

**FOREST SCHOOL, ESSEX
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021**

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) (Resigned 30 June 2021)
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

Forest School
College Place
Nr Snaresbrook
London
E17 3PY

Solicitors

Edwards Duthie Shamash
Bank House
269 – 275 Cranbrook Road
Ilford
Essex
IG1 4TG

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Allied Irish Bank (GB)
26 Finsbury Square
London
EC2A 1DS

Company Number: 00429150
Registered Charity Number: 312677

FOREST SCHOOL, ESSEX

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

This time last year the country was in the full throes of the pandemic: infections rising, further lockdowns on the horizon, and a return to remote learning not far behind. Yet there was a sense of hope as the first COVID-19 vaccine was soon to be granted regulatory approval, kickstarting the world's first mass immunisation programme in the UK. This, and the shifting landscape of changing government guidelines provided the backdrop against which senior leaders, staff and governors across the country were running their schools in the last academic year.

At Forest, the extraordinary resilience of the whole School community, which had defined its response since the first lockdown in March 2020, remained steadfast. Throughout the last year the School continued to face the challenges of the pandemic's far-reaching impact and all staff across the School community redoubled its effort to deliver the best for our pupils, whether on site or remotely, as circumstances demanded.

In January this year, government mandated that schools, like Forest, wishing to continue to support key worker and vulnerable children on site during lockdown, would need to provide testing facilities. Forest set up a hub to provide regular testing for staff and pupils coming into School, employing a trained nurse who, together with a rolling team of daily volunteers recruited from the on-site non-teaching staff, carried out hundreds of tests each week. Following the PM's announcement in February of a planned return for schools in March, but staggered to facilitate the required pre-return testing, ambitiously Forest chose to offer a pre-return mass testing event for all senior school pupils, over the preceding weekend, allowing them to return together on the same day, and so emulating as closely as possible a typical day back at Forest. More than 1200 pupils were tested over the weekend prior to the return on Monday 8th March, again conducted by School staff, coming together in as active an example of the Forest spirit as one could imagine.

Within this context, on-going financial and operational planning and decision-making remained key. As Governors, we were even more keenly aware of our responsibility to secure the on-going financial stability of the School and to ensure our resilience against future challenges. The School's leadership team was equally focused on ensuring the School had a carefully planned and rigorous on-site COVID safety plan.

We are all keenly aware of the detrimental effect this appalling time has had, and continues to have, on young people: loss of learning and engagement; disruption to public examinations; key milestones of school life missed. I pay tribute to both the professionalism and the determination of all Forest staff in doing the very best for our pupils and whose hard work helped to ease these challenges. I acknowledge too the huge amount of extra work, taken on by teaching staff, to ensure that the Teacher Assessed Grades for GCSE and A Levels, conducted with both fairness and rigour, ensured a very high percentage of our pupils achieved their first-choice university.

I believe the Financial Statement in this document demonstrates yet again that the School has managed its finances pragmatically during a further challenging year: investing in a gold standard approach to COVID safety and testing, while also continuing its mission continually to improve teaching and operational resources – this year through a significant upgrade of IT equipment. Without compromise to safety or high-quality facilities to support the pupil experience, we continued to implement cost controls where possible and achieved a modest surplus.

Our £6.5m development of the Prep School completed during the past year, and has allowed us to expand our intake, upgrade the provision and provide our pupils with a state-of-the-art building of which we are immensely proud.

A significant decision for Governors this year was the proposal to move Forest to a fully co-educational teaching and learning model from September 2022. Convinced by the strong pedagogical case on which the leadership team based its well researched argument for this next major shift in the School's development, we agreed this was a sound and ambitious move that will strengthen the future of Forest in the modern world.

Access and outreach are at the heart of Forest's ethos and our commitment to growing our Assisted Places scheme remains firm, with four fully funded places awarded in 2020-21, resourced through our surplus, and with a planned programme to increase this to nine places offered each year from 2021-22. We continue to work with the Royal National Children's SpringBoard Foundation, a social mobility charity which widens access to life-changing opportunities at leading UK schools. We are helping to develop the process for placing looked after children in independent schools on free places and supporting its rollout to other day schools locally.

