

162

Registration number: 07697483

SATURDAY



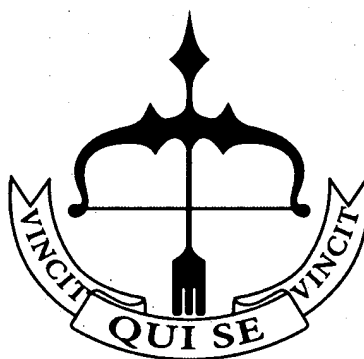
A08 *A5Z1KQ76* #205
28/01/2017
COMPANIES HOUSE

The Sandon School Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016



Edmund Carr LLP
Chartered Accountants and Registered Auditors
146 New London Road
Chelmsford
Essex
CM2 0AW

The Sandon School Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 12
Governance Statement	13 to 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 to 20
Independent Reporting Accountant's Report on Regularity	21 to 22
Statement of Financial Activities incorporating Income and Expenditure Account	23 to 24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements	27 to 47

The Sandon School Academy Trust

Reference and Administrative Details

Members	Mr D Cox Mr D Robertson Mrs J Wood
Trustees (Directors)	Mr David Cox, Chair of Trustees Mrs Christine Fitzsimmons, Vice Chair of Trustees Mr Jonathan Wincott, Headteacher & Accounting Officer Rev. Terence Brown Mrs Clare Greenwood Mr Clive Hodges, Responsible Officer Mr Craig Keane (appointed 21 September 2015) Dr Joyce Lawrence Mr Daryle Mountford Mr Duncan Owen Mrs Susan Polley (appointed 20 October 2015) Mr Duncan Robertson Mrs Anne Whelpdale Mrs Claire Wood Mrs Julia Wood
Company Secretary	Mrs Karen Bayley
Senior Management Team	Mr Jonathan Wincott, Headteacher Mrs Jacqueline Beavis, Senior Deputy Headteacher Ms Michelle Burns, Deputy Headteacher Mrs Jill McEvoy, Deputy Headteacher Mr Andrew Weaver, Deputy Headteacher Mrs Karen Bayley, Business Manager
Head Teacher and Registered Office	Mr Jonathan Wincott The Sandon School Molrams Lane Sandon Chelmsford Essex CM2 7AQ
Company Registration Number	07697483

The Sandon School Academy Trust

Reference and Administrative Details (continued)

Auditors Edmund Carr LLP
Chartered Accountants and Registered Auditors
146 New London Road
Chelmsford
Essex
CM2 0AW

Bankers Lloyds Bank PLC
77-81 High Street
Chelmsford
Essex
CM1 1DU

Solicitors Gepp & Sons Solicitors
New London Road
Chelmsford
Essex CM2 0PA

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for students aged 11 to 18 on the east side of Chelmsford. It has a student capacity of 1,253 and had a student roll of 1,257 in the Spring 2016 school census.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07697483.

The governors act as the trustees for the charitable activities of The Sandon School Academy Trust and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

All Trustees are appointed for a term of 4 years. There is no body or person entitled to nominate or appoint one or more Trustees. The Trustees regularly review the mix of skills available to the board.

There are up to nine Academy Trustees nominated by the Governing Body. There are up to seven parent Trustees elected by other parents. There are two Staff Trustees, one of whom should be from the support staff elected by other staff. The Headteacher is also a Trustee for so long as he remains Headteacher.

The Trustees anticipate that most Trustees will come from the local community from people interested in the well-being of the School; where possible approaches will be made to people with known skills.

Policies and procedures adopted for the induction and training of Trustees

There are manuals for the induction of Trustees and a Trustees' guide that are reviewed annually. New trustees are allocated a mentor. There is regular group and individual training to ensure that Trustees' knowledge and understanding is current.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Organisational structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the charitable company, approving decisions reserved to Trustees by the Company rules and appointing key members of staff.

The Trustees meet as a board at least four times each year. Board committees meet when required to consider detailed matters and make decisions within their delegated responsibility or recommend decisions to the full board.

There are seven such committees:

Audit Committee
Complaints Committee
Discipline Committee
Finance & General Purposes Committee
Pay Committee
Personnel & Curriculum Committee
Staff Committee

Mr Clive Hodges is the Responsible Officer and as such has an oversight role in relation to the systems and processes of control and risk management that operate throughout The Sandon School.

The Headteacher is the Accounting Officer and works closely with both the other governors and the senior staff of The Sandon School.

The day-to-day management of The Sandon School rests with the Headteacher who has overall responsibility for the school. The Headteacher is responsible for the Leadership Team, including the Business Manager, Deputy Heads and Assistant Head

The Trustees as part of the overall strategy delegate functions and decision making as specified in its rules and standing orders to three main committees.

- Finance & General Purposes Committee that considers various policies, procedures and documents, Budget, Finance, Lettings, Premises, Health & Safety and related matters.

- Personnel & Curriculum Committee that considers various policies, procedures and documents, Personnel, Curriculum and related matters.

