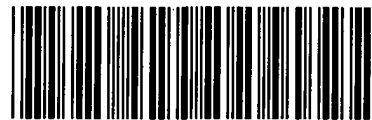

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Governors

L Keen, Chair
D Clamp
S Cooper (resigned 24 June 2014)
A Cox
A Garland (appointed 27 September 2013)
D Gibbons, Vice Chair
A Gray, Head Teacher
K Hay
S Hebb
A Irwin
W Leaming (resigned 23 September 2013)
N Leinster (resigned 20 November 2013)
C Page
M Petersen
M Snelling
A Sykes
P Thei
K Thomas (resigned 24 June 2014)
J Wright
G Comminos (appointed 26 November 2013)
D Leigh (appointed 2 October 2014)

Company registered number

07523557

Principal and registered office

The Ridgeway, St Albans, Hertfordshire, AL4 9NX

Company secretary

J Shaw

Senior management team

Alan Gray, Headteacher
Scott Baker, Deputy headteacher
Richard Found, Deputy headteacher
Julia Shaw, Business Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditor

Hillier Hopkins LLP, Radius House, 51 Clarendon Road, Watford, Hertfordshire, WD17 1HP

Bankers

Lloyds TSB Bank Plc, 1 Bancroft, Hitchin, Hertfordshire, SG5 1JG

Solicitors

Browne Jacobson LLP, 6th floor, 77 Gracechurch Street, London, EC3V 0AS

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Sandringham School Academy Trust (the School) for the ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The School is a company limited by guarantee and an exempt charity. The School's Memorandum and Articles of Association are the primary governing documents of the School.

The Governors act as the trustees for the charitable activities of School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sandringham School Academy Trust.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Information on page 1.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the School is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Governors are appointed as follows:

Parent Governors: Through open election for all eligible parents or guardians of students who attend Sandringham School.

Staff Governors: Through open election for all eligible members of staff working at Sandringham School.

Community Governors: Through nomination by the board of Governors of Sandringham School. We would seek to appoint Governors with relevant background or experience to complement the existing Governor qualifications.

SANDRINGHAM SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

We expect all Governors to undertake training as appropriate to their work at the School. New Governors will be provided with an induction programme delivered partly in-house and partly through external sources as required. A log is kept of all Governor training and reviewed on a regular basis at Governor meeting.

e. ORGANISATIONAL STRUCTURE

The Governors, who are also the charity trustees, are responsible for the overall management and control of the School and meet four times a year.

The work of reviewing and monitoring most of their policies is delegated to the members of the Curriculum, Achievement and Welfare Committee, the Human Resources Committee, the Audit Committee, the Resources Committee and the Admissions Committee. These meet at least once each term and work under the chairmanship of a Governor appointed at the first Full Governors General Meeting each calendar year. Terms of reference of these committees are agreed annually at this meeting. The secretary to the Governors is responsible for co-ordinating the work of the Governors and their Committees, preparation of agendas and papers and review of matters arising. The Business Manager is responsible for preparation of accounts.

All Governors give of their time freely and no remuneration and no expenses were paid in the year.

The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Headteacher oversees the recruitment of all educational staff, whilst under delegated authority the school manager oversees the recruitment of administrative and non-teaching support staff. The Headteacher is an ex-officio Governor, Principal Accounting Officer and attends all meetings. The Business Manager is invited to attend Governors' meetings as appropriate.

Governors

The Governors are directors of the charitable company for the purposes of company law. The following Governors were in office as at 31 August 2014. The Governors were in office throughout the period except where shown.

<u>Governor</u>	<u>Appointed/Resigned</u>
Lin Keen (Chair) ¹	
Andy Sykes (Vice-Chair) ^{2*}	
David Clamp ²	
Stephanie Cooper ¹	Resigned 24 June 2014
Duncan Gibbons ^{2*}	
Alan Gray	
Karen Hay ³	
Ann Irwin ²	
Greg Comminos ^{1*}	Appointed 26 November 2013
Warren Leaming ²	Resigned on 23 September 2013
Norman Leinster ¹	Resigned on 20 November 2013
Christine Page ^{3*}	

SANDRINGHAM SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Penelope Thei ¹	
Keith Thomas ²	Resigned 25 June 2014
Jim Wright ¹	
Anna Cox ¹	
Mark Snelling ²	
Sarah Hebb ³	
Martin Petersen ^{1*}	
Anne Garland ²	Appointed 27 September 2013
Darren Leigh ²	Appointed 02 October 2014

¹ Community Governor

² Parent Governor

³ Staff Governor

* Member of Resources Committee

Subsequent to 31 August 2014, Darren Leigh was appointed on 2 October 2014.

f. RISK MANAGEMENT

The Governors are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Senior Leadership team of the School. Risks are identified, assessed and controls established throughout the period. A formal review of the School's risk management processes will be undertaken on an annual basis. Risk is managed under the headings of financial sustainability, school safety, student welfare, employment, school trips and events and community access.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The headteacher is a member of a number of professional organisations which enable him to keep abreast of current educational matters and network with other outstanding schools to share expertise, knowledge and experience.