Our Outreach and Partnerships programme adapted to the new circumstances with the development of online events and resources, shared with local schools and vulnerable children virtually. Our Community Action programme engaged every Forest Y7 pupil in a day of community work and the School's support for the Redbridge Foodbank collected over two tonnes of food to support more than 200 families in crisis.

FOREST SCHOOL, ESSEX

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

The past year has tested Forest's 'heart of oak' and I am proud to say it has not been found wanting: the leadership team and staff across the entire School have performed exceptionally well, delivering both financial stability and confidence, and a high-quality educational experience for all our pupils in the most challenging of circumstances. Together with my fellow Governors I thank them, and all our Forest families, for their resilience, fortitude, and trust in the spirit of Forest.



D. Wilson
Chair

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Governors are pleased to submit their Report on the School's activities together with the Financial Statements for the year ended 31 August 2021, 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.

D Wilson, W Kennedy, Dr H Hadi retire by rotation at the Annual General Meeting on 9 December 2021 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 373 staff, of whom 213 are teaching staff.

The Board of Governors consists of ten 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 2021

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 2021

ACHIEVEMENTS AND PERFORMANCE

Academic results for the year

The number of pupils during the year averaged 1,461 (2020: 1,445). A total of 280 pupils benefited through financial support from Scholarships and Bursaries. In June 2021, 136 pupils were assessed for GCE Advanced Level; the pass rate at grades A*-B was 84%, with A*-A at 60%. 156 were entered for GCSE examinations: 85% achieved grades 9-7, with 85% A*-A at HPQ.

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 two taking up courses at Oxford University.

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.

Partnership support

- The School continued to support the London Academy of Excellence (LAE) as far as COVID restrictions permitted. This included sharing Forest's Lookout Lecture programme online and the running of joint competitions and other activities via our Co-Curricular department. This included an inter-school cross-curricular triathlon and an inter-school photography competition to support Action for Children. The Warden continues to act as a Governor for the Academy.
- Forest maintained its support of the Hackney Empire's outreach programmes, with a focus on fundraising, to ensure their continued viability in the face of the pandemic's economic impact. This included a sponsored half-marathon walk around London's Theatreland to highlight the threat to all theatres and which, together with other on-site events, raised nearly £8000.

Support to other schools

Forest provided support to a number of schools, the delivery of which took on a different flavour during continued restrictions throughout the reporting year. However, the following provides examples of the work we were able to undertake:

- The Forest Micro-Bit Resource Boxes, class sets of Microbits and Raspberry Pis to support the learning of coding in primary schools, continued to be loaned to local primary schools, including Henry Maynard Primary, Chingford CofE Primary and Our Lady of Lourdes RC Primary schools
- Remote GCSE Additional Maths support continued with Frederick Bremer and Walthamstow School for Girls
- Look Out Lectures and Author Talks continued to be recorded and shared with our Sixth Form and secondary school partners respectively, while Oxbridge interview and mock medical interview preparation support was given to Heathcote High School and Trinity RC High Schools respectively.
- Other outreach support included:
 - Remote Forest Futures Apprenticeships – expert speakers promoting the importance of the national apprenticeships programme
 - Remote Higher Education and Careers Fair
 - Remote Science Week in partnership with University College School
 - National design competition in partnership with University College School

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

- Live remote dance classes for Chingford CofE Primary, John Bramston Primary and Henry Maynard Primary schools