- Pay Committee that considers the Pay Policy, Job description of the Headteacher, the salary and pay ranges of all staff.

There are four special committees the object of which is to determine matters independently from the Full Governing Body and these are:

- Audit Committee
- Complaints Committee
- Discipline Committee
- Staff Committee

The full scheme of delegation including the powers of committees are found in the Company Rules on our website. All decisions not delegated to committees are reserved to the Full Governing Body.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Arrangements for setting pay and remuneration of key management personnel

The remuneration of key management personnel is set in accordance with national pay scales, moderated by performance management. The school's pay policy is reviewed annually by the Governing Body and incorporates teacher pay bands/scales based upon the Teachers Pay & Conditions document and support staff pay bands/scales based upon the nationally agreed Local Government Pay Scales.

Objectives and activities

Objects and aims

The charitable objects for which the charitable company is established are set down in the governing document as follows:

- 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.

Objectives, strategies and activities

The main strategy of the school is summarised in the School's statement 'Achievement for Every Learner' and therefore aims to be:

1. A Learning Organisation

- focusing on achievement for every learner
- promoting lifelong learning for students, staff, parents, governors and the community
- setting clear targets for every learner in a spirit of continuous improvement
- maximising results at all levels by enabling good teaching and learning to flourish
- providing a purposeful education in preparation for life
- recognising and celebrating all achievements for all learners

2. A Caring and Supportive Community

- that values and challenges each individual
- that encourages mutual respect and courtesy
- that has high expectations and positive attitudes to learning, behaviour, the school, and the environment
- that allows the fullest possible development of everyone's intellectual, social, moral and personal potential
- with a positive culture and ethos
- that ensures that students grow up to lead safe, happy, healthy and successful lives

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

3. An Effective Learning Environment

- with firm, purposeful leadership empowering others to achieve and participate
- with clear, fair and consistent discipline
- with a comprehensive and shared improvement plan
- with sound management and good communications at all levels
- with high quality sustainable resources and an attractive working environment which promotes ownership and pride
- that uses technology to raise academic achievement and promote a technological, enterprising and vocational culture

4. A Popular School

- where students want to come and staff want to work
- where parents choose to send their children
- in a community that supports and benefits from the work taking place
- which values working with other schools in the area
- with a confident and supportive governing body

Public benefit

The Trustees have taken The Charity Commission's specific guidance on public benefit published by The Charities Commission into consideration in preparing their statements on public benefit.

In accordance with its charitable objective, the charitable company strives to advance the education of the students attending the school. The charitable company's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the school.

Students are admitted to The Sandon School in line with its admission policy which is agreed annually. Students are admitted predominately from the local area; however, in the event of oversubscription students are admitted in strict accordance with its admissions criteria: 'Looked after Children', exceptional medical reasons, siblings, students from one of five named primary schools and straight line distance.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Achievements and performance

The academy is achieving its forecast numbers of students.

- Total student numbers in the year ending August 2016 were 1,257 in the Spring 2016 Census
- The school is full in all year groups.

Examination Results of 2016 maintained overall high standards.

	2013	2014	2015	2016
A Level				
Passes	97.8%	99.0%	96.5%	98.0%
Grades A* - B	44.1%	44.0%	46.7%	48.8%
Value Added Score	-0.20	-0.01	+0.23	-0.04
GCSE				
Passes 5+ A*-C	63.0%	66.0%*	67.0%*	67.3%

*new method of calculation including English and Maths

To ensure that raising standards continues to be a central focus of the schools activities, the school operates a system of lesson observations, book checks and is visited by inspectors and external advisers. The school always conducts rigorous analysis of results to identify areas of good practice to promote areas of weakness to improve. The school also offers programmes such as one to one tuition. The school operates a robust system of staff development to continually develop teaching expertise.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Key performance indicators

In December 2013, the school was inspected by Ofsted and was awarded a 'Good'. The report was very complimentary about the schools activities and performance and the full report is available via our website.

Student Data

	2011/12	2012/13	2013/14	2014/15	2015/16
Student absence rates, Overall (May Census)	6.05%	5.52%	4.79%	5.27%	5.45%
Student applications/Offer (March offer date)	882	1,025	988	912	925

Financial Data

Figures are expressed as a % of total expenditure to compare with existing benchmarking data

	2011/12	2012/13	2013/14	2014/15	2015/16
Income - Funding for educational operations ('000)	£7,694	£6,587	£6,437	£6,525	£6,160
Staff Costs					
All staff	68.98	62.60	65.39	63.36	64.05
Teachers	52.72	57.20	50.30	48.56	49.82
Support Staff	16.26	15.00	15.90	14.80	14.23
Staff: Student ratio	9.65	9.62	9.84	10.60	10.44
Teachers: Student	15.59	15.48	16.03	17.50	17.12
Support Staff: Student	25.36	25.42	25.47	26.91	26.79
Occupancy Costs					
Expressed as a % of total expenditure	4.30	3.81	3.82	3.80	3.46
ICT expenditure					
Expressed as a % of total expenditure	2.37	2.42	1.48	1.24	1.19
Expressed as an expenditure per student	£132.18	£153.44	£88.37	£77.06	£74.28
Examination expenditure					
Expressed as a % of total expenditure	1.95	1.33	1.33	1.49	1.63
Expressed as an expenditure per student	£108.92	£84.54	£79.39	£92.34	£101.97

