. The Senior Leadership Team comprises the Deputy Warden, Deputy Head Academic, Deputy Head Co-Curriculum, Deputy Head Pastoral, Head of Sixth Form, Head of Middle School, Head of Lower School and Head of Preparatory School.

Remuneration is set by the Board of Governors, with the objective of ensuring appropriate incentives to encourage enhanced performance and in a fair and responsible manner. In setting pay, consideration is given to the nature of the role and responsibilities, the sector average for comparable positions and trends in pay.

Trading company

Sylvestrian Enterprises Limited is a wholly owned subsidiary of Forest School, Essex and is independently funded. Its financial year is coterminous with that of the School. Its principal activities are the letting of the School's facilities to third parties and the provision of leisure facilities and tuck shop facilities.

STRATEGIC REPORT

OBJECTS AND ACTIVITIES

The objects for which the company is established are to promote and provide for the advancement of education and in connection therewith to establish and provide, conduct, carry on and acquire and develop in the United Kingdom any boarding or day school or schools for the education of children and to carry on the School known as Forest School, Essex and to use and apply for that purpose all monies and property coming to it.

Principal activity

The School's principal activity is to promote and provide for the advancement of education, to include the continuance of Forest School, Essex.

Policy for achieving objectives

The Governors have had regard to guidance from the Charity Commission in ensuring that the School's objectives are for the public benefit.

The policies for achieving the School's objectives are as follows:

1. To supply to the pupils general instruction of the highest class and moral and physical training together with religious training according to the principles of the Church of England and to act wherever possible to the benefit of the local community, as a whole.
2. To equip, furnish and maintain the buildings and grounds of Forest School, Essex for the said use.
3. To award bursaries to support the children of parents without the means as well as award prizes and scholarships to pupils for proficiency in studies, exercise or games, art or music.
4. Co-operation with local schools in advice to pupils and teaching staff exchanges.
5. To subscribe money for charitable objects through a regular programme of fund raising events.
6. To control costs and to maintain tuition fees at the lowest practical levels, consistent with the School's objects.
7. To act as trustees or managers of any property, endowment, legacy, bequest or gift, for charitable education purposes only.
8. To share sporting facilities with bona fide organisations, within the local community.
9. To borrow or raise money for the purposes of the School on such security as may be thought fit.
10. To do all such other lawful things as are necessary to the attainment of the above objects or any of them.

There have been no material changes in the above policies since the last report.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE

Academic results for the year

The number of pupils during the year averaged 1,445 (2019: 1,438). A total of 276 pupils benefited through financial support from Scholarships and Bursaries. In June 2020, 136 pupils were assessed for Advanced level; the pass rate at grades A*-B was 80%. 160 pupils were assessed for GCSEs; 83% of all grades achieved were 9-7 (A**/A*/A).

Considerable success has been achieved across a wide range of extra-curricular activities with high standards being maintained in sport, music, drama and art.

Most pupils progressed to university with a high proportion being offered places at Russell Group universities including 6 at Oxford and Cambridge.

Public benefit

Forest School educates pupils from the ages of 4 to 18. The School has always valued and promoted the ethos of wider community involvement and public service and is well integrated into its local community, which, whilst concentrated in the immediate vicinities of the School, also spreads across a significant part of the suburban area of north-east London.

The Promotion of Education, Involvement in the Community and the Charitable Object of Relief.

The School provides high quality education to its pupils offering a wide range of academic courses at both GCSE and A Level with a number of subjects not available at all schools.

It provided support to a number of schools, the following of which are some examples:

- The School supports the London Academy of Excellence (LAE) in various ways. In the reporting financial year however, activity was curtailed from March 2020 owing to the pandemic lockdown and the school closures which followed across this and much other of our activity. However, prior to this in October, 45 Y12 pupils from the LAE visited the School and together with 50+ Forest Year 12s took part in a joint workshop. LAE pupils were also once again provided with advice and support for Oxbridge interviews. In November 2019 a group attended a 'Living Autopsy' demonstration at Forest and others a History Symposium in the same month. In all over 200 LAE pupils attended events held at Forest School.

The Warden continues to act as a Governor for the Academy, while Forest's Deputy Head Academic has joined LAE's Education Committee as a non-governor.

- Forest continues to teach Additional Maths classes to pupils at two local maintained secondary schools: Walthamstow School for Girls and Frederick Bremer School.
- During British Science Week 2020 in March, Forest hosted over 3000 pupils, including from our partner primary schools and 6th forms, who enjoyed a huge range of events and activities.
- Forest's annual Career's Day took place in January 2020 and we welcomed 450 pupils from our various secondary school partnerships.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit (continued)

Forest School believes it should use its resources to make the benefits of a Forest education available to those for whom it would not ordinarily be available. This approach helps to ensure a more focused distribution of funds, whereby more children from households which cannot afford to pay the full level of fees, are provided with adequate financial support to do so. It is a key factor in ensuring that the School is also accessible to children from deprived and marginalised backgrounds. To achieve even greater reach the School is scaling back its non means-tested scholarships (where money is awarded on academic or other merit), and developing a new programme of 'Assisted Places', effectively 100% means-tested bursaries, the first four of these being made available in the 2020/21 financial year. This programme, as with our other means-tested awards, is intended to:

- to offer places to the children of families on lower incomes;
- to attract able children who will benefit from a Forest education;
- to enrich the educational experience for all Forest pupils by broadening the pupil mix

Forest also carries out annual reviews of its means-test bands and ensures they are increased so that parents who are eligible for financial assistance may apply for it. In addition to providing financial assistance to parents of children on bursaries, the School also provides financial assistance towards the cost of certain extras, such as school uniform, school bus and exam fees.