As part of its work, the School has a formal partnership with Beaumont and Verulam Schools to provide high quality post-16 education to our joint sixth forms. It also works in a federation (The Alban Federation) with ten local schools (Beaumont, Verulam, Sir John Lawes, Roundwood Park, Batchwood, Samuel Ryder, STAGS, St Georges, Skyswood and Marlborough) to provide Schools Direct Teacher Training, funded by the National College for Teaching and Leadership. In both cases, Governors review working policies in partnership with these partner schools. The Alban Teaching School Alliance (ATSA) was set up in April 2012 by Sandringham School and Sir John Lawes after both schools obtained National Teaching School Status. It aims to support all those schools and individuals who wish to share and develop their expertise in a collaborative way to raise standards for young people.

SANDRINGHAM SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

a. OBJECTS AND AIMS

Sandringham School Academy Trust's objects are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- to promote for the benefit of the inhabitants of Hertfordshire and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The purpose of the School is to be a learning community where young people and adults share the search for knowledge, truth and pursuit of excellence. Our vision is to deliver World Class learning to all students.

Our belief, as communicated to the pupils, is that 'Everybody can be Somebody' because we:

- know unrecognised talent lies latent in all of us
- believe in you not only as you are but also what you might become
- want you to be able to achieve even more than you hoped to achieve
- know that personal motivation is a critical factor in achieving success
- should all be able to experience the excitement of learning and euphoria of success

Our values are to:

Have respect for:

- learning and achievement
- each other: valuing different views, beliefs and cultures
- our community: supporting activities and presenting a positive image of the School
- the environment: keeping it clean and tidy and fit for learning
- the School rules and regulations

Take responsibility for :

- making significant progress and being a successful learner
- setting high standards of behaviour, conduct, appearance and attitude
- being independent learners and leaders, taking initiative and supporting others
- meeting the challenges of the future and being confident in all that you do
- making a positive contribution to society

Develop relationships which:

- are strong between each other in and out of School
- allow you to lead safe and healthy lives and look after the well being of each other
- help you think creatively and rationally and be enthusiastic about learning
- help you know and value other people

SANDRINGHAM SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Our objectives for the period included consolidation of assets, instigation of sports hall capital development, use of new technologies and staff development. Governors and senior staff worked throughout the period to ensure we moved forward on the above activities.

c. PUBLIC BENEFIT

Sandringham School Academy Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims.

The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

Achievements and performance

a. GOING CONCERN

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

b. REVIEW OF ACTIVITIES

Our academic results again showed further improvements with some of our public examination results being the best achieved by the School to date. At GCSE, 88% of students achieved 5 A*-C grades including English and Mathematics with 90% achieving 5 A* - C overall. A total of 40% of all grades achieved were A* and A and many students achieved 5 or more A* grades.

At A-level, 61% of all grades were A*, A or B and students achieved an average of 226 points per subject. These results ensured that almost all leavers took up higher education places in 2014 for their preferred courses.

Other key achievements and activities in the 2013/14 academic year have included:-

- Receiving excellent reports from our School Improvement Partner (SIP) for submission to the DfE;
- Students at the School undertook a wide range of extra-curricular activities from arts through to sports with considerable success;
- Excellent attendance records for our students of 97%
- Gaining approval from the DfE to expand the school PAN to enable it to accept an additional 30 students per year from September 2015;
- Gaining planning permission for the school's phase 1 (a new 2-storey teaching block) and phase 2 (a new 2-storey dining/conference facility) expansions and beginning the build of these facilities for completion by July 2015;
- Replacement of window walling in 3 key areas of the school
- Continued increased use of technology to support learning in the classroom with the aim to develop 21st Century World Class learners, through embedding the School's virtual learning environment (VLE) and the wider use of ipads/tablets and netbooks. This was further enabled via the roll out of a Bring Your Own

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- Device Scheme (BYOD) to Year 8;
- Continued staff development through regular teacher toolkit sessions and the middle and established leader training programme; and
- Successful first full year for the Alban Teaching School Alliance including the provision of school to school support, set up of CPD programmes whilst working in collaboration with Herts For Learning, developing the research and development function through Herts Cam and the appointment and training of Specialist Leaders of Education (SLEs) and Alban Leaders of Education (ALEs).

c. INVESTMENT POLICY AND PERFORMANCE

The School's Investment Strategy is:

1. Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the accounts have adequate balances to meet forthcoming commitments. In practice a working balance of between £100,000 and £300,000 is likely to be maintained.
2. Identify funds surplus to immediate cash requirements and transfer to the School's deposit account bearing a higher interest rate.
3. Periodically review interest rates and compare with other investment opportunities.
4. The School's current policy is to only invest funds in risk free and immediately assessable deposit accounts.