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Going concern

The funding agreement provides for a period of seven years of notice for any intention to withdraw from the current funding arrangements. After making appropriate enquires, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The Sandon School received the majority of its income from the Educational Financial Authority (EFA) in the form of recurrent grants (£6,071,865 in 2016) and these are shown as restricted funds in the statement of financial activities, some funding eg, SEN (£81,938 In 2016) continues to be received from Essex County Council. The school also holds some unrestricted funds through which our school visits are detailed. The Trustees have assessed the levels of available reserves and are confident that they are sufficient to meet the current operational needs. Liabilities identified during the year arising from the Local Government Pension Fund (£2,848,000 in 2016) are included in the restricted general fund. The Trustees maintain control through the work of the Responsible Officer and regular budget reviews, Financial Regulations and the monitoring of the School Improvement Plan and the Premises Improvement Plan.

The school maintains a strong financial position; this is achieved by being at capacity for most year groups and good financial management. All expenditure is considered alongside the school improvement plan with the aim of supporting our charitable objects. Over the last two years the Trustees have invested revenue funding towards one capital project and an identified refurbishment programme which has a profound impact on our teaching and learning environment. Any reserves held by the school are maintained only for identified future expenditure.

Financial and risk management objectives and policies

Risk management is embedded in the work of the school; details of the processes underpinning the approach to risk management are set out in the Governance Statement. The school does maintain some levels of reserves to demonstrate appropriate financial management, stewardship and sustainability.

Cash flow:

The school's cash flow is strong due to the profile of its incoming resources, in particular the receipt of the core grant funding on a monthly basis. Cash flow is monitored on a monthly basis.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Financial Risk Management:

All schools are subject to a wide range of risks, many of which have financial implications. Some contingencies are held as mitigation against the effect of such risks. The school has a formalised approach to risk management which identifies the major risks that it faces, assesses their severity in terms of impact and likelihood and identifies mitigating actions.

The schools internal control systems are reviewed regularly and the Responsible Officer report is submitted to the Audit Committee three times per year.

The key risk and uncertainties identified through its risk management are: threats to student numbers, ICT failure, major incidents and identified financial risks. For all financial risks, stringent internal controls are in place such as credit control, salary and cash flow monitoring and for all risks and uncertainties the Trustees have agreed measures to mitigate these effects and these are reviewed regularly. The Trustees have expressed concern at the Local Government Pension Fund Deficit (2016: £2,848,000) but accept the liability as assessed by Essex County Council Pension Fund.

Reserves policy

The Trustees' policy is to generate reserves only in accordance with its charitable objectives and provide funds to enhance the educational facilities and services of the school and to fund future projects.

The trustees aim to have target reserves to meet normal planned expenditure, which does not include other year end identified balances such as commitments or capital expenditure, fixed assets and pensions (which could be negative).

At the balance sheet date, the charitable company had unrestricted reserves of £376,203 (2015: £368,141).

Investment policy

The Academy trust aims to manage its cash balances to provide day-to-day working capital requirements of its operations whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the school may decide to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is no risk to the loss of these funds.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Plans for future periods

The Sandon School will continue to work towards its aim of 'Achievement for Every Learner'. It will focus on being:

- A learning organisation
- A caring and supportive community
- An effective learning environment
- A popular school

The Sandon School aims to be judged by Ofsted as 'Outstanding' rather than 'Good'. It will, through its improvement plans, focus on:

- Student achievements
- Behaviour and safety of students
- Quality of teaching
- Quality of leadership and management

The School will continue to work to improve the performance and achievement of its students in all aspects of school life. This will include continuing to make every effort to ensure all students enter higher education, further education, employment or training when they leave school. The school will continue to support its students with the new changes to the curriculum both at GCSE and the reforms to the sixth form subjects.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2016 (continued)

Funds held as Custodian Trustee on behalf of others

The Sandon School holds funds for the South Woodham Ferrers Local Delivery Group. The Group's funding is awarded by bids to Essex County Council and contributions from the primary schools for the support of parents and students enabling them to access extended services. During the year the Academy Trust received £43,920 and has a balance of £30,125 which is included in other creditors.