Charitable support and Community partnerships

- Forest continued to run Foodbank Fridays, the weekly collection of food for Redbridge Foodbank, collecting over two tonnes of food to support more than 200 families in crisis
- Pupils continued to make masks in activities lessons to support the work of the Waltham Forest Mask Makers Collective to support the supply of masks to homeless people and children living in poverty
- As part of Forest's Art Action programme pupils created personalised art packs for the Forest Dene care home as well as hand-sewn teddy bears for children at the Haven House hospice
- As part of its Community Action programme, pupils focused on a Christmas present collection project in conjunction with KidsOut, a charity supporting children escaping domestic violence and being forced to flee their homes quickly thus leaving behind all possessions
- Charity fundraising among pupils included support for a variety of charities, including:
 - CALM
 - Royal British Legion
 - Founders' Day Bursary
 - Hackney Empire

Bursaries

- Forest continued to make schools, local authorities and other children's services aware of its Founders' Day Bursary, designed specifically for children in care or with experience of the care system
- Forest continues to work with Royal National Children's SpringBoard Foundation, a social mobility charity, to develop the process of placing looked after children in independent schools on fully supported places and supporting its rollout to other local day schools

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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. Towards its ambition to achieve even greater reach the School continues to scale back its non-means-tested scholarships (where money is awarded on academic or other merit), and develop its 'Assisted Places' programme of 100% means-tested bursaries. The first four of these were awarded in this reporting 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.

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 typically 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 was largely forestalled in the reporting year although ambitious plans were developed for introducing in the future.

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

Prior to the pandemic Forest School worked across a number of fronts involving cultural activity: art, drama and music. These were manifested through a range of activities including hosting local schools and local arts groups on site and participating in seasonal events with other local organisations. Due to the pandemic we were unable to host any events in the reporting year.

The Warden continues to be a member of the Hackney Empire Development Group and the Creative Futures Programme, which Forest's financial support helps to sustain.

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

Forest takes seriously its obligation to promote intellectual and scholarly activities, and therefore is positive in approaches from relevant educational organisations. We retain good links with three maintained secondary schools, undertaking joint projects involving combined 6th Forms. Forest continues to be one of 16 training centres in the country for NQTs working in independent schools. Pre-pandemic Forest organised and hosted a full day's training for recently qualified teachers but in the last reporting year this took place online.

Similarly, the School would attend regular events set up by maintained schools to promote the 16+ Scholarships and bursaries in particular, but in the last reporting year these were hugely curtailed owing to the pandemic.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Owing to the pandemic Forest's annual Careers and Higher Education Fair on site was unable to take place. Nonetheless the School delivered a virtual fair, with 16 exhibitors which included 14 universities, LIPA (Liverpool Institute for Performing Arts) and gap year providers, ensuring a range of options. All sessions were recorded and made available to local schools as part of our outreach programme.

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, some details of which are mentioned above. 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.

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 raises funds from Old Foresters, parents, staff and those with a personal connection to the school only 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 2021

FINANCIAL REVIEW

Income of the consolidated entity for year to 31 August 2021 were £25,850,617 (2020: £25,379,897). This included donations of £3,779 (2020: £66,060) of which £2,709 was specifically for bursaries and £81 for the Founders Day Bursary. After allowing for depreciation of £1,351,579 the Group made a surplus of £428,293 for the year, of which £258,119 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 £2,230,612 on fixed asset additions.

The most significant addition in the year was the completion of extension of the Preparatory School. Costs incurred during the year totalled £1,380,429, resulting in total expenditure on the development of £6.5m. It now provides state-of-the-art facilities for Prep School pupils and has enabled the School to expand its intake.

Reserves policy

At 31 August 2021, the Group had reserves of £15,159,211 of which £83,900 were restricted funds and £63,046 was designated as a scholarship fund. Unrestricted general funds totalled £15,056,528. There was a resulting deficit on free reserves, defined as unrestricted general funds excluding fixed assets net of bank loans, of £2,710,476.

A key feature of the policy is to ensure compliance with the bank's covenants applicable to the outstanding loan. One of the financial covenants requires that the School maintains an EBITDA to Debt Service of at least 1.50 to 1. With an EBITDA to Debt Service of 4.71 to 1, the bank's covenant has been comfortably met.

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

FUTURE PROSPECTS

To continue the implementation of co-educational teaching effective from September 2022.