Any change in policy requires the approval of Governors via the Resources Committee.

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The governors have developed a risk management policy for the school and this is continually reviewed and updated termly by the Resources Committee. The school has assessed the risks under the main categories of strategic and reputational, physical, financial, students, staffing, governance and infrastructure. The Audit Committee review the effectiveness of risk management, monitor the risk profile against the board's desired risk tolerance the effectiveness and output of the risk management process and ensure that risk management is appropriately embedded and monitored within line management.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the school include the following:

1. Strategic and reputational – risks associated with failure to comply with legislation or a national/ international economic/natural crisis
2. Physical – risk associated with the loss of an academy building/asset
3. Financial– risk associated with inadequate funding or over spend on capital builds or revenue
4. Students– risk associated with the safety and well-being of students
5. Staffing– risk associated with the recruitment and retention of staff or low attainment
6. Governance– risk associated with the failure to recruit/retain Governors
7. Infrastructure– risk associated with the loss of IT network/servers or key utilities

Any of the above could affect the performance future prospects or reputation of the school, and therefore

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

controls are in place to mitigate and monitor these risks.

c. RESERVES POLICY

The Governors have developed a reserve policy for the School. This review, to prepare the policy, encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have determined that the appropriate level of free reserves (total funds less the amount held in tangible fixed assets and restricted funds) should be approximately £75,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide resources to deal with unexpected emergencies such as urgent maintenance. The School's current level of free reserves is £304,358 (2013 - £607,906) which is more than needed, although £nil (2013 - £501,938) has been designated for completing the School's capital developments.

d. PRINCIPAL FUNDING

The majority of the school's funding was provided by the Education Funding Agency (EFA). The School's total incoming resources for the year ended 31 August 2014 amounted to £8,368,466 (2013 - £8,705,225) of which £6,246,310 (2013 - £6,025,835) related to the EFA revenue grant and £188,125 (2013 - £1,039,534) for the EFA capital grant. In addition, the School has received funding of £118,003 (2013 - £317,817) from the Teachers Development Agency and £862,090 (2013: £300,000) from Hertfordshire County Council in respect of capital projects.

The School held fund balances of £16,336,717 (2013: £15,649,255) at 31 August 2014 which includes unrestricted funds of £304,358 (2013 - £607,906) of which £nil (2013 - £501,938) is designated.

Plans for future periods

a. FUTURE DEVELOPMENTS

Maintaining and, where necessary, developing the fabric of the facilities of the School are central to our strategy. Our plans are primarily focussed on the development the schools core facilities and the provision of additional teaching spaces. The dining hall expansion and new teaching block building is well on its way and will be complete by December 2014 and July 2015 respectively.

We have a planned programme of maintenance and investment for the School site. Each year we invest heavily in computer equipment and infrastructure to ensure our students and staff have the very best technology we can provide.

Environmental issues are also high priority and we continue to develop our buildings to ensure they are more energy efficient. This year we have gained funding to replace the window walling on three keys blocks in the school, providing a vastly improved learning environment and dramatically increasing energy efficiently.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

As a National Teaching school and Schools Direct provider the school is in receipt of funding on behalf of other schools in the local area as well as trainee teachers. The school is responsible of ensuring that these funds are distributed appropriately and within the agreed timescales. The school is also in receipt of funds from

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

parents/carers for school trips and activities and similarly ensures that these funds are passed over to external providers as necessary.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the company directors, on ~~10 Dec 2014~~ and signed on the board's behalf by:



.....
L Keen
Chair of Trustees

SANDRINGHAM SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Keen, Chair	4	4
D Clamp	2	4
S Cooper	2	3
A Cox	4	4
A Garland	4	4
D Gibbons, Vice Chair	2	4
A Gray, Head Teacher	4	4
K Hay	4	4
S Hebb	3	4
A Irwin	4	4
W Leaming	0	0
N Leinster	0	0
C Page	4	4
M Petersen	4	4
M Snelling	4	4
A Sykes	2	4
P Thei	4	4
K Thomas	3	3
J Wright	4	4
G Comminos	3	3
D Leigh	0	0

There was a change in the composition of the Board of Trustees during the academic year, Warren Leaming, Norman Leinster, Keith Thomas Stephanie Cooper resigned from their positions and Greg Comminos, Anne Garland and Darren Leigh were appointed.

Governance reviews:

The board have undertaken two internal reviews during the year. The first review was on aspects of the work of the governing body and as a result of this the Governing Body took out a subscription to the NGA to receive regular updates on general developments in school governance and arranged training on staff performance management. The second review was an updated skills audit to confirm the existing skill sets of the board and identify any gaps. Whilst there were no significant gaps, the information enabled the Governing Body to be more specific in targeting replacements in the advent of Governor resignations. The Governing Body intend to review the effectiveness of their structure in 2015.