Auditor

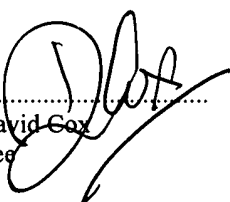
In so far as the Trustees are aware:

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

Reappointment of auditor

Under section 487(2) of the Companies Act 2006 Edmund Carr LLP will be deemed to have been reappointed as auditors 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 5 December 2016 and signed on its behalf by:


.....
Mr David Cox
Trustee

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2016

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Sandon 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 Governing Body has delegated the day-to-day responsibility to Mr Jonathan Wincott, Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Sandon School Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Cox	4	4
Mrs Julia Wood	2	4
Mr Duncan Robertson	4	4
Rev. Terence Brown	4	4
Mrs Clare Greenwood	3	3
Mrs Christine Fitzsimmons	2	4
Mr Clive Hodges	2	4
Mr Craig Keane	4	4
Dr Joyce Lawrence	4	4
Mr Daryle Mountford	3	4
Mr Duncan Owen	4	4
Mrs Susan Polley	3	3
Mrs Anne Whelpdale	3	4
Mrs Claire Wood	4	4
Mr Jonathan Wincott	4	4

During this academic year, no Trustees resigned.

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2016 (continued)

Governance reviews

The board of Trustees conducts a self-evaluation, skills audit and improvement plan to review future training and requirements for our governing body. We have assessed the impact of this self-evaluation and can be summarised as:

- The annual evaluation day and regular monitoring of the School Improvement Plan has provided extra clarity to the strategic direction of the school;
- The Governors' pursuit of performance management issues has had a positive impact on exam results;
- The Governors' overseeing of financial performance has made sure that the school funds have been well spent in particular with regard to the improvements to the premises.

The board of Trustees were judged as good by Ofsted in December 2013.

Review of value for money

As accounting officer, the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year as follows:

- The school always enters into competitive tendering for high value contracts and services and seeks at least 3 quotations for other goods and services over £10,000.
- A review of contracts takes place at the end of a contract term and other longer term contracts are being reviewed as part of our commitment to reduce costs. Examples include:
 - Review of waste collection (quotes range from £16,500 to £13,100)
 - Review of our broadband contract (quotes range from £13,000 to £14,089 but service levels vary greatly)
 - Consultation regarding energy contracts
 - Review of contracts such as water coolers, minibus servicing, etc.
 - We also challenge most purchases for competitive quotes

The **Finance and General Purposes Committee** is a sub-committee of the main Governing Body. Its purpose is to fulfil the following responsibilities:

- the initial review and recommendation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- to monitor, review and implement procedures for ensuring compliance of financial procedures against financial regulations;
- to review auditors reports and agree recommendations (these are first presented to the Audit Committee)
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity Commission and the DfE guidance issued to academies;

Attendance at meetings during the year was as follows:

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2016 (continued)

Trustee	Meetings attended	Out of a possible
Mr Duncan Robertson	4	6
Mr David Cox	5	6
Mr Clive Hodges	3	6
Mr Daryle Mountford	5	6
Mr Duncan Owen	6	6
Mrs Julia Wood	4	6
Mr Jonathan Wincott	6	6

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sandon School Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the the board of trustees.

The Risk and Control Framework

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

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

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2016 (continued)

The Trustees has considered the need for a specific internal audit function and has decided to appoint Edmund Carr LLP to support the Governor appointed Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on The Sandon School's financial systems. These checks have included:

- Checks on payroll systems and reports
- Checks on lettings income procedures
- A review of income receipts procedures
- Testing of control accounts including bank reconciliations
- A review of the risk register
- A review of financial returns
- A review of capital expenditure and tendering procedures
- A review of budget monitoring

On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Responsible Officer function has been fully devolved in line with the EFA requirements, delivered their schedule of works as planned and no material control issues have arisen.

Review of effectiveness

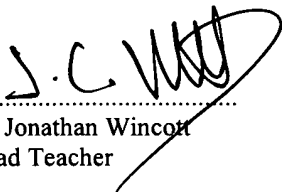
As Accounting Officer, Mr Jonathan Wincott has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Business Manager within the Academy Trust who has 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 Audit Committee and the Finance and General Purposes Committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 5 December 2016 and signed on its behalf by:


.....
Mr David Cox
Trustee


.....
Mr Jonathan Wincott
Head Teacher

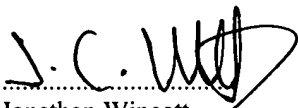
The Sandon School Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Sandon School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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 Governing Body and EFA.


.....
Mr Jonathan Wincott
Headteacher and Accounting officer

The Sandon School Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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:

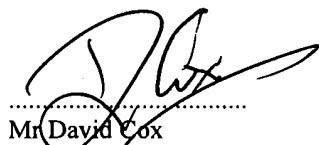
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 5 December 2016 and signed on its behalf by:



.....
Mr David Cox
Trustee

The Sandon School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Sandon School Academy Trust

We have audited the financial statements of The Sandon School Academy Trust for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 18), the trustees (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. 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 (APB'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 charitable company'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 Annual 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 the Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

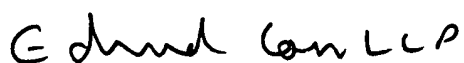
Matters on which we are required to report by exception

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:

The Sandon School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Sandon School Academy Trust (continued)

- 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.



Stewart Martin (Senior Statutory Auditor)
For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road
Chelmsford
Essex
CM2 0AW

Date: 5/12/2016

The Sandon School Academy Trust

Independent Reporting Accountant's Report on Regularity to The Sandon School Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 April 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sandon School Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 from 1 September 2015 to 31 August 2016 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 2015 to 2016 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 Trust's income and expenditure.