Additionally, the School has successfully achieved sponsorship for Sixth Formers from Mulalley & Co and the Old Foresters Club.

In addition to providing financial assistance to parents for school fees and the following are areas of broader public benefit:

Participating in and hosting sporting events and fixtures against maintained schools and for sports organisations:

Forest's sporting fixtures list is comprehensive and eclectic and pupils participate in the main school sports against a wide range of maintained schools and other youth groups, many of which are hosted at Forest. This outreach continued until restrictions curtailed activity in March 2020.

Involving pupils at maintained schools and children and adults in the wider community in cultural, artistic, dramatic and musical activities:

As with sport so with the arts in the widest sense of the word: Forest School attempts to engage on a number of fronts in cultural artistic, dramatic and musical activities. These include the hosting of the Stratford and East London Festival; the organisation of *Fusion*, a multi-cultural celebration involving Forest and other pupils and linked with charitable fundraising; the leading of the Snaresbrook Crown Court annual carol service; music, drama and dance days for local primary schools. Notably this year the November 2019 production of *The Tempest* encompassed an associated programme of drama-led literacy workshops reaching around 700 Year 6 pupils in 12 schools based in local boroughs.

Building on our partnership with Hackney Empire, the Warden has been invited to join the Hackney Empire Development Group and the Creative Futures Programme, which our financial support helps to sustain, delivered several bespoke programmes in the Michaelmas 2019 term.

Acting as a focal point for educational, intellectual and scholarly activities and research:

Forest School reacts positively to approaches from educational organisations – in the widest sense of the word and takes seriously its obligation to promote intellectual and scholarly activities. Forest has good links with three maintained secondary schools, having undertaken joint projects involving the combined 6th Forms. Forest acts as one of 16 training centres in the country for NQTs working in independent schools and each term hosts and organises a full day's training for some 50 recently qualified teachers. The School regularly attends events set up by maintained schools to promote the 16+ Scholarships and Bursaries, in particular.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit (continued)

The North East London Teaching Alliance (NELTA) is part of Beacon MAT in Redbridge. The School is a member of NELTA and this involves working with other schools in the Alliance on CPD and ITT and also hosting training at the School.

In January 2020 over 300 pupils from local schools attended Forest's Careers and Higher Education Fair. The Fair is set up 'exhibition-style' and the visitors this year were able to speak to around 90 exhibitors from industry and higher education.

Offering our facilities often free and at greatly reduced rates for events:

Forest School has a range of facilities which it is able to make available on both a commercial and charitable basis. The active manner in which the School exploits these facilities benefits, directly and indirectly, a wide range of people. Three local state schools are provided with use of the swimming pools at subsidised rates once a week during term time. A local state school benefits from use of the fitness suite at a subsidised rate once a week during term time. The School hosts functions such as weddings and other personal celebrations both in the Chapel and the Dining Hall. The Sylvestrian Leisure Centre is proving to be an ideal venue for children's parties as well as providing top class facilities such as the fitness suite, which can be accessed through a professionally run membership scheme.

Contributing to the charitable object of relief:

Forest School contributes to the charitable object of relief through a variety of activities. Pupils develop a clear understanding of civic duty and the value of public service as a direct benefit to society as a whole, as does the sense of self-discipline and concern for others that is actively encouraged by the School. This ethos is enshrined in the organisation and aims of the School where pupils are encouraged to take on responsibility for others as well as for themselves and to demonstrate commitment to their School and fellow pupils.

Forest supports many charities and projects in the local community, some on a regular basis and others as they arise in situations of emergency. Each term the pupils chose a number of charities to support; there are regular charity afternoons and a recent development has been the introduction of a full Charity Week for each of the School's 14 houses.

The School runs a full community action programme, which this year was severely curtailed at the end of March owing to the pandemic. Nonetheless other Covid-driven activity was able to take place including supporting a local charity which provides food and essential supplies to those most in need and fundraising for NHS charities which involved both pupils and staff.

Enabling staff to give of their time to charitable and other organisations:

The School encourages the staff – teaching and support – to offer their time and expertise to other schools and organisations. One member of staff chairs the East London Renewal Programme; seven members of teaching staff serve as governors of other schools.

FUNDRAISING PRACTICES AND PERFORMANCE

The governors are aware of the Charities (Protection and Social Investment) Act 2016 and recognise the importance of meeting the highest standards of practice and care in relation to fundraising activities.

The School has signed up to the fundraising code of practice and has voluntarily registered with the Fundraising Preference Service (FPS). The School only raises funds from Old Foresters, parents, staff and those with a personal connection to the school and does not undertake fundraising campaigns to members of the public. The School considers the origin of unsolicited donations and legacies. No complaints were received concerning the School's fundraising activities.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

Income of the consolidated entity for year to 31 August 2020 were £25,379,895 (2019: £24,934,712). This included donations of £66,060 (2019: £10,528) of which £6,531 was specifically for bursaries and £37,139 for the Founders Day Bursary. After allowing for depreciation of £1,128,515 the Group made a surplus of £568,669 for the year, of which £227,804 is due to the operation of the School, excluding donations received.

Fixed assets

A full analysis of fixed asset movements is shown on note 8. During the year, the School spent £4,182,825 on fixed asset additions.

