

Company registration number 08100344 (England and Wales)

SANDSTONE TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

SANDSTONE TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 25
Governance statement	26 - 32
Statement on regularity, propriety and compliance	33
Statement of trustees' responsibilities	34
Independent auditor's report on the accounts	35 - 37
Independent reporting accountant's report on regularity	38 - 39
Statement of financial activities including income and expenditure account	40 - 41
Balance sheet	42
Statement of cash flows	43
Notes to the accounts including accounting policies	44 - 66

SANDSTONE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Nigel Taylor	(Chair of Trustees)	*
	Jason Lowe	(Accounting Officer)	*#
	Judith Shorrock	(Resigned 13 March 2023)	#
	John Gow	(Resigned 31 August 2023)	*
	Daniel Thomas		#
	Sebastian Kramer		#
	Simon Lazarus		*
	Julie Ellis	(Appointed 18 July 2023)	*
	Bryn Heeley	(Appointed 31 January 2023)	#
	Robert Lambert	(Appointed 18 July 2023)	*
	Andrea Millard	(Appointed 18 July 2023)	#

* members of the Finance Audit and Risk committee

members of the Standards committee

Members

Nigel Taylor
John Waddington
Dawn Joyce
Joanna McDonald
Gareth Burton (Resigned 15 March 2023)

SANDSTONE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trust Leadership Team

- | | |
|--|----------------|
| - Chief Executive | Jason Lowe |
| - Executive Headteacher Tarvin/Eaton Primary schools | Andrew Davies |
| - Director of Finance and Operations | Jonathan Hayes |

Company secretary	Jonathan Hayes
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Company registration number	08100344 (England and Wales)
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Principal address	Eaton Road Tarporley Cheshire CW6 0BL
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Independent auditor	Riverside Accountancy Lancaster Ltd Second Floor Riverside Offices Lancaster LA1 1RD
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Accountants	Hall Livesey Brown HLB House 68 High Street Tarporley Cheshire CW6 0AT
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Bankers	Lloyds Bank plc 8 Foregate Street Chester Cheshire CH1 1XP
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SANDSTONE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates three academies for pupils aged 4 to 18. The academies are:

Academy	Published Pupil Net Capacity Pupil (source GAIS)	Pupils on Roll Autumn Census 2022
Eaton Primary School	210	153
Tarporley High School and Sixth Form College	1270	1212
Tarvin Primary School	315	264
Weaverham High School	1175	1168

Structure, governance and management

Constitution

The Multi Academy Trust (MAT) is a charitable company limited by guarantee and an exempt charity. The Memorandum and Articles of Association, dated 11 June 2012 and revised on 1 December 2020, are the primary governing documents of the MAT.

The charitable company is known as Sandstone Trust. The Trustees are normally appointed on a four-year rolling basis. The MAT had eleven individuals over the period, who acted as the Trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

For the period 1 September 2022 to 31 August 2023 five individuals acted as Members of the MAT. From 15 March 2023, four individuals have acted as Members, following the resignation of one Member on that date. One Member was also a Trustee, the Chair of the Trust Board.

No Trustees or Members are also governors at any of the Trust's academies.

Details of the Trustees and Members who served during period from 1 September 2022 to 31 August 2023 are included in the Reference and Administrative Details on page 1.

Principle Activities

The principal activity of the Trust is to advance education for the public benefit by establishing, maintaining, managing and developing the Trust's schools by offering a broad and balanced curriculum for students of different abilities up to the age of 19.

As at 31 August 2023 those schools were Eaton Primary School (EPS), Tarporley High School and Sixth Form College (THS), Tarvin Primary School (TPS), Weaverham High School (WHS). There were no other schools in the Trust during the year.

Since September 2022, THS has operated the Cheshire Vale Teaching Support Alliance (CVTSA), which was formerly the Cheshire Vale Teaching School Alliance. For operational purposes this is a separate business unit within that Academy. The principal activities of the Teaching Support alliance are to deliver (and assist partner schools with) initial teacher training/School Direct, CPD/leadership development, succession planning/talent management, school to school support, and research and development, primarily within the Cheshire West and Chester local authority area.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The activity of this business unit has refocused during the year and will continue to do so during 2023-24. The function will be rebranded from 1 September 2023 as the School Improvement Offer for the Sandstone Trust and operate as a division of the Central Services Team. The focus will continue to be on, facilitating support of schools in challenging circumstances and delivering School Direct initial teacher training for all Cheshire West Secondary Schools. The service will also be the Trust's primary organ of delivering school improvement to its own schools.

During 2023 the Trust created a dedicated Central Services Team, separate to each of the schools, and located at the Dragon Hall site. This team encompasses the Chief Executive, Chief Finance and Operations Officer, central finance, HR and Governance team.

The most significant change to business activity during the period has been the growth of the Trust to include Weaverham High School from the 1 April 2023. The inclusion of this school in the Trust has been a major strategic focus during the year, with the academy conversion and onboarding process taking up the period from 1 January 2023 to 31 March 2023.

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.

Trustees' indemnities

In accordance with normal commercial practice, for the period 1 September 2022 to 31 August 2023 the Trust and all its schools joined the UK Government's Risk Protection Arrangement (RPA) to protect Members, Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity was unlimited.