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 pandemic continued to pose a significant strategic risk during this financial period. Although schools returned in September 2020, they closed again in January 2021 until 8 March 2021 meaning the return to remote teaching and learning, again delivering the syllabus and a wide range of supporting activities, including pastoral and wellbeing support. Forest has continued to manage the risk once on-site teaching returned, investing in and managing Covid-secure measures across the School estate, a regime of regular testing and closely managed adherence COVID-19 related Government guidance for schools and regular communication with parents and other stakeholders.

The Governors considered this and other major risks to which the School is currently exposed including:

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.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

	2021	2020	
UK energy use kWh	4,664,400	4,309,719	School and Leisure Centre Gas, oil, electricity and fuel
Associated greenhouse gas emissions Tonnes CO2 equivalent	1,107 tonnes	1,052 tonnes	
Intensity ratio Emissions per pupil: 1,461 pupils	0.76 tonnes per pupil	0.73 tonnes per pupil	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.

FOREST SCHOOL, ESSEX

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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 closures which took effect in January 2021 until March 2021, And the measures being taken to ensure pupils continued to be taught and supported in these ongoing disrupted circumstances.

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 9 December 2021 and signed on its behalf by:



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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 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows 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 of the parent charitable company's affairs as at 31 August 2021 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.

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 group's and parent charitable company'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.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report of the Governors. 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 Annual Report of the Governors (which includes the strategic report and the directors' report prepared for the purposes of company law) 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 within the Annual Report of the Governors have 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 Annual Report of the Governors (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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FOREST SCHOOL, ESSEX

Responsibilities of Governors' for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 10, 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.

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 group, the parent charitable company and the environment in which it operate, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and Charity Commission's general guidance and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and consider other factors such as payroll taxes and VAT.

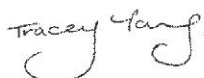
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the valuation of investment property. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Inspecting the outcomes of any regulatory inspections;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with significant values; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

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.

Use of our 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 Auditor
Date: 16 December 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 2021

	Notes	Unrestricted Funds £	Designated Non charitable trading activities £	Restricted Funds £	2021 £	2020 £
INCOME FROM:						
Charitable activities:						
Tuition fees	1	24,368,442	-	-	24,368,442	23,659,789
Other school income	2	590,236	-	-	590,236	566,601
Donations and legacies		196,982	-	2,790	199,772	355,531
Other trading activities	3	153,871	536,759	-	690,630	787,681
Investments		1,537	-	-	1,537	10,295
Total Income		<u>25,311,068</u>	<u>536,759</u>	<u>2,790</u>	<u>25,850,617</u>	<u>25,379,897</u>
EXPENDITURE ON:						
Raising funds		175,241	566,358	-	741,599	808,244
Charitable activities		24,658,262	-	22,463	24,680,725	24,002,984
Total Expenditure	4	<u>24,833,503</u>	<u>566,358</u>	<u>22,463</u>	<u>25,422,324</u>	<u>24,811,228</u>
Net income before transfers		<u>477,565</u>	<u>(29,599)</u>	<u>(19,673)</u>	<u>428,293</u>	<u>568,669</u>
Transfers	13	-	-	-	-	-
Net movement in funds		<u>477,565</u>	<u>(29,599)</u>	<u>(19,673)</u>	<u>428,293</u>	<u>568,669</u>
Fund balances brought forward at 1 September 2020		<u>14,642,009</u>	<u>(14,664)</u>	<u>103,573</u>	<u>14,730,918</u>	<u>14,162,249</u>
Fund balances carried forward at 31 August 2021		<u>15,119,574</u>	<u>(44,263)</u>	<u>83,900</u>	<u>15,159,211</u>	<u>£14,730,918</u>

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 18 to 32 form part of these financial statements.

Comparative figures for 2020 are shown in note 19+20.