The most significant addition in the year was the extension of the Preparatory School, amounting to £4,095,214. The building is due to be completed in November 2020 and will provide state-of-the-art facilities for Prep School pupils and has enabled the School to add an extra form in Reception, Year 1 and Year 2.

Reserves policy

At 31 August 2020, the Group had reserves of £14,730,918 of which £103,573 were restricted funds and £63,046 was designated as a scholarship fund. Unrestricted general funds totalled £14,578,963. There was a resulting deficit on free reserves, defined as unrestricted general funds excluding fixed assets net of bank loans, of £4,374,552.

A key feature of the policy is to ensure compliance with the bank's covenants applicable to the two outstanding loans. One of the financial covenants requires that the School maintains a tangible net worth of at least £10,000,000. With the School's reserves totalling £14,730,918, the bank's covenant has been comfortably met.

The reserves policy of the school will be reviewed annually by the Governors.

FUTURE PROSPECTS

To expand the Preparatory School to accommodate more pupils.

To continue with on-going refurbishment of existing facilities.

To maintain a planned programme of capital development.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the School is exposed and are satisfied that systems are in place to mitigate the School's exposure to the major risks. Such risks are reviewed on a regular basis, by the Health, Safety and Risk Management Committee, in order to mitigate any impact that they may have on the School in the future.

Coronavirus Pandemic. The most significant strategic risk during this financial period has been the impact of the Coronavirus pandemic on all aspects of the School's life and function. For the entirety of the Trinity term, the School has delivered its syllabus and a wide range of supporting activities remotely through on-line services. Mindful that a full schooling experience was not being delivered, Governors determined that the Trinity term's fees be reduced in line with cost savings that had been achieved during the period of School closure. The risk now centres on the enduring nature of the pandemic, disruption to fee-payers earning capacity, and the nature of limitations placed by the pandemic on schooling and pupil numbers. We manage this risk through the employment of a full-time Director of Health & Safety, careful application of COVID-19 related Government guidance for schools, strict hygiene, cleaning and social distancing regimes, no school fee increases during 2020/21, strict spending controls, and careful and timely communications with all stakeholders.

The Governors consider the other major risks to which the School is currently exposed to include:

1. School's reputation in the marketplace.
2. Introduction of VAT on school fees and removal of business rates relief.
3. Risk of accident involving staff, pupils or visitors.
4. Compliance with safeguarding regulations.
5. Major health epidemic.

6. Breach of security due to unauthorised access.

The key controls used by the School to manage risk include:

1. Ensuring good public relations and monitoring examination results.
2. Continued monitoring of political risk and review of costs to identify areas where expenditure can be reduced to mitigate the impact of VAT on school fees and additional business rates.
3. Regular risk assessments with internal checks.
4. Regular review of safeguarding policy and provision of staff training.
5. Close liaison with the relevant Health Authority.
6. CCTV monitoring and enhancement of security measures.

Carbon and Energy Reporting

Carbon and Energy Reporting Regulations are a new statutory reporting requirement for large companies in the UK. The Companies Act defines a company is large if it exceeds any two of the following i) Total income >£36M, ii) Gross assets >£18M, iii) Employee numbers >250. Exemptions are available only if an entity has under 40,000 kWh of emissions per annum.

The information below is based on the amount of gas, oil, electricity and fuel consumed by the School during the year. This was converted to kilowatt hours using the website <http://carbon-calculator.org.uk>, which uses conversion factors provided by DEFRA as part of its Environmental Reporting Guidelines. As this is the first year of reporting, comparative figures are not required. The School's energy use for 2019-20 is less than might normally be incurred, as the School was closed to pupils from March 2020 due to the COVID-19 lockdown until reopening in September 2020.

	2020	2019	
UK energy use kWh	4,309,719	Not required	School and Leisure Centre Gas, oil, electricity and fuel
Associated greenhouse gas emissions Tonnes CO2 equivalent	1,052 tonnes	Not required	
Intensity ratio Emissions per pupil: 1,445 pupils	0.73 tonnes per pupil	Not required	The intensity ratio measures energy usage compared with an appropriate business metric.

Governors' duties under Section 172 of the Companies Act 2006

Section 172(1) of the Companies Act 2006 requires that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the company.

The Governors have regard to the interests of the School's employees and have ensured that the School provides a safe, inclusive environment for all employees to work within. All employees are treated fairly, with the consistent application of the School's rules and policies. INSET is provided throughout the year to help ensure that employees are kept up to date with regulatory changes and emerging issues that may affect them. An Employee Assistance Programme is available to all employees and provides confidential access to an online source of self-help and wellbeing information.

Governors have regard to the need to foster the School's business relationships with its suppliers. Payments are made to suppliers promptly, in accordance with their payment terms and all suppliers are treated fairly, irrespective of their size. Potential suppliers are afforded the opportunity to tender their goods/services to the School and no preference is given to any suppliers during this process.

Governors have regard to the need to foster the relationship with the parents of pupils at the School. Parents were kept informed of the School's response to the closure which took effect in March 2020 and the measures that were being implemented to ensure that pupils continued to be taught under the unique circumstances. A reduction in fees was applied to recognise the reduced school provision during this period and a Hardship Fund was made available to provide financial assistance in exceptional circumstances.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Forest School, Essex for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The 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 auditor is aware of that information.

In approving the Governors' Report the governors also approve the Strategic Report in their capacity as company directors.