SANDRINGHAM SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure sound management of the Academy's finance and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Sykes	5	5
D Gibbons	4	5
A Gray	5	5
C Page	5	5
M Petersen	5	5
K Thomas	4	5
G Comminos	2	3

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to review financial reports and systems, monitor the risk management process and review the disaster recovery plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Keen	2	3
A Gray, Head Teacher	3	3
A Irwin	3	3
M Snelling	2	3
M Petersen	2	2

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sandringham School Academy Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports

SANDRINGHAM SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

- which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Ann Irwin, a Trustee, as Responsible Officer (RO), who is assisted by SBM Consultancy.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The RO checks were carried out as planned over the year and findings from these visits resulted in some minor recommendations being made, none of which were deemed to be significant.

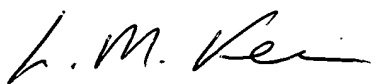
REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 10 Dec 2014 and signed on its behalf, by:



.....
L Keen
Chair of Trustees



.....
A Gray
Accounting Officer

SANDRINGHAM SCHOOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

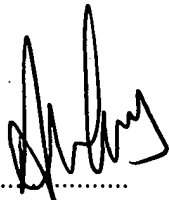
As Accounting Officer of Sandringham School Academy Trust I have considered my responsibility to notify the academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy Board of Trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2013).

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

.....
A Gray
Accounting Officer

Date:


10/12/2014

SANDRINGHAM SCHOOL ACADEMY TRUST
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on ~~10 Dec 2014~~ and signed on its behalf by:



.....
L Keen
Chair of Trustees

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SANDRINGHAM SCHOOL
ACADEMY TRUST**

We have audited the financial statements of Sandringham School Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SANDRINGHAM SCHOOL
ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Hillier Hopkins LLP

Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *17th December 2014*

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SANDRINGHAM SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 April 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sandringham School Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF SANDRINGHAM SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Sandringham School Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SANDRINGHAM SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *17th December 2014*

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	12,755	-	15,089	27,844	50,475
Activities for generating funds	3	410,105	-	-	410,105	781,874
Investment income	4	9,044	-	-	9,044	10,001
Incoming resources from charitable activities	5	405,893	6,456,571	1,059,009	7,921,473	7,862,875
TOTAL INCOMING RESOURCES		837,797	6,456,571	1,074,098	8,368,466	8,705,225
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	198,095	-	-	198,095	495,421
Charitable activities		399,061	6,169,841	762,108	7,331,010	7,179,307
Governance costs	8	-	14,899	-	14,899	20,272
TOTAL RESOURCES EXPENDED	11	597,156	6,184,740	762,108	7,544,004	7,695,000
NET INCOMING RESOURCES BEFORE TRANSFERS		240,641	271,831	311,990	824,462	1,010,225

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
Transfers between Funds	24	(544,187)	(271,757)	815,944	-	-
NET INCOME FOR THE YEAR		(303,546)	74	1,127,934	824,462	1,010,225
Actuarial gains and losses on defined benefit pension schemes		-	(137,000)	-	(137,000)	43,000
NET MOVEMENT IN FUNDS FOR THE YEAR		(303,546)	(136,926)	1,127,934	687,462	1,053,225
<i>Total funds at 1 September 2013</i>		<i>607,904</i>	<i>(662,000)</i>	<i>15,703,351</i>	<i>15,649,255</i>	<i>14,596,030</i>
TOTAL FUNDS AT 31 AUGUST 2014		304,358	(798,926)	16,831,285	16,336,717	15,649,255

All activities relate to continuing operations.

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

The notes on pages 25 to 48 form part of these financial statements.

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07523557

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	18		16,550,132		15,189,460
Investments	19		1		-
			16,550,133		15,189,460
CURRENT ASSETS					
Stocks	20	16,706		17,052	
Debtors	21	323,507		292,756	
Cash at bank and in hand		1,588,503		1,748,958	
		1,928,716		2,058,766	
CREDITORS: amounts falling due within one year	22	(1,302,361)		(928,410)	
NET CURRENT ASSETS			626,355		1,130,356
TOTAL ASSETS LESS CURRENT LIABILITIES			17,176,488		16,319,816
CREDITORS: amounts falling due after more than one year	23		(2,771)		(8,561)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			17,173,717		16,311,255
Defined benefit pension scheme liability	30		(837,000)		(662,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			16,336,717		15,649,255
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	24	38,074		-	
Restricted fixed asset funds	24	16,831,285		15,703,351	
Restricted funds excluding pension liability		16,869,359		15,703,351	
Pension reserve		(837,000)		(662,000)	
Total restricted funds			16,032,359		15,041,351
Unrestricted funds	24		304,358		607,904
TOTAL FUNDS			16,336,717		15,649,255

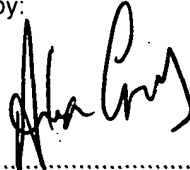
SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

The financial statements were approved by the Trustees, and authorised for issue, on
10 December 2014 and are signed on their behalf, by:



L Keen
Chair of Trustees



A Gray
Head Teacher and Accounting Officer

The notes on pages 25 to 48 form part of these financial statements.