Summary of work undertaken, demonstrating application of the principles outlined in the ICAEW guidance (TECH 08/12AAF)

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 from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Sandon School Academy Trust

Independent Reporting Accountant's Report on Regularity to The Sandon School Academy Trust and the Education Funding Agency (continued)

Edmund Carr LLP

Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road

Chelmsford

Essex

CM2 0AW

Date: *5/12/16*

The Sandon School Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £ (As restated)
Income and endowments from:						
Donations and capital grants	2	4,748	-	438,064	442,812	238,440
Other trading activities	4	514,261	100,445	-	614,706	575,592
Investments	5	3,042	-	-	3,042	3,757
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	6,159,816	-	6,159,816	6,290,967
Total income		522,051	6,260,261	438,064	7,220,376	7,108,756
Expenditure on:						
Expenditure on raising funds		485,435	-	-	485,435	506,002
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	6,043,467	698,056	6,741,523	6,738,384
Total expenditure	6	485,435	6,043,467	698,056	7,226,958	7,244,386
Net incoming/(outgoing) resources before transfers		36,616	216,794	(259,992)	(6,582)	(135,630)
Transfers between funds		(28,554)	(781,046)	809,600	-	-
Net income/(expenditure) for the year		8,062	(564,252)	549,608	(6,582)	(135,630)
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	23	-	(1,065,000)	-	(1,065,000)	54,000
Net movement in funds/(deficit)		8,062	(1,629,252)	549,608	(1,071,582)	(81,630)
Reconciliation of funds						
Funds/(deficit) brought forward at 1 September 2015		368,141	(1,218,748)	5,201,130	4,350,523	4,432,153
Funds/(deficit) carried forward at 31 August 2016		376,203	(2,848,000)	5,750,738	3,278,941	4,350,523

The Sandon School Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	4,177	-	234,263	238,440
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	6,290,967	-	6,290,967
Other trading activities	4	505,589	70,003	-	575,592
Investments	5	3,757	-	-	3,757
Total		513,523	6,360,970	234,263	7,108,756
Expenditure on:					
Raising funds	6	506,002	-	-	506,002
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	6,121,492	616,892	6,738,384
Total		506,002	6,121,492	616,892	7,244,386
Net income/(expenditure)		7,521	239,478	(382,629)	(135,630)
Transfers between funds		-	(285,070)	285,070	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	54,000	-	54,000
Net movement in funds/(deficit)		7,521	8,408	(97,559)	(81,630)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2014		360,620	(1,227,156)	5,298,689	4,432,153
Total funds/(deficit) carried forward at 31 August 2015		368,141	(1,218,748)	5,201,130	4,350,523

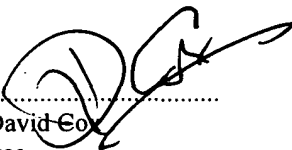
The Sandon School Academy Trust

(Registration number: 07697483)

Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	5,750,738	5,201,130
Current assets			
Stocks	12	2,633	2,197
Debtors	13	109,224	194,006
Cash at bank and in hand		<u>753,235</u>	<u>1,686,578</u>
		865,092	1,882,781
Creditors: Amounts falling due within one year	14	<u>(488,889)</u>	<u>(929,388)</u>
Net current assets		<u>376,203</u>	<u>953,393</u>
Total assets less current liabilities		<u>6,126,941</u>	<u>6,154,523</u>
Net assets excluding pension liability		6,126,941	6,154,523
Pension scheme liability	23	<u>(2,848,000)</u>	<u>(1,804,000)</u>
Net assets including pension liability		<u><u>3,278,941</u></u>	<u><u>4,350,523</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	585,252
Restricted fixed asset fund		5,750,738	5,201,130
Restricted pension fund		<u>(2,848,000)</u>	<u>(1,804,000)</u>
		2,902,738	3,982,382
Unrestricted funds			
Unrestricted general fund		<u>376,203</u>	<u>368,141</u>
Total funds		<u><u>3,278,941</u></u>	<u><u>4,350,523</u></u>

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue on 5 December 2016 and signed on their behalf by:



 Mr David Cox
 Trustee

The Sandon School Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2016

		2016	(As restated)
	Note	£	2015
			£
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(564,849)	256,143
Cash flows from investing activities	20	<u>(368,494)</u>	<u>94,436</u>
Change in cash and cash equivalents in the year		(933,343)	350,579
Cash and cash equivalents at 1 September		<u>1,686,578</u>	<u>1,335,999</u>
Cash and cash equivalents at 31 August	21	<u><u>753,235</u></u>	<u><u>1,686,578</u></u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Income

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

Grants receivable

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance sheet of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Interest Receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other 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 the Education Funding Agency/Department for Education.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Freehold Buildings	4% p.a.
Fixtures, Fittings and Equipment	20% p.a.
ICT Equipment	33.33% p.a.
Motor Vehicles	20% p.a.