This report was approved by the Board on 10 December 2020 and signed on its behalf by:



D. Wilson
Chairman

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FOREST SCHOOL, ESSEX

Opinion

We have audited the financial statements of Forest School Essex for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2020 and of the group's net movement in funds, including the 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.

Basis for opinion

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

Responsibilities of governors for the financial statements

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company 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 group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FOREST SCHOOL, ESSEX

Other information

The governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included in the Governor's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

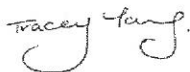
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

Use of report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young
Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP, Statutory Auditors

01 February 2021

10 Queen Street Place
London
EC4R 1AG

FOREST SCHOOL, ESSEX

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Designated Non charitable trading activities £	Restricted Funds £	2020 £	2019 £
INCOME FROM:						
Charitable activities:						
Tuition fees	1	23,659,789	-	-	23,659,789	23,212,701
Other school income	2	566,601	-	-	566,601	508,334
Donations and legacies		311,861	-	43,670	355,531	10,528
Other trading activities	3	155,285	632,396	-	787,681	1,188,892
Investments		10,295	-	-	10,295	14,257
Total Income		24,703,831	632,396	43,670	25,379,897	24,934,712
EXPENDITURE ON:						
Raising funds		161,182	647,062	-	808,244	1,015,147
Charitable activities		23,996,453	-	6,531	24,002,984	23,575,566
Total Expenditure	4	24,157,635	647,062	6,531	24,811,228	24,590,713
Net income before transfers		546,196	(14,666)	37,139	568,669	343,999
Transfers	13	-	-	-	-	-
Net movement in funds		546,196	(14,666)	37,139	568,669	343,999
Fund balances brought forward at 1 September 2019		14,095,813	2	66,434	14,162,249	13,818,250
Fund balances carried forward at 31 August 2020		£14,642,009	£(14,664)	£103,573	£14,730,918	£14,162,249

All activities are continuing. There are no recognised gains or losses other than those disclosed above. No Summary Income and Expenditure Account has been prepared as this information is clearly identified in the above statement.

The notes on pages 14 to 26 form part of these financial statements.

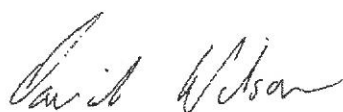
Comparative figures for 2019 are shown in note 20.

BALANCE SHEETS

AS AT 31 AUGUST 2020

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Tangible fixed assets	8	21,187,970	18,144,070	21,156,741	18,102,431
Investments	9	-	-	2	2
		<u>21,187,970</u>	<u>18,144,070</u>	<u>21,156,743</u>	<u>18,102,433</u>
CURRENT ASSETS					
Stock		21,849	20,778	17,044	16,450
Debtors	10	463,032	303,032	538,406	436,180
Cash at bank and in hand		89,276	315,969	13,813	148,956
		<u>574,157</u>	<u>639,779</u>	<u>569,263</u>	<u>601,586</u>
CREDITORS: Amounts falling due within one year	11	<u>(4,915,510)</u>	<u>(3,502,919)</u>	<u>(4,864,723)</u>	<u>(3,423,089)</u>
Net current liabilities		<u>(4,341,353)</u>	<u>(2,863,140)</u>	<u>(4,295,460)</u>	<u>(2,821,503)</u>
Total assets less current liabilities		<u>16,846,617</u>	<u>15,280,930</u>	<u>16,861,283</u>	<u>15,280,930</u>
CREDITORS: Amounts falling due after more than one year	12	<u>(2,115,699)</u>	<u>(1,118,681)</u>	<u>(2,115,699)</u>	<u>(1,118,681)</u>
NET ASSETS		<u>£14,730,918</u>	<u>£14,162,249</u>	<u>£14,745,584</u>	<u>£14,162,249</u>
FUNDS					
Unrestricted					
- General	13	14,578,963	14,032,767	14,578,963	14,032,767
- Designated	13	63,046	63,046	63,046	63,046
Non-charitable trading activities	18	(14,664)	2	2	2
Restricted	14	103,573	66,434	103,573	66,434
		<u>£14,730,918</u>	<u>£14,162,249</u>	<u>£14,745,584</u>	<u>£14,162,249</u>

The financial statements were approved and authorised for issue by the Board of Governors on 11 December 2020 and were signed below on its behalf by:



D. Wilson
Chairman

The notes on pages 14 to 26 form part of these financial statements.

FOREST SCHOOL, ESSEX

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Net cash provided by operations	A		2,627,988		2,115,362
Cash flows from investing activities:					
Interest receivable		10,293		14,257	
Interest payable		(69,587)		(49,093)	
Purchase of fixed assets		(4,182,825)		(1,565,468)	
Net cash (used in) investing activities			(4,242,119)		(1,600,304)
Cash flows from financing activities:					
Bank loan repayment		(621,924)		(621,924)	
New bank loans		1,739,839		-	
Finance lease repayments		(23,363)		(74,086)	
New finance leases		87,611		-	
Net cash provided by/(used in) financing activities			1,182,163		(696,010)
Change in cash and cash equivalents in the reporting period			(431,968)		(180,952)
Net cash and cash equivalents at beginning of period			(32,825)		148,127
Net cash and cash equivalents at end of period	B		<u>£(464,793)</u>		<u>£(32,825)</u>

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH PROVIDED BY OPERATIONS

	2020	2019
	£	£
Net movement in funds	568,668	343,999
Depreciation	1,138,925	1,263,703
Interest receivable	(10,293)	(14,257)
Interest payable	69,587	49,093
Decrease/(increase) in stocks	(1,071)	4,107
Decrease/(increase) in debtors	(159,999)	47,279
Increase in creditors	1,022,171	421,438
Net cash provided by operations	<u>£2,627,988</u>	<u>£2,115,362</u>

B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 September 2019 £	Cashflows £	Other Changes £	At 31 August 2020 £
Cash and cash equivalents	315,969	(226,693)	-	89,275
Bank overdraft	(348,794)	(205,276)	-	(554,069)
	<u>£(32,825)</u>	<u>£431,969</u>	<u>£-</u>	<u>£(464,793)</u>

Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the 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) (2nd Edition).