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	26	902,088	617,674
Returns on investments and servicing of finance	27	9,044	10,001
Capital expenditure and financial investment	27	(1,063,770)	(153,922)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(152,638)	473,753
Financing	27	(7,817)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		(160,455)	473,753

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(160,455)	473,753
Cash outflow from decrease in debt and lease financing	7,817	-
MOVEMENT IN NET FUNDS IN THE YEAR	(152,638)	473,753
Net funds at 1 September 2013	1,732,771	1,259,018
NET FUNDS AT 31 AUGUST 2014	1,580,133	1,732,771

The notes on pages 25 to 48 form part of these financial statements.

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	4% Straight line
Leasehold improvements	-	10% Straight line
Office equipment	-	20% Straight line
Computer equipment	-	33% Straight line

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 Operating leases

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

1.9 Stocks

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

1.10 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 30, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	12,755	15,089	27,844	50,475

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hiring income	193,464	-	193,464	129,545
Theatre income	38,679	-	38,679	82,803
Student Activities	67,254	-	67,254	87,743
Trip Income	-	-	-	292,243
Other	110,708	-	110,708	189,540
	410,105	-	410,105	781,874

For the year ended 31 August 2013, trip income was recorded as unrestricted income within activities for generating funds (above). This balance has been re-analysed for the year ended 31 August 2014 as unrestricted income within incoming resources from charitable activities (note 5).

For the year ended 31 August 2013, other income within activities for generating funds of £189,540 (above) included the following: £33,418 music income, £2,243 examination income, £165 catering income, £52,643 consortium income and £473 insurance claim income. These balances have been re-analysed for the year ended 31 August 2014 as incoming resources from charitable activities (note 5).

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment income	9,044	-	9,044	10,001

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational Activities	405,893	7,515,580	7,921,473	7,862,875

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,092,495	6,092,495	5,921,135
Pupil Premium	-	132,054	132,054	78,292
16-19 Bursary	-	21,761	21,761	8,373
Other DfE grants	-	39,177	39,177	111,430
Devolved capital grant	-	24,925	24,925	23,828
Other EFA Capital grants	-	163,200	163,200	1,015,706
GTP grant	-	118,003	118,003	317,817
	-	6,591,615	6,591,615	7,476,581
Other government grants				
Other government grants	-	26,287	26,287	36,294
Other government grants - capital	-	870,884	870,884	350,000
	-	897,171	897,171	386,294
Other funding				
Music income	40,320	-	40,320	-
Examination income	5,075	-	5,075	-
Catering income	6,439	-	6,439	-
Consortium income	-	26,794	26,794	-
Trip income	340,943	-	340,943	-
Insurance claim income	13,116	-	13,116	-
	405,893	26,794	432,687	-
	405,893	7,515,580	7,921,473	7,862,875

For the year ended 31 August 2013, trip income was recorded as unrestricted income within activities for generating funds (note 3). This balance has been re-analysed for the year ended 31 August 2014 as unrestricted income within incoming resources from charitable activities (above).

For the year ended 31 August 2013, other income within activities for generating funds of £189,540 (note 3) included the following: £33,418 music income, £2,243 examination income, £165 catering income, £52,643 consortium income and £473 insurance claim income. These balances have been re-analysed for the year ended 31 August 2014 as incoming resources from charitable activities (above).

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
School trips	-	-	-	304,728
Theatre	81,624	-	81,624	88,954
Student Sales	18,656	-	18,656	22,811
Student activities	38,783	-	38,783	-
Other	7,807	-	7,807	39,188
Voluntary income staff costs	51,225	-	51,225	39,740
	<u>198,095</u>	<u>-</u>	<u>198,095</u>	<u>495,421</u>

For the year ended 31 August 2013, trip expenditure was recorded as unrestricted costs of generating voluntary income (above). This balance has been re-analysed for the year ended 31 August 2014 as unrestricted direct expenditure for charitable activities (note 9).

For the year ended 31 August 2013, costs relating to student activities totalled £32,819 and was recorded as a direct cost - educational supplies (note 9). This balance has been re-analysed for the year ended 31 August 2014 as costs of generating voluntary income (above).