Liabilities

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

Provisions

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

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

Assets under construction

Assets under construction are accounted for at cost. They are not depreciated until they are brought into use.

Leased assets

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Stock

Stock generally consists of small items of uniform and catering stock. A full stock count is made at the year end and stock is valued at the lower of cost price or net realisable value.

Taxation

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

Accordingly, the Academy Trust 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.

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust 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.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 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 until 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.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Funds held for third parties

The Sandon School holds funds for the South Chelmsford, Sandon and South Woodham Ferrers Local Delivery Group, a group of one secondary and eight primary schools. The group's funding is awarded by Essex County Council for the support of parents and students enabling them to access extended services. Currently, the key priorities for the LDG are to:

- enhance the emotional well-being of our students
- address the needs of specific groups of vulnerable students

The disposal of these funds is authorised by the delivery group co-ordinator in consultation with representatives from all the schools in the group. The funds are held in a separate fund code for reporting purposes.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31/08/2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	438,064	438,064	234,263
Other donations	4,748	-	4,748	4,177
	<u>4,748</u>	<u>438,064</u>	<u>442,812</u>	<u>238,440</u>

Capital grants received are not permanent endowments.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	5,879,599	5,879,599	5,987,204
Other DfE/EFA grants	192,266	192,266	213,360
	<u>6,071,865</u>	<u>6,071,865</u>	<u>6,200,564</u>
Other government grants			
Local Authority grants	6,013	6,013	6,411
Special Educational Projects	81,938	81,938	83,992
	<u>87,951</u>	<u>87,951</u>	<u>90,403</u>
Total grants	<u>6,159,816</u>	<u>6,159,816</u>	<u>6,290,967</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	23,553	-	23,553	25,722
Catering income	338,595	-	338,595	321,790
Class Sales	-	15,622	15,622	13,584
Educational Visits	146,606	-	146,606	152,402
Other sales	5,507	84,823	90,330	62,094
	<u>514,261</u>	<u>100,445</u>	<u>614,706</u>	<u>575,592</u>

5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Short term deposits	<u>3,042</u>	<u>3,042</u>	<u>3,757</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other costs	2016	2015
	£	£	£	£	£
Expenditure on raising funds	116,068	-	369,367	485,435	506,002
Academy's educational operations					
Direct costs	4,203,210	-	475,236	4,678,446	4,561,631
Allocated support costs	784,167	1,028,071	250,839	2,063,077	2,176,753
	<u>5,103,445</u>	<u>1,028,071</u>	<u>1,095,442</u>	<u>7,226,958</u>	<u>7,244,386</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating leases - plant and machinery	14,491	11,586
Audit fee - Edmund Carr LLP	14,750	14,750
Other services - Edmund Carr LLP	2,800	2,800
Depreciation	259,992	241,143

7 Charitable activities

	Total 2016 £	Total (As restated)2015 £
Direct costs - educational operations	4,678,446	4,561,631
Support costs - educational operations	2,063,077	2,176,753
	6,741,523	6,738,384

	Educational operations £	Total 2016 £	Total (As restated)2015 £
Analysis of support costs			
Support staff costs	784,167	784,167	925,720
Depreciation	259,993	259,993	241,143
Premises costs	768,078	768,078	792,216
Other support costs	190,518	190,518	166,341
Governance costs	60,321	60,321	51,333
Total support costs	2,063,077	2,063,077	2,176,753

8 Staff

Staff costs

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	3,950,846	3,985,247
Social security costs	331,514	293,288
Pension costs	618,492	668,280
	4,900,852	4,946,815
Supply teacher costs	202,593	245,662
	5,103,445	5,192,477

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2015: £15,000). Individually, the payments were:

Non-contractual payments £Nil

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2016 No	2015 No
Charitable Activities		
Teachers	71	70
Administration and support	46	48
Management	7	7
	<u>124</u>	<u>125</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No	2015 No
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£110,001 - £120,000	<u>1</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £446,739 (2015: £417,691).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

Mr Jonathan Wincott (Headteacher):

Remuneration: £115,000 - £120,000 (2015 - £110,000 - £115,000)

Employer's pension contributions: £15,000 - £20,000 (2015 - £15,000 - £20,000)

Mr Duncan Owen (Staff Trustee):

Remuneration: £35,000 - £40,000 (2015 - £35,000 - £40,000)

Employer's pension contributions: £0 - £5,000 (2015 - £0 - £5,000)

Mr Craig Keane (Staff Trustee):

Remuneration: £45,000 - £50,000 (2015 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2015 - £Nil)

During the year ended 31 August 2016, travel and subsistence expenses totalling £Nil (2015 - £Nil) were reimbursed or paid directly to 0 trustees (2015 - 0).