BALANCE SHEETS

AS AT 31 AUGUST 2021

		Group		Charity	
	Notes	2021 £	2020 £	2021 £	2020 £
FIXED ASSETS					
Tangible fixed assets	8	22,067,003	21,187,970	22,043,581	21,156,741
Investments	9	-	-	2	2
		<u>22,067,003</u>	<u>21,187,970</u>	<u>22,043,583</u>	<u>21,156,743</u>
CURRENT ASSETS					
Stock		24,912	21,849	19,734	17,044
Debtors	10	291,040	463,032	337,483	538,406
Cash at bank and in hand		1,424,311	89,276	1,209,202	13,813
		<u>1,740,263</u>	<u>574,157</u>	<u>1,566,419</u>	<u>569,263</u>
CREDITORS: Amounts falling due within one year	11	<u>(3,409,876)</u>	<u>(4,915,510)</u>	<u>(3,168,350)</u>	<u>(4,864,723)</u>
Net current liabilities		<u>(1,669,613)</u>	<u>(4,341,353)</u>	<u>(1,601,931)</u>	<u>(4,295,460)</u>
Total assets less current liabilities		<u>20,397,390</u>	<u>16,846,617</u>	<u>20,441,652</u>	<u>16,861,283</u>
CREDITORS: Amounts falling due after more than one year	12	<u>(5,238,179)</u>	<u>(2,115,699)</u>	<u>(5,238,179)</u>	<u>(2,115,699)</u>
NET ASSETS		<u>15,159,211</u>	<u>£14,730,918</u>	<u>15,203,473</u>	<u>£14,745,584</u>
FUNDS					
Unrestricted					
- General	13	15,056,528	14,578,963	15,056,526	14,578,963
- Designated	13	63,046	63,046	63,046	63,046
Non-charitable trading activities	18	(44,263)	(14,664)	2	2
Restricted	14	83,900	103,573	83,899	103,573
		<u>15,159,211</u>	<u>£14,730,918</u>	<u>£15,203,473</u>	<u>£14,745,584</u>

The financial statements were approved and authorised for issue by the Board of Governors on 9 December 2021 and were signed below on its behalf by:



.....
D. Wilson
Chairman

The notes on pages 18 to 32 form part of these financial statements.

FOREST SCHOOL, ESSEX

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Net cash provided by operations	A		1,060,763		2,627,988
Cash flows from investing activities:					
Interest receivable		1,537		10,293	
Interest payable		(97,876)		(69,587)	
Purchase of fixed assets		(2,123,857)		(4,182,825)	
Net cash (used in) investing activities			(2,220,196)		(4,242,119)
Cash flows from financing activities:					
Bank loan repayment		(2,054,455)		(621,924)	
New bank loans		4,300,000		1,739,839	
Finance lease repayments		(29,669)		(23,363)	
New finance leases		832,661		87,611	
Net cash provided by/(used in) financing activities			3,048,537		1,182,163
Change in cash and cash equivalents in the reporting period			1,889,104		(431,968)
Net cash and cash equivalents at beginning of period			£(464,793)		(32,825)
Net cash and cash equivalents at end of period	B		1,424,311		£(464,793)
A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH PROVIDED BY OPERATIONS				2021	2020
				£	£
Net movement in funds				437,293	568,668
Depreciation				1,351,579	1,138,925
Interest receivable				(1,537)	(10,293)
Interest payable				97,876	69,587
Decrease/(increase) in stocks				(3,059)	(1,071)
Decrease/(increase) in debtors				171,992	(159,999)
Increase in creditors				(993,381)	1,022,171
Net cash provided by operations				1,060,763	£2,627,988
B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS					
		At			At
		1 September	Cashflows	Other	31 August
		2020	£	Changes	2021
		£		£	£
Cash and cash equivalents		89,275	1,335,035		1,424,311
Bank overdraft		(554,069)	554,069	-	-
		£(464,793)	1,889,104	-	1,424,311

FOREST SCHOOL, ESSEX

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 £25,313,858 (2020: £24,747,500) with a surplus of £457,892 (2020: £568,668).

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 2021

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.