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational Activities	<u>399,061</u>	<u>6,931,949</u>	<u>7,331,010</u>	<u>7,179,307</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Educational Activities	<u>5,137,830</u>	<u>762,108</u>	<u>1,431,072</u>	<u>7,331,010</u>	<u>7,179,307</u>

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Internal audit costs	-	480	480	255
Auditors' remuneration - audit	-	7,000	7,000	-
Previous Auditors' remuneration - audit	-	-	-	9,400
Previous Auditors' remuneration - non-audit	-	4,725	4,725	8,450
Legal and professional	-	2,694	2,694	2,167
	-	14,899	14,899	20,272

9. DIRECT COSTS

	Educational Activities £	Total 2014 £	Total 2013 £
Educational supplies	147,315	147,315	579,505
Examination fees	130,982	130,982	134,904
Staff development	44,769	44,769	51,254
Educational consultancy	8,513	8,513	-
Trip expenditure	343,505	343,505	-
Other costs	109,957	109,957	158,377
Wages and salaries	3,722,389	3,722,389	3,644,961
National insurance	276,300	276,300	255,126
Pension cost	531,031	531,031	510,252
	5,314,761	5,314,761	5,334,379

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9. DIRECT COSTS (continued)

For the year ended 31 August 2013, costs relating to student activities totalled £32,819 and was recorded as a direct cost - educational supplies (above). This balance has been re-analysed for the year ended 31 August 2014 as costs of generating voluntary income (note 6).

For the year ended August 2013, student activities (£32,819) GTP expenditure (£265,946) and Teaching School expenditure (£82,229) were recorded as a direct cost - educational supplies. Student activities has been re-analysed as a cost of generating voluntary income for the year ended August 2014 and there are no comparative figures for GTP expenditure and Teaching School expenditure.

For the year ended 31 August 2014, there has been a re-analysis of certain costs been support and direct costs as follows:

- For the year ended 31 August 2013, included in direct costs - educational supplies (above) was £34,512 legal and professional fees. This balance has been re-analysed for the year ended 31 August 2014 as a support cost - legal and professional fees (note 10).
- For the year ended 31 August 2013, included in direct costs - staff development (above) was £1,598 support staff development. This balance has been re-analysed for the year ended 31 August 2014 as a support cost - staff development (note 10).
- For the year ended 31 August 2013, included in direct costs - other costs (above) was £99,044 technology costs. This balance has been re-analysed for the year ended 31 August 2014 as a suport cost - technology costs (note 10).

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10. SUPPORT COSTS

	Educational Activities £	Total 2014 £	Total 2013 £
FRS17 Pension cost	15,000	15,000	21,000
Staff development	2,264	2,264	-
Technology costs	66,076	66,076	-
Legal and professional fees	34,256	34,256	-
Recruitment	22,163	22,163	54,433
Maintenance of premises	109,723	109,723	96,664
Maintenance of equipment	5,922	5,922	10,268
Cleaning	20,587	20,587	33,311
Water and rates	46,484	46,484	33,681
Heat and light	135,550	135,550	126,005
Insurance	58,266	58,266	58,608
Printing, postage and stationery	53,113	53,113	63,647
Transport	15,409	15,409	15,622
Catering	34,795	34,795	41,474
Bank interest and charges	2,368	2,368	1,942
Other costs	23,970	23,970	2,641
Other staff costs	85	85	1,669
Wages and salaries	481,207	481,207	469,987
National insurance	28,386	28,386	47,115
Pension cost	98,517	98,517	51,734
Depreciation	762,108	762,108	715,127
	<u>2,016,249</u>	<u>2,016,249</u>	<u>1,844,928</u>

For the year ended 31 August 2014, there has been a re-analysis of certain costs been support and direct costs as follows:

- For the year ended 31 August 2013, included in direct cost - educational supplies (note 9) was £34,512 legal and professional fees. This balance has been re-analysed for the year ended 31 August 2014 as a support cost - legal and professional fees (above).
- For the year ended 31 August 2013, included in direct cost - staff development (note 9) was £1,598 support staff development. This balance has been re-analysed for the year ended 31 August 2014 as a support cost - staff development (above).
- For the year ended 31 August 2013, included in direct costs - other costs (note 9) was £99,044 technology costs. This balance has been re-analysed for the year ended 31 August 2014 as a support cost - technology costs (above).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total	Total
	2014	Premises	Other costs	2014	2013
	£	2014	2014	£	£
Costs of generating voluntary income	51,225	-	146,870	198,095	495,421
Costs of generating funds	51,225	-	146,870	198,095	495,421
Educational Activities	4,529,720	-	785,041	5,314,761	5,334,079
Support costs - Educational Activities	608,110	1,062,369	345,770	2,016,249	1,823,928
Charitable activities	5,137,830	1,062,369	1,130,811	7,331,010	7,158,007
Governance	-	-	14,899	14,899	20,272
	5,189,055	1,062,369	1,292,580	7,544,004	7,673,700

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Educational Activities	5,314,761	2,016,249	7,331,010	7,179,306

13. NET INCOMING RESOURCES

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	762,107	715,127
Auditor's remuneration	7,000	9,400
Auditor's remuneration - non-audit	4,725	8,450
Governance Internal audit costs	480	255

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14. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	4,247,116	4,146,976
Social security costs	304,686	302,241
Other pension costs (Note 30)	629,549	561,986
	<u>5,181,351</u>	<u>5,011,203</u>
Supply teacher costs	7,704	7,712
	<u><u>5,189,055</u></u>	<u><u>5,018,915</u></u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	82	80
Administration and Support	44	43
Management	9	9
	<u>135</u>	<u>132</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	0	1
In the band £100,001 - £200,000	1	1
	<u>2</u>	<u>3</u>