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

10 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

11 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2015	6,068,305	32,375	21,165	14,955	6,136,800
Additions	809,600	-	-	-	809,600
At 31 August 2016	6,877,905	32,375	21,165	14,955	6,946,400
Depreciation					
At 1 September 2015	899,308	16,645	4,762	14,955	935,670
Charge for the year	249,499	6,260	4,233	-	259,992
At 31 August 2016	1,148,807	22,905	8,995	14,955	1,195,662
Net book value					
At 31 August 2016	5,729,098	9,470	12,170	-	5,750,738
At 31 August 2015	5,168,997	15,730	16,403	-	5,201,130

Freehold land & buildings includes £163,828 (2015: £163,828) of land which is not being depreciated.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

11 Tangible fixed assets (continued)

The trust's transactions relating to land and buildings included:

- completing the construction of the new sports hall which cost the trust £809,600 during the year (2015: £143,584). Construction began in 2014/15.

12 Stock

	2016	2015
	£	£
Catering	<u>2,633</u>	<u>2,197</u>

13 Debtors

	2016	2015
	£	£
Trade debtors	4,312	1,188
Prepayments	79,330	86,614
VAT recoverable	25,432	106,054
Other debtors	<u>150</u>	<u>150</u>
	<u>109,224</u>	<u>194,006</u>

14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	104,988	214,248
Other taxation and social security	97,437	82,764
Other creditors	48,771	45,540
Accruals	144,282	121,811
Deferred income	<u>93,411</u>	<u>465,025</u>
	<u>488,889</u>	<u>929,388</u>

	2016
	£
Deferred income	
Deferred income at 1 September 2015	465,025
Resources deferred in the period	93,411
Amounts released from previous periods	<u>(465,025)</u>
Deferred income at 31 August 2016	<u>93,411</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Creditors: amounts falling due within one year (continued)

Deferred income as at the balance sheet date was made up as follows:

Government grants received in respect of the 2016/17 academic year £34,859 (2015 £34,640)
 Government grants received for capital projects yet to be completed £nil (2015 £395,748)
 Music tuition income received in advance £8,996 (2015 £8,675)
 Monies received for trips and visits taking place in the 2016/17 academic year £38,725 (2015 £13,467)
 DfE rates rebate relating to September 15 - March 16 £nil (2015 £nil)
 Lettings income for Autumn term 2016 £3,456 (2015 £2,730)
 Other miscellaneous income in advance £7,375 (2015 £9,765)

15 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	585,252	5,879,598	(5,683,804)	(781,046)	-
Other DfE/EFA grants	-	192,266	(192,266)	-	-
Local Authority grants	-	6,013	(6,013)	-	-
Special Educational Projects	-	81,938	(81,938)	-	-
Funds from other external bodies (parents etc)	-	100,446	(100,446)	-	-
	<u>585,252</u>	<u>6,260,261</u>	<u>(6,064,467)</u>	<u>(781,046)</u>	<u>-</u>
Restricted fixed asset funds					
DfE/EFA and local authority capital grants	210,857	438,064	(442,459)	-	206,462
Capital expenditure from GAG	958,861	-	(68,443)	809,600	1,700,018
Inherited fixed assets	<u>4,031,412</u>	<u>-</u>	<u>(187,154)</u>	<u>-</u>	<u>3,844,258</u>
	5,201,130	438,064	(698,056)	809,600	5,750,738
Restricted pension funds					
Pension reserve	<u>(1,804,000)</u>	<u>-</u>	<u>21,000</u>	<u>(1,065,000)</u>	<u>(2,848,000)</u>
Total restricted funds	3,982,382	6,698,325	(6,741,523)	(1,036,446)	2,902,738
Unrestricted funds					
Unrestricted general funds	<u>368,141</u>	<u>522,051</u>	<u>(485,435)</u>	<u>(28,554)</u>	<u>376,203</u>
Total funds	<u>4,350,523</u>	<u>7,220,376</u>	<u>(7,226,958)</u>	<u>(1,065,000)</u>	<u>3,278,941</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

15 Funds (continued)

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 EFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

The Pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The Other DfE/EFA fund has been created to recognise the restricted grant funding received from the DfE/EFA which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Academy's revenue expenditure.

The Special Educational Needs fund has been set up to recognise the restricted funding received from the EFA to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The DfE/EFA and Local Authority capital grant fund has been created to recognise the capital grants received for the purpose of the acquisition of tangible fixed assets. The amount spent in excess of the capital grants received has been transferred in from the GAG fund. Depreciation relating to these assets has been allocated to this fund.

The capital expenditure from GAG fund has been created to reflect the value of tangible fixed assets purchased from GAG funding. Depreciation charged to the assets purchased with the GAG funding is allocated to this fund.

The Inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Academy upon conversion by the Local Authority which represent the school site inherited from the Local Authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to this fund.