FOREST SCHOOL, ESSEX

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

1. TUITION FEES			2021	2020
			£	£
Fees receivable			27,250,865	27,270,232
Less: bursaries, scholarships and allowances			(2,885,132)	(3,616,974)
Add: bursaries and scholarships funded by restricted funds			2,709	6,531
			<u>24,368,442</u>	<u>£23,659,789</u>
2. OTHER SCHOOL INCOME			2021	2020
			£	£
Registration fees			143,140	112,955
Deposits retained			186,500	131,575
School bus			260,596	322,071
			<u>590,236</u>	<u>£566,601</u>
3. OTHER TRADING ACTIVITIES			2021	2020
			£	£
Lettings – school			141,890	125,271
Trading activities – Sylvestrian Enterprises Limited			536,759	632,396
Sundry income			11,981	30,014
			<u>690,630</u>	<u>£787,681</u>
4. ANALYSIS OF TOTAL EXPENDITURE	2021	2021	2021	2021
	Staff Costs	Other Costs	Depreciation	Total
	£	£	£	£
<i>Raising funds</i>				
Publicity costs	-	77,365	-	77,365
Trading subsidiary	-	548,035	7,807	555,842
Finance costs	-	97,876	-	97,876
	<u>-</u>	<u>723,276</u>	<u>7,807</u>	<u>731,083</u>
<i>Charitable activities</i>				
Teaching	11,385,751	1,584,440	503,268	13,473,459
Welfare	83,022	1,625,177	-	1,708,199
Premises	414,775	3,009,352	840,504	4,264,631
Support costs	4,084,162	1,150,274	-	5,234,436
Grants				
	<u>15,967,710</u>	<u>7,369,243</u>	<u>1,343,772</u>	<u>24,680,725</u>
	<u>15,967,710</u>	<u>8,092,519</u>	<u>1,351,579</u>	<u>25,411,808</u>

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

4. ANALYSIS OF TOTAL EXPENDITURE (continued)

2020 COMPARATIVES	2020 Staff Costs £	2020 Other Costs £	2020 Depreciation £	2020 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
	-	797,834	10,410	808,244
<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
	15,957,672	6,916,797	1,128,515	24,002,984
	<u>£15,957,672</u>	<u>£7,714,631</u>	<u>£1,138,925</u>	<u>£24,811,228</u>

FINANCE COSTS

	2021 £	2020 £
Bank and loan interest	81,726	23,675
Bank charges	16,150	45,912
	<u>97,876</u>	<u>£69,587</u>

ANALYSIS OF SUPPORT COSTS

	2021 £	2020 £
Staff costs	4,084,162	3,912,789
Administrative & IT costs	1,401,269	1,189,763
Governance (audit & legal fees)	187,789	223,985
	<u>5,673,220</u>	<u>£5,326,537</u>

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

5. STAFF COSTS

	2021	2020
	£	£
The staff costs are analysed as follows:		
Salaries	12,211,278	12,220,333
Social security	1,357,006	1,316,204
Pension costs	2,339,410	2,322,931
Redundancy and termination payments	60,016	98,204
	<u>15,967,710</u>	<u>£15,957,672</u>

	2021	2020
	No.	No.
The number of employees whose emoluments exceeded £60,000 during the year was as follows:		
£60,001 - £70,000	17	18
£70,001 - £80,000	5	6
£80,001 - £90,000	3	3
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	<u>1</u>	<u>1</u>

Average staff numbers were:		
Teaching	213	216
Non teaching	160	165
	<u>373</u>	<u>381</u>

Average staff numbers expressed as full time equivalents were:		
Teaching	136	137
Non teaching	97	94
	<u>233</u>	<u>231</u>

The total remuneration paid to key management personnel in the year was £1,109,695 (2020: £1,113,140).