The accounting policies set out below have been applied in preparing the financial statements. The financial statements are drawn up under the historical cost convention.

The School is a Public Benefit Entity registered as a charity and company in England and Wales, it was registered on 6 February 1947 (charity number 312677 and company registration number 00429150).

Basis of consolidation

These financial statements consolidate the results of the School and its wholly-owned subsidiary Sylvestrian Enterprises Limited on a line by line basis. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Forest School Limited. The parent charity income for the year was £24,747,500 (2019: £23,926,909) with a surplus of £568,668 (2019: £343,999).

The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. The Governors have considered the risks to the School associated with Covid-19. Measures such as a freeze on school fee and salary increases, the ability to deliver remote learning and having safeguards in place to contain the impact of Covid-19 infections within the School community, have all combined to ensure the financial viability of the School. Accordingly, the Governors continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Fees and similar income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

FOREST SCHOOL, ESSEX

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2020

Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Government grant income

Government grant income represents the total amount claimed from HM Revenue and Customs under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

Investment income

Investment income from bank balances is accounted for on an accruals basis.

Expenditure

Expenditure is accounted for on an accruals basis and irrecoverable VAT is included with the item of expense to which it relates. Governance costs comprise the costs of running the School, including costs of complying with constitutional and statutory requirements.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Tangible Fixed Assets

Fixed assets with a cost of less than £1,500 are not capitalised but charged direct to the Statement of Financial Activities as an expense in the year of purchase. Professional fees arising in respect of the design or planning of building works are only capitalised as fixed assets if the building project has commenced prior to the balance sheet date.

Depreciation

Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful lives at the following rates:

Freehold buildings	1% straight line
Freehold improvements	5% straight line
Fixtures, fittings and equipment	20% reducing balance
Motor vehicles and boat	25% reducing balance
Computer equipment	25% straight line

A full year of depreciation is charged in the year of purchase for all assets brought into use during the financial year.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Debtors

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

Creditors and provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Lease and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Finance leases are those where substantially all the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the lease payment is charged to the income and expenditure account on a straight line basis.

Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the income and expenditure account as incurred.

Employee Benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accruals basis and in line with FRS 102.

Pensions

The company operates two contributory pension schemes for substantially all staff. The Teachers' Pension Scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School operates a defined contribution pension scheme for non-teaching staff and the pension charge represents the amounts payable by the School to the fund in respect of the year.

Funds

Restricted funds are those where there are specific donor restrictions as to their use. Designated funds are those which have been earmarked by the Governors for specific purposes. Unrestricted funds can be used at the discretion of the Governors.

FOREST SCHOOL, ESSEX

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. TUITION FEES			2020	2019
			£	£
Fees receivable			27,270,232	25,588,485
Less: bursaries, scholarships and allowances			(3,616,974)	(2,377,504)
Add: bursaries and scholarships funded by restricted funds			6,531	1,720
			<u>£23,659,789</u>	<u>£23,212,701</u>
2. OTHER SCHOOL INCOME			2020	2019
			£	£
Registration fees			112,955	123,625
Deposits retained			131,575	120,650
School bus			322,071	264,059
			<u>£566,601</u>	<u>£508,334</u>
3. OTHER TRADING ACTIVITIES			2020	2019
			£	£
Lettings – school			125,271	124,853
Trading activities – Sylvestrian Enterprises Limited			632,396	1,007,803
Sundry income			30,014	56,236
			<u>£787,681</u>	<u>£1,188,892</u>
4. ANALYSIS OF TOTAL EXPENDITURE	2020	2020	2020	2020
	Staff Costs	Other Costs	Depreciation	Total
	£	£	£	£
<i>Raising funds</i>				
Publicity costs	-	91,595	-	91,595
Trading subsidiary	-	636,652	10,410	647,062
Finance costs	-	69,587	-	69,587
	<u>-</u>	<u>797,834</u>	<u>10,410</u>	<u>808,244</u>
<i>Charitable activities</i>				
Teaching	11,506,070	1,676,197	351,077	13,533,344
Welfare	84,170	1,450,651	-	1,534,821
Premises	454,643	2,369,670	777,438	3,601,751
Support costs	3,912,789	1,413,748	-	5,326,537
Grants	-	6,531	-	6,531
	<u>15,957,672</u>	<u>6,916,797</u>	<u>1,128,515</u>	<u>24,002,984</u>
	<u>£15,957,672</u>	<u>£7,714,631</u>	<u>£1,138,925</u>	<u>£24,811,228</u>