The transfer to restricted fixed asset funds represents the capitalisation of the final stage of the new sports hall.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	5,750,738	5,750,738
Current assets	376,203	488,889	-	865,092
Current liabilities	-	(488,889)	-	(488,889)
Pension scheme liability	-	(2,848,000)	-	(2,848,000)
Total net assets	<u>376,203</u>	<u>(2,848,000)</u>	<u>5,750,738</u>	<u>3,278,941</u>

17 Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>661,305</u>

18 Financial commitments

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	14,053	6,803
Amounts due between one and five years	<u>24,805</u>	<u>2,546</u>
	<u>38,858</u>	<u>9,349</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2016	(As restated)
	£	2015
		£
Net expenditure	(6,582)	(135,630)
Depreciation	259,992	241,143
Capital grants from DfE and other capital income	(438,064)	(234,263)
Interest receivable	(3,042)	(3,757)
Defined benefit pension scheme obligation inherited	(21,000)	106,000
(Increase)/decrease in stocks	(436)	1,866
Decrease in debtors	84,782	27,211
(Decrease)/increase in creditors	<u>(440,499)</u>	<u>253,573</u>
Net cash (used in)/provided by Operating Activities	<u>(564,849)</u>	<u>256,143</u>

20 Cash flows from investing activities

	2016	2015
	£	£
Dividends, interest and rents from investments	3,042	3,757
Purchase of tangible fixed assets	(809,600)	(143,584)
Capital funding received from sponsors and others	<u>438,064</u>	<u>234,263</u>
Net cash (used in)/provided by investing activities	<u>(368,494)</u>	<u>94,436</u>

21 Analysis of cash and cash equivalents

	At 31 August	At 31 August
	2016	2015
	£	£
Cash at bank and in hand	<u>753,235</u>	<u>1,686,578</u>
Total cash and cash equivalents	<u>753,235</u>	<u>1,686,578</u>

22 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by . 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 2012 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (previously 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 assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £480,832 (2015: £426,133).

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pension and similar obligations (continued)

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £205,000 (2015 - £212,000), of which employer's contributions totalled £159,000 (2015 - £163,000) and employees' contributions totalled £46,000 (2015 - £49,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.40
Rate of increase for pensions in payment/inflation	2.30	2.60
Discount rate for scheme liabilities	2.20	4.00
Inflation assumptions (CPI)	2.30	2.60
RPI increases	<u>3.20</u>	<u>3.50</u>

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males retiring today	22.90	22.80
Females retiring today	25.30	25.20
Retiring in 20 years		
Males retiring in 20 years	25.20	25.10
Females retiring in 20 years	<u>27.70</u>	<u>27.60</u>

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pension and similar obligations (continued)

	At 31 August 2016 £	At 31 August 2015 £
Equities	976,000	700,000
Gilts	51,000	44,000
Other bonds	64,000	105,000
Property	157,000	125,000
Cash	43,000	27,000
Other	<u>131,000</u>	<u>78,000</u>
Total market value of assets	1,422,000	1,079,000
Present value of scheme liabilities - funded	<u>(4,270,000)</u>	<u>(2,883,000)</u>
Deficit in the scheme	<u><u>(2,848,000)</u></u>	<u><u>(1,804,000)</u></u>

The actual return on scheme assets was £175,000 (2015 - £48,000).

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost	196,000	210,000
Total operating charge	196,000	210,000

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

	2016 £	2015 £
At 1 September	2,883,000	2,651,000
Current service cost	196,000	210,000
Interest cost	116,000	107,000
Employee contributions	46,000	49,000
Actuarial losses/(gains)	1,065,000	(54,000)
Benefits paid	(36,000)	(80,000)
At 31 August	4,270,000	2,883,000

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

	2016 £	2015 £
At 1 September	1,079,000	899,000
Interest income	46,000	38,000
Return on plan assets (excluding net interest on the net defined pension liability)	128,000	10,000
Employer contributions	159,000	163,000
Employee contributions	46,000	49,000
Benefits paid	(36,000)	(80,000)
At 31 August	1,422,000	1,079,000

24 Related party transactions

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

During the year the academy made the following related party transactions:

Anne Whelpdale

(A trustee of the Academy trust.)

During the year, Anne Whelpdale provided governor training services for a number of the other governors of the Academy trust. This training service was invoiced for a total of £300 (2015: £nil). In entering this transaction, the trust had complied with the requirements of the EFA's Academies Financial Handbook. At the balance sheet date the amount due to Anne Whelpdale was £Nil (2015 - £Nil).

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of The Sandon School Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Sandon School Academy Trust for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31/08/2015 and the date of transition to FRS 102 and SORP 2015 was therefore 01/09/2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

25 Transition to FRS 102 (continued)

Reconciliation of total funds

	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP	4,432,153	4,350,523
Total funds reported under FRS 102	4,432,153	4,350,523

Reconciliation of net income/(expenditure)

	Amount £
Net income/(expenditure) previously reported under UK GAAP	(132,630)
Change in recognition of LGPS interest cost	(3,000)
Net movement in funds reported under FRS 102	(135,630)

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £3,000 and increase the credit/debit in other recognised gains and losses in the SOFA by an equivalent amount.

26 Agency Arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £12,124 (2015: £12,383) and disbursed £7,391 (2015: £5,305). £Nil was retained to cover administration expenses and therefore a balance of £18,646 (2015: £13,913) was repayable to the EFA at 31 August 2016 and is included within other creditors.