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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 £1,928,376 (2020: £1,915,886) and at the year-end £227,529 (2020: £227,216) 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 cost cap mechanism review is 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 £379,768 (2020: £376,371) and at the year-end £54,510 (2020: £52,321) was accrued in respect of contributions to this scheme.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

6. NET MOVEMENT IN FUNDS

	2021	2020
	£	£
The net movement of funds is stated after charging/(crediting) (before VAT):		
Auditors remuneration – audit fee (group)	29,700	28,850
– other services	3,948	1,750
Rent receivable	<u>(141,890)</u>	<u>(125,271)</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 2020	10,000	35,543,953	1,856,460	4,575,895	41,986,308
Additions	-	1,380,429	850,183	-	2,230,612
Disposals	-	-	-	-	-
As at 31 August 2021	<u>10,000</u>	<u>36,924,382</u>	<u>2,706,643</u>	<u>4,575,895</u>	<u>44,216,920</u>
DEPRECIATION					
As at 1 September 2020	-	15,210,787	1,552,419	4,035,132	20,798,338
Charge for year	-	837,546	399,118	114,915	1,351,579
Disposals	-	-	-	-	-
As at 31 August 2021	<u>-</u>	<u>16,048,333</u>	<u>1,951,537</u>	<u>4,150,047</u>	<u>22,149,917</u>
NET BOOK VALUES					
As at 31 August 2021	<u>10,000</u>	<u>20,876,049</u>	<u>755,106</u>	<u>425,848</u>	<u>22,067,003</u>
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>

Included in fixtures and equipment are assets with cost brought forward of £159,210, depreciation brought forward of £127,981, additions totalling £nil, a depreciation charge of £7,807 and a net book value of £23,422 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 £832,661 (2020: £87,611). The depreciation charge in the year for these assets totalled £234,449 (2020: £nil).

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 2021

10. DEBTORS	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Fees	12,652	154,617	12,652	154,617
Amounts due from subsidiary undertaking	-	-	104,168	97,599
Prepayments	214,827	175,763	192,642	165,658
Other debtors	63,561	132,652	28,021	120,532
	<u>291,040</u>	<u>£463,032</u>	<u>337,483</u>	<u>£538,406</u>

11. CREDITORS: Amounts due within one year	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bank loan (see note 12)	496,154	645,386	496,154	645,386
Bank overdraft	-	554,069	-	554,069
Fee deposits	53,500	80,675	53,500	80,675
Fees received in advance	494,016	307,995	494,016	307,995
Composition fees (see note 12)	204,312	178,447	204,312	178,447
Trade creditors	274,009	791,358	269,431	784,867
Finance leases	220,390	34,944	220,390	34,944
Other taxes and social security	335,872	355,241	335,872	355,241
Accruals	703,778	635,629	618,426	635,629
Other creditors	627,845	1,331,766	476,249	1,287,470
	<u>3,409,876</u>	<u>£4,915,510</u>	<u>3,168,350</u>	<u>£4,864,723</u>

12. CREDITORS: Amounts due after one year	2021	2020
	£	£
Group and charity		
Finance leases	879,387	64,248
Less included in current liabilities	(220,390)	(34,944)
	<u>658,997</u>	<u>29,304</u>
Composition fees	287,737	263,526
Fee deposits	487,600	413,800
Bank loans	3,803,845	1,409,069
	<u>5,238,179</u>	<u>£2,115,699</u>

A bank facility for £4.3 million was taken out in 2020 with Barclays Bank Plc. This is repayable over 10 years at £496,154 per annum. Interest is charged at 2% above the Bank of England Base Rate. This loan is secured on the School's property.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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

a) Bank loan	2021	2020
The bank loan is due for repayment as follows:	£	£
Within one to two years	496,154	496,155
Within two to five years	3,307,692	912,914
	<u>3,803,846</u>	<u>1,409,069</u>
Repayable within one year	496,154	645,386
	<u>4,300,000</u>	<u>£2,054,455</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:

	2021	2020
	£	£
Within one to two years	156,641	125,955
Within two to five years	131,096	137,571
	<u>287,737</u>	<u>263,526</u>
Repayable within one year	204,312	178,447
	<u>492,049</u>	<u>£441,973</u>
The movements during the year were as follows:		
Balance at 1 September	441,973	446,974
New contracts	233,686	257,705
Amounts accrued to contracts	33,459	30,054
	<u>709,118</u>	<u>734,733</u>
Amounts utilised in payment of fees	(217,069)	(292,760)
Balance at 31 August	<u>492,049</u>	<u>£441,973</u>