4. ANALYSIS OF TOTAL EXPENDITURE (continued)

2019 COMPARATIVES	2019 Staff Costs £	2019 Other Costs £	2019 Depreciation £	2019 Total £
<i>Raising funds</i>				
Publicity costs	-	121,508	-	121,508
Trading subsidiary	-	830,667	13,879	844,546
Finance costs	-	49,093	-	49,093
	-	1,001,268	13,879	1,015,147
<i>Charitable activities</i>				
Teaching	11,133,721	1,695,845	471,457	13,301,023
Welfare	86,582	1,739,768	-	1,826,350
Premises	430,463	2,760,727	778,367	3,969,557
Support costs	3,389,761	1,087,155	-	4,476,916
Grants	-	1,720	-	1,720
	15,040,527	7,285,215	1,249,824	23,575,566
	<u>£15,040,527</u>	<u>£8,286,483</u>	<u>£1,263,703</u>	<u>£24,590,713</u>

FINANCE COSTS

	2020 £	2019 £
Bank and loan interest	23,675	23,527
Bank charges	45,912	23,320
Leasing charges	-	2,246
	<u>£69,587</u>	<u>£49,093</u>

ANALYSIS OF SUPPORT COSTS

	2020 £	2019 £
Staff costs	3,912,789	3,389,761
Administrative & IT costs	1,189,763	980,423
Governance (audit & legal fees)	223,985	106,732
	<u>£5,326,537</u>	<u>£4,476,916</u>

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

5. STAFF COSTS

	2020	2019
	£	£
The staff costs are analysed as follows:		
Salaries	12,220,333	11,900,227
Social security	1,316,204	1,293,403
Pension costs	2,322,931	1,684,463
Redundancy and termination payments	98,204	162,434
	<u>£15,957,672</u>	<u>£15,040,527</u>

	2020	2019
	No.	No.
The number of employees whose emoluments exceeded £60,000 during the year was as follows:		
£60,001 - £70,000	18	14
£70,001 - £80,000	6	8
£80,001 - £90,000	3	4
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	<u> </u>	<u> </u>

Average staff numbers were:

Teaching	216	219
Non teaching	165	164
	<u>381</u>	<u>383</u>

Average staff numbers expressed as full time equivalents were:

Teaching	137	136
Non teaching	94	87
	<u>231</u>	<u>223</u>

The total remuneration paid to key management personnel in the year was £1,113,140 (2019: £982,326).

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

5. STAFF COSTS (continued)

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,946,642 (2019: £1,318,467) and at the year-end £227,216 (2019: £179,240) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Defined contribution scheme

The School operates a defined contribution pension scheme for non teaching staff and the pension charge represents the amounts payable by the School to the fund in respect of the year. The pension charge for the year includes contributions payable to this scheme of £376,371 (2019: £365,996) and at the year-end £52,321 (2019: £47,991) was accrued in respect of contributions to this scheme.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

6. NET MOVEMENT IN FUNDS

	2020 £	2019 £
The net movement of funds is stated after charging/(crediting) (before VAT):		
Auditors remuneration – audit fee (group)	28,850	27,900
– other services	1,750	2,000
Rent receivable	<u>(125,271)</u>	<u>(124,853)</u>

7. TAXATION

There is no liability for taxation as the school is a registered charity.

**8. TANGIBLE
FIXED ASSETS**

	Freehold land £	Freehold buildings and improvements £	Computers £	Fixtures, equipment and motor vehicles £	Total £
COST					
As at 1 September 2019	10,000	31,448,739	1,944,184	4,575,895	37,978,818
Additions	-	4,095,214	87,611	-	4,182,825
Disposals	-	-	(175,335)	-	(175,335)
As at 31 August 2020	<u>10,000</u>	<u>35,543,953</u>	<u>1,856,460</u>	<u>4,575,895</u>	<u>41,986,308</u>
DEPRECIATION					
As at 1 September 2019	-	14,437,046	1,504,016	3,893,686	19,834,748
Charge for year	-	773,741	223,738	141,446	1,138,925
Disposals	-	-	(175,335)	-	(175,335)
As at 31 August 2020	<u>-</u>	<u>15,210,787</u>	<u>1,552,419</u>	<u>4,035,132</u>	<u>20,798,338</u>
NET BOOK VALUES					
As at 31 August 2020	<u>£10,000</u>	<u>£20,333,166</u>	<u>£304,041</u>	<u>£540,763</u>	<u>£21,187,970</u>
As at 31 August 2019	<u>£10,000</u>	<u>£17,011,693</u>	<u>£440,168</u>	<u>£682,209</u>	<u>£18,144,070</u>

Included in fixtures and equipment are assets with cost brought forward of £159,210, depreciation brought forward of £117,571, additions totalling £nil, a depreciation charge of £10,410 and a net book value of £31,229 which are owned by the trading subsidiary.

The other assets are all used for charitable purposes. Included in computers and fixtures and equipment are assets accounted for as finance leases with a net book value of £87,611 (2019: £nil). The depreciation charge in the year for these assets totalled £nil (2019: £48,925).