Of the above employees 2 (2013: 3) participated in the Teachers Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £25,389 (2013: £28,363)

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15. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2013 - NIL) in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014 £	2013 £
Alan Gray, Head Teacher	105,000-110,000	105,000-110,000
Karen Hay	35,000-40,000	35,000-40,000
Sarah Hebb	40,000-45,000	20,000-25,000
Christine Page	10,000-15,000	10,000-15,000
Martin Petersen	20,000-25,000	10,000-15,000

During the year ended 31 August 2014, expenses totalling £855 (2013 - £NIL) were reimbursed to 1 Trustee (2013 - NIL).

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,219 (2013 - £1,219). The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	2014 £	2013 £
Expected return on pension scheme assets	69,000	43,000
Interest on pension scheme liabilities	(84,000)	(64,000)
	<u>(15,000)</u>	<u>(21,000)</u>

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18. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Office equipment £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2013	16,575,527	131,315	104,212	-	16,811,054
Additions	1,287,048	29,475	33,996	772,260	2,122,779
At 31 August 2014	17,862,575	160,790	138,208	772,260	18,933,833
Depreciation					
At 1 September 2013	1,505,276	53,293	63,025	-	1,621,594
Charge for the year	691,759	31,720	38,628	-	762,107
At 31 August 2014	2,197,035	85,013	101,653	-	2,383,701
Net book value					
At 31 August 2014	15,665,540	75,777	36,555	772,260	16,550,132
At 31 August 2013	15,070,251	78,022	41,187	-	15,189,460

19. FIXED ASSET INVESTMENTS

	Unlisted securities £
Market value	
At 1 September 2013	-
Additions	1
At 31 August 2014	1
Investments at market value comprise:	
	2014 £
Unlisted investments	1

All the fixed asset investments are held in the UK

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20. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>16,706</u>	<u>17,052</u>

21. DEBTORS

	2014 £	2013 £
Trade debtors	112,244	50,505
Other debtors	95,485	130,025
Prepayments and accrued income	115,778	112,226
	<u>323,507</u>	<u>292,756</u>

**22. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Other loans	5,599	7,626
Trade creditors	150,157	250,538
Other taxation and social security	87,318	91,853
Other creditors	783,786	44,461
Accruals and deferred income	275,501	533,932
	<u>1,302,361</u>	<u>928,410</u>

	£
Deferred income	
Deferred income at 1 September 2013	310,932
Resources deferred during the year	199,653
Amounts released from previous years	<u>(310,932)</u>
Deferred income at 31 August 2014	<u>199,653</u>

**23. CREDITORS:
Amounts falling due after more than one year**

	2014 £	2013 £
Other loans	<u>2,771</u>	<u>8,561</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Designated Funds - all funds	501,938	-	-	(501,938)	-	-
General funds						
General Funds - all funds	105,966	837,797	(597,156)	(42,249)	-	304,358
Total Unrestricted funds	607,904	837,797	(597,156)	(544,187)	-	304,358
Restricted funds						
General Annual Grant (GAG)	-	6,092,495	(5,820,738)	(271,757)	-	-
Pupil Premium	-	132,054	(97,751)	-	-	34,303
16 - 19 Bursary	-	21,761	(17,990)	-	-	3,771
Other DfE	-	39,177	(39,177)	-	-	-
Other government grants	-	26,287	(26,287)	-	-	-
Other restricted income	-	144,797	(144,797)	-	-	-
Pension reserve	(662,000)	-	(38,000)	-	(137,000)	(837,000)
	(662,000)	6,456,571	(6,184,740)	(271,757)	(137,000)	(798,926)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	15,403,351	15,089	(762,108)	1,893,803	-	16,550,135
EFA capital grants	-	188,125	-	(179,331)	-	8,794
HCC capital grant	300,000	870,884	-	(898,528)	-	272,356
	15,703,351	1,074,098	(762,108)	815,944	-	16,831,285
Total restricted funds	15,041,351	7,530,669	(6,946,848)	544,187	(137,000)	16,032,359
Total of funds	15,649,255	8,368,466	(7,544,004)	-	(137,000)	16,336,717

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the

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24. STATEMENT OF FUNDS (continued)

normal running costs of the academy.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion and future GAG funding agreed by the EFA is expected to be sufficient to take the fund back to surplus.