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

13. UNRESTRICTED FUNDS	Balance 1 September 2020 £	Income £	Expenditure £	Transfers between funds £	Balance 31 August 2021 £
General funds	14,578,963	25,311,068	(24,833,503)	-	15,056,528
Non-charitable trading activities	(14,664)	536,759	(566,358)	-	(44,263)
Designated funds					
Scholarship and bursary fund	63,046	-	-	-	63,046
Development fund	-	-	-	-	-
	<u>63,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,046</u>
	<u>£14,627,345</u>	<u>25,847,827</u>	<u>(25,399,861)</u>	<u>-</u>	<u>15,075,311</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 2020 £	Income £	Expenditure £	Transfer £	Balance 31 August 2021 £
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	-	2,709	(2,709)	-	-
Founders day bursary	37,139	81	(19,754)	-	17,466
	<u>103,573</u>	<u>2,790</u>	<u>(22,463)</u>	<u>-</u>	<u>83,900</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 20.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

15a. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted Funds	-	83,900	-	83,900
Unrestricted - General Funds	22,043,581	(1,748,874)	(5,238,179)	15,056,528
- Designated Fund	-	63,046	-	63,046
Non-Charitable trading	23,422	(67,685)	-	(44,263)
	<u>£22,067,003</u>	<u>£(1,669,613)</u>	<u>£(5,238,179)</u>	<u>15,159,211</u>

15b. COMPARATIVE 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
Unrestricted - 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>

16. CAPITAL COMMITMENTS	2021 £	2020 £
Contracted for but not included in the accounts	-	£1,341,942

17 RELATED PARTY TRANSACTIONS

One related party transaction took place in the year. 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 2021 Fullers (Builders) Ltd have provided services totalling £1,725 to the School (2020: £8,280). As at 31 August 2021, balance due to/from the above of £Nil (2020: £Nil)

The Governors did not receive any remuneration during the year, but one Governor was reimbursed for expenses of £165 (2020: two Governors were reimbursed £253) covering the cost of travel and subscription fee to Microsoft.

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 were as follows:

	2021	2020
	£	£
Turnover from continuing activities	536,759	632,396
Direct costs	(25,809)	(53,716)
	<u>510,950</u>	<u>578,680</u>
Administrative expenses	(540,549)	(593,346)
Operating profit	(29,599)	(14,666)
Gift aid payable to Forest School		-
	<u>(29,599)</u>	<u>(14,666)</u>
Loss brought forward	(14,666)	-
Retained in the subsidiary	<u>£(44,265)</u>	<u>£(14,666)</u>

At 31 August 2021 the company had net liabilities of £44,263, (2020: net liabilities £14,664).

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 2021

19. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

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

20. COMPARATIVE FUND MOVEMENTS

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
	£14,095,815	£25,336,226	£(24,804,697)	£-	£14,627,344

FOREST SCHOOL, ESSEX

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

20. COMPARATIVE FUND MOVEMENTS (continued)

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>

21. ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 September 2020 £	Cash flows £	New finance leases £	Other non- cash changes £	Balance 31 August 2021 £
Cash	89,276	1,335,035	-	-	1,424,311
Overdraft	(554,069)	554,069	-	-	-
Total cash and cash equivalents	(464,793)	1,889,104	-	-	1,424,311
Bank loans due <1 year	(645,386)	149,232	-	-	(496,154)
Bank loans due >1 year	(1,409,069)	(2,394,777)	-	-	(3,803,846)
Finance lease obligations	(64,248)	35,044	(850,183)	-	(879,387)
Total	<u>£(2,583,496)</u>	<u>£(321,397)</u>	<u>£(850,183)</u>	<u>-</u>	<u>£(3,755,076)</u>