9. INVESTMENTS

Investments consist of two ordinary shares held, at cost, in Sylvestrian Enterprises Limited, see note 18.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

10. DEBTORS	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Fees	154,617	43,311	154,617	43,311
Amounts due from subsidiary undertaking	-	-	97,599	162,710
Prepayments	175,763	207,442	165,658	205,675
Other debtors	132,652	52,279	120,532	24,484
	<u>£463,032</u>	<u>£303,032</u>	<u>£538,406</u>	<u>£436,180</u>

11. CREDITORS: Amounts due within one year	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loan (see note 12)	645,386	444,616	645,386	444,616
Bank overdraft	554,069	348,794	554,069	348,794
Fee deposits	80,675	73,100	80,675	73,100
Fees received in advance	307,995	450,831	307,995	450,831
Composition fees (see note 12)	178,447	184,092	178,447	184,092
Trade creditors	791,358	340,802	784,867	331,194
Finance leases	34,944	-	34,944	-
Other taxes and social security	355,241	404,814	355,241	404,814
Accruals	635,629	721,544	635,629	721,544
Other creditors	1,331,766	534,326	1,287,470	464,104
	<u>£4,915,510</u>	<u>£3,502,919</u>	<u>£4,864,723</u>	<u>£3,423,089</u>

12. CREDITORS: Amounts due after one year	2020	2019
	£	£
Group and charity		
Finance leases	64,248	-
Less included in current liabilities	(34,944)	-
	<u>29,304</u>	<u>-</u>
Composition fees	263,526	262,882
Fee deposits	413,800	363,876
Bank loans	1,409,069	491,923
	<u>£2,115,699</u>	<u>£1,118,681</u>

A £4.65 million bank facility with Allied Irish Bank was taken out in 2005 which is repayable over 15 years at £321,924 per year. Interest is charged at 0.7% per annum above the Bank's Managed LIBOR Base Rate. A further £1.5 million bank facility with Allied Irish Bank was taken out in 2015 and this is repayable over 5 years at £300,000 per year. Interest is charged at 2% per annum above the Bank's Managed LIBOR Base Rate. These loans are secured on the School's Property.

Two bank facilities, for £4.3 million and £1.6 million, were taken out in 2019 with Barclays Bank Plc. These are repayable over 10 years at £204,409 per annum. Interest is charged at 2% and 2.95% respectively, above the Bank of England Base Rate.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

12. CREDITORS: Amounts due after one year (continued)

a) Bank loan	2020	2019
The bank loan is due for repayment as follows:	£	£
Within one to two years	496,155	491,923
Within two to five years	912,914	-
	<u>1,409,069</u>	<u>491,923</u>
Repayable within one year	645,386	444,616
	<u>£2,054,455</u>	<u>£936,539</u>

12. b) Composition fees

Parents may enter into a contract to pay the School for tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain at the School, advance fees will be applied as follows:

	2020	2019
	£	£
Within one to two years	125,955	112,754
Within two to five years	137,571	150,128
	<u>263,526</u>	<u>262,882</u>
Repayable within one year	178,447	184,092
	<u>£441,973</u>	<u>£446,974</u>
The movements during the year were as follows:		
Balance at 1 September	446,974	676,795
New contracts	257,705	75,348
Amounts accrued to contracts	30,054	30,394
	<u>734,733</u>	<u>782,537</u>
Amounts utilised in payment of fees	(292,760)	(335,563)
Balance at 31 August	<u>£441,973</u>	<u>£446,974</u>

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

13. UNRESTRICTED FUNDS	Balance 1 September 2019 £	Income £	Expenditure £	Transfers between funds £	Balance 31 August 2020 £
General funds	14,032,767	24,683,552	(24,137,357)	-	14,578,962
Non-charitable trading activities	2	632,396	(647,062)	-	(14,664)
Designated funds					
Scholarship and bursary fund	63,046	-	-	-	63,046
Development fund	-	20,278	(20,278)	-	-
	63,046	20,278	(20,278)	-	63,046
	<u>£14,095,815</u>	<u>£25,336,226</u>	<u>£(24,804,697)</u>	<u>£-</u>	<u>£14,627,344</u>

The scholarship and bursary fund consists of amounts put aside by the Governors for future scholarships and bursaries. No transfers were made to unrestricted general funds during the year in respect of scholarships or bursaries granted. The development fund consists of donations received which have been earmarked for a variety of capital projects. Non-charitable trading relates to the activities of the trading subsidiary, Sylvestrian Enterprises Limited.

Comparative movements are shown in note 21.

14. RESTRICTED FUNDS	Balance 1 September 2019 £	Income £	Expenditure £	Transfer £	Balance 31 August 2020 £
Organ Fund	73	-	-	-	73
Special Funds	29,563	-	-	-	29,563
Tyler Fund	376	-	-	-	376
Wolfson Foundation	20,922	-	-	-	20,922
Deaton Fund	220	-	-	-	220
Jago Fund	780	-	-	-	780
Colin Smith Prize	14,500	-	-	-	14,500
Scholarship and bursary fund	-	6,531	(6,531)	-	-
Founders day bursary	-	37,139	-	-	37,139
	<u>£66,434</u>	<u>43,670</u>	<u>(6,531)</u>	<u>-</u>	<u>103,573</u>

The Organ Fund was established specifically to enable a new instrument to be constructed in the Chapel and for subsequent improvements.

The Wolfson Foundation Fund provides bursaries for sixth form pupils.

The other restricted funds are for the provision of various bursaries and prizes for academic achievement.