The restricted fixed asset fund includes the long leasehold land and buildings, leasehold improvements and all material items of fixtures, fittings and equipment. Depreciation charged on the assets is allocated to the fund. Transfers into the fund represent capital expenditure paid from GAG income, as well as unrestricted and designated funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	501,938	-	-	(501,938)	-	-
General funds	105,966	837,797	(597,156)	(42,249)	-	304,358
	<u>607,904</u>	<u>837,797</u>	<u>(597,156)</u>	<u>(544,187)</u>	<u>-</u>	<u>304,358</u>
Restricted funds	(662,000)	6,456,571	(6,184,740)	(271,757)	(137,000)	(798,926)
Restricted fixed asset funds	15,703,351	1,074,098	(762,108)	815,944	-	16,831,285
	<u>15,649,255</u>	<u>8,368,466</u>	<u>(7,544,004)</u>	<u>-</u>	<u>(137,000)</u>	<u>16,336,717</u>

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25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	16,550,132	16,550,132	15,189,467
Fixed asset investments	1	-	-	1	-
Current assets	579,858	1,067,705	281,153	1,928,716	2,058,766
Creditors due within one year	(275,501)	(1,026,860)	-	(1,302,361)	(928,417)
Creditors due in more than one year	-	(2,771)	-	(2,771)	(8,561)
Provisions for liabilities and charges	-	(837,000)	-	(837,000)	(662,000)
	<u>304,358</u>	<u>(798,926)</u>	<u>16,831,285</u>	<u>16,336,717</u>	<u>15,649,255</u>

26. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	824,462	1,010,225
Returns on investments and servicing of finance	(9,044)	(10,001)
Depreciation of tangible fixed assets	762,107	715,127
Capital grants	(1,059,009)	(1,389,534)
Decrease in stocks	346	2,945
(Increase)/decrease in debtors	(30,751)	8,760
Increase in creditors	375,977	245,152
FRS 17 adjustments	38,000	35,000
Net cash inflow from operations	<u>902,088</u>	<u>617,674</u>

27. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>9,044</u>	<u>10,001</u>

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27. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,122,779)	(1,543,456)
Capital grants from EFA	188,125	1,039,534
Other capital grants	870,884	350,000
Net cash outflow capital expenditure	<u>(1,063,770)</u>	<u>(153,922)</u>
	2014 £	2013 £
Financing		
Repayment of loans	<u>(7,817)</u>	<u>-</u>

28. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,748,958	(160,455)	-	1,588,503
Debt:				
Debts due within one year	(7,626)	2,027	-	(5,599)
Debts falling due after more than one year	(8,561)	7,787	(1,997)	(2,771)
Net funds	<u>1,732,771</u>	<u>(150,641)</u>	<u>(1,997)</u>	<u>1,580,133</u>

29. CAPITAL COMMITMENTS

At 31 August 2014 the academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>2,761,029</u>	<u>1,010,664</u>

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30. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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30. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £187,000, of which employer's contributions totalled £148,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

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

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30. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(2,100,000)	(1,741,000)
Fair value of scheme assets	1,263,000	1,079,000
Net liability	<u>(837,000)</u>	<u>(662,000)</u>

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

	2014 £	2013 £
Current service cost	(171,000)	(120,000)
Interest on obligation	(84,000)	(64,000)
Expected return on scheme assets	69,000	43,000
Total	<u>(186,000)</u>	<u>(141,000)</u>
Actual return on scheme assets	<u>143,000</u>	<u>124,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2014 £	2013 £
Opening defined benefit obligation	1,741,000	1,490,000
Current service cost	171,000	120,000
Interest cost	84,000	64,000
Contributions by scheme participants	39,000	29,000
Actuarial Losses	96,000	38,000
Benefits paid	(31,000)	-
Closing defined benefit obligation	<u>2,100,000</u>	<u>1,741,000</u>

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30. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2014 £	2013 £
Opening fair value of scheme assets	1,079,000	820,000
Expected return on assets	69,000	43,000
Actuarial gains and (losses)	(41,000)	81,000
Contributions by employer	148,000	106,000
Contributions by employees	39,000	29,000
Benefits paid	(31,000)	-
	<u>1,263,000</u>	<u>1,079,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £282,000 losses (2013 - £145,000 losses).

The academy expects to contribute £214,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
European equities	67.00 %	74.00 %
European bonds	23.00 %	18.00 %
Property	7.00 %	5.00 %
Cash	3.00 %	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	3.90 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.3 years	21.0 years
Females	24.5 years	23.8 years
Retiring in 20 years		
Males	24.3 years	22.9 years
Females	26.7 years	25.7 years

SANDRINGHAM SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

30. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(2,100,000)	(1,741,000)
Scheme assets	1,263,000	1,079,000
Deficit	(837,000)	(662,000)
Experience adjustments on scheme liabilities	(96,000)	(38,000)
Experience adjustments on scheme assets	(41,000)	81,000

31. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	-	4,275
Between 2 and 5 years	26,806	9,635

32. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year ended 31 August 2014, incoming resources totalling £51,354 was received from Alban Teaching School Alliance Limited, related by virtue of A Gray, a governor, being a director of Alban Teaching School Alliance Limited. At year end, there was £2,204 included in trade debtors.

33. CONTROLLING PARTY

In the opinion of the governors, there is no ultimate controlling party.