Comparative movements are shown in note 21.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

15a. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted Funds	-	103,573	-	103,573
Unrestricted - General Funds	21,156,741	(4,462,079)	(2,115,699)	14,578,963
- Designated Fund	-	63,046	-	63,046
Non-Charitable trading	31,229	(45,893)	-	(14,664)
	<u>£21,187,970</u>	<u>£(4,341,353)</u>	<u>£(2,115,699)</u>	<u>£14,730,918</u>

15b. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted Funds	-	66,434	-	66,434
Unrestricted - General Funds	18,102,432	(2,950,984)	(1,118,681)	14,032,767
Unrestricted - Designated Fund	-	63,046	-	63,046
Non-Charitable trading	41,638	(41,636)	-	2
	<u>£18,144,070</u>	<u>£(2,863,140)</u>	<u>£(1,118,681)</u>	<u>£14,162,249</u>

16. CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted for but not included in the accounts	<u>£1,341,942</u>	<u>£-</u>

17 RELATED PARTY TRANSACTIONS

Two related party transactions took place in the year. Firstly, Mr Fuller, a School Governor, is a Shareholder and Director of Fullers (Builders) Ltd. Fullers (Builders) Ltd perform general building works for the School. These services were provided on an arm's length basis. During the year to 31 August 2020 Fullers (Builders) Ltd have provided services totalling £8,280 to the School (2019: £51,333). Secondly, Chris Jenkinson, husband of Governor Glynis Jenkinson, provided workshops on presentations, speech and drama at an arm's length basis, charging a total of £1,330 (2019: £1,380). As at 31 August 2020 there balances due to/from both of the above of £Nil (2019: £Nil)

The Governors did not receive any remuneration during the year, but two Governors were reimbursed for expenses of £253 (2019: one Governor was reimbursed £710) covering the cost of travel.

FOREST SCHOOL, ESSEX**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2020****18. SUBSIDIARY UNDERTAKING**

Sylvestrian Enterprises Limited is a wholly owned subsidiary undertaking of Forest School, Essex and is registered in England and Wales. The results of the company for the year ended 31 August 2020 were as follows:

	2020	2019
	£	£
Turnover from continuing activities	632,396	1,007,803
Direct costs	(53,716)	(105,707)
	<u>578,680</u>	<u>902,096</u>
Administrative expenses	(593,346)	(738,839)
Operating profit	(14,666)	163,257
Gift aid payable to Forest School	-	(163,257)
	<u>(14,666)</u>	<u>-</u>
Loss brought forward	-	-
Retained in the subsidiary	<u>£(14,666)</u>	<u>£-</u>

At 31 August 2020 the company had net (liabilities)/assets of £(14,664) (2019: net assets of £2).

Sylvestrian Enterprises Limited is a company limited by share capital registered in England, company number 03323866.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

19. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Designated Non charitable trading activities £	Restricted Funds £	2019 £
INCOME FROM:					
Charitable activities:					
Tuition fees	1	23,212,701	-	-	23,212,701
Other school income	2	508,334	-	-	508,334
Donations and legacies		8,808	-	1,720	10,528
Other trading activities	3	181,089	1,007,803	-	1,188,892
Investments		14,257	-	-	14,257
Total Income		23,925,189	1,007,803	1,720	24,934,712
EXPENDITURE ON:					
Raising funds		170,601	844,546	-	1,015,147
Charitable activities		23,573,846	-	1,720	23,575,566
Total Expenditure	4	23,744,447	844,546	1,720	24,590,713
Net income before transfers		180,742	163,257	-	343,999
Transfers	13	163,257	(163,257)	-	-
Net movement in funds		343,999	-	-	343,999
Fund balances brought forward at 1 September 2018		13,751,814	2	66,434	13,818,250
Fund balances carried forward at 31 August 2019		£14,095,813	£2	£66,434	£14,162,249

20. COMPARATIVE FUND MOVEMENTS

UNRESTRICTED FUNDS	Balance 1 September 2018 £	Income £	Expenditure £	Transfers between funds £	Balance 31 August 2019 £
General funds	13,688,768	23,924,211	(23,743,469)	163,257	14,032,767
Non-charitable trading activities	2	1,007,803	(844,546)	(163,257)	2
Designated funds					
Scholarship and bursary fund	63,046	-	-	-	63,046
Development fund	-	978	(978)	-	-
	63,046	978	(978)	-	63,046
	£13,751,816	£24,932,992	£(24,588,993)	£-	£14,095,815

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

20. COMPARATIVE FUND MOVEMENTS (continued)

RESTRICTED FUNDS	Balance 1 September 2018 £	Income £	Expenditure £	Transfer £	Balance 31 August 2019 £
Organ Fund	73	-	-	-	73
Special Funds	29,563	-	-	-	29,563
Tyler Fund	376	-	-	-	376
Wolfson Foundation	20,922	-	-	-	20,922
Deaton Fund	220	-	-	-	220
Jago Fund	780	-	-	-	780
Colin Smith Prize	14,500	-	-	-	14,500
Scholarship and bursary fund	-	1,720	(1,720)	-	-
	<u>£66,434</u>	<u>£1,720</u>	<u>£(1,720)</u>	<u>£-</u>	<u>£66,434</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 September 2019 £	Cash flows £	New finance leases £	Other non- cash changes £	Balance 31 August 2020 £
Cash	315,969	(226,693)	-	-	89,276
Overdraft	348,794	(205,276)	-	-	(554,069)
Total cash and cash equivalents	<u>(32,825)</u>	<u>431,969</u>	<u>-</u>	<u>-</u>	<u>(464,793)</u>
Bank loans due <1 year	(444,616)	(200,770)	-	-	(645,386)
Bank loans due >1 year	(491,923)	(917,146)	-	-	(1,409,069)
Finance lease obligations	-	23,363	(87,611)	-	(64,248)
Total	<u>£(969,364)</u>	<u>£(662,584)</u>	<u>£(87,611)</u>	<u>£-</u>	<u>£(2,583,496)</u>