Method of recruitment and appointment or election of Trustees

The Trust has the following Trustees as set out in its Articles of Association and Funding Agreement:

- 9 Trustees
- 7 appointed by Members
- 1 Co-opted Trustee appointed by the Trust Board
- The Chief Executive who is treated as an ex officio Trustee

Trustees are appointed for a four-year period, except that the time limit does not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed.

When appointing new Trustees, the Members of the Academy Trust give due consideration to the skills and experience mix of the existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the school's development.

Policies and procedures adopted for the induction and training of Trustees

There is a comprehensive Continuous Professional Development (CPD) and induction programme made available to Trustees by the Company Secretary and the Clerk to the Trust Board. Trustee development needs are identified on an individual basis and tailored to meet these needs and the needs of the Academy Trust.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

Sandstone Trust brings together expertise from across our schools with the purpose of ensuring the best possible outcomes for all our students. The Trust fully believes in the strength that partnership brings and have a shared vision for and ethos in our schools.

The first full year of the Trust was a continuation of the transition from a SAT to a MAT. During 2022-23 the Trust Board has continued to develop and build structures which are fit for purpose in a Multi-Academy Trust. The Governing Body of the SAT took a strategic decision when it applied to be a sponsor academy that it needed to restructure governance arrangements to ensure as far as reasonably possible the separation of the different tiers of governance (Member; Trustees; Local Governing Bodies (LGB)) was achieved.

It also took the decision to ensure that the new Trust Board was made up of individuals with the key skill sets to ensure effective governance of a MAT allowing Trustees to:

- constantly focus on what's best for the school and pupils by challenging in a constructive manner, asking probing questions and visualising the strategic picture, in terms of both the MAT and the academies within it
- understand and effectively carry out their roles, responsibilities and accountabilities, with the ability to take risks and consider dynamic and innovative options
- measure and lead school improvement and drive the necessary changes
- understand the financial and the business elements of leading a MAT, as well as the legal aspects of the role and how the trust and the business work
- work as part of a team and accept shared responsibility and accountability, as well as undertaking frequent self-evaluation in order to remain effective
- act with a strong moral purpose, integrity and honesty, and as an advocate for the MAT's values, ethos and philosophy
- express disagreement in a rational and professional manner
- adopt an entrepreneurial mind-set in order to see and make the most of opportunities that are outside the day-to-day practices of the MAT.
- be innovative, creative and open-minded by engaging in futures thinking and 'horizon scanning'
- ensure that they have the commitment and stamina to drive forward the MAT, as well as the will to abandon the 'good' in order to find the 'outstanding'

The Trust Board (TB) of the Sandstone Trust met 6 times during the period 1 September 2022 to 31 August 2023.

Sandstone Trust (ST) is a charitable company limited by guarantee. It has entered into Master Funding Agreements dated 1 December 2020 and various Supplemental Funding Agreements covering the funding of the academies within the Trust (together the "Funding Agreements").

The Trustees are the charity Trustees (within the terms of section 177(1) of the Charities Act 2011) and are responsible for the general control and management of the administration of the Trust in accordance with the provisions set out in the Memorandum and Articles of Association.

In the ST governance model, each academy is ultimately governed by the Trust Board. The Trustees establish for each academy, a Local Governing Body (LGB). Local governance is delivered through these Local Governing Bodies, who are made up of staff, parents, local community members and a trust representative. However, the Local Governing Bodies are not legally responsible or accountable for statutory functions. Governance arrangements are set by the Trust Board and delivered through the Chief Executive and Executive Leadership Team, on behalf of the Board. Each LGB has been issued with a Terms of Reference and scheme of delegation by the Trust Board.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The following decisions are reserved for Trustees:

- To consider all changes to the status of the Trust and its governance structures
- To appoint the Chair and Vice-Chair of the Trust Board and Local Governing Bodies
- To appoint the Chief Executive, Company Secretary and Clerk to the Trustees
- To approve the Trust's Strategic Development Plan and budget.

The Trustees are responsible for setting general policy, setting the strategic priorities/direction of the Trust, adopting a development plan and budget. They approve the statutory accounts, monitoring the school by use of budgets and other data, and making major decisions about the direction of the school, capital expenditure, and staff appointments.

The Trust Board delegate authority to four key groups in order to ensure the effective leadership and governance of the Trust.

The four key groups are:

- Finance, Audit and Risk Committee
- Standards Committee
- Executive Leadership Team
- Local Governing Bodies and Interim Advisory Boards

The relationship between the Trust Board the Trust Leadership Team, and the Local Governing Bodies is characterised as a partnership to realise a common vision and a common purpose. In the case of the three tiers of Accountability the relationship between the three tiers of governance is also based on the principles of:

- No duplication of governance
- Governance should be as close as possible to the point of impact of decision-making.

The Scheme of Delegation and Terms of Reference for the LGBs provide clarity as to who the decision makers are for different levels of decisions. Effectiveness of both management and governance is supported through clarity over who holds the decision-making responsibility and accountability and who supports and advises the decision makers.

The aim of the leadership structure is to empower leaders at all levels within the Trust to engage with the trust's aims and priorities and drive forward improvement.

The Trust Leadership Team operates at an executive level, implementing the policies and procedures agreed by the Trustees, and reporting back to them on progress against targets and objectives.

The Chief Executive, Chief Finance and Operations Officer and Trust Board are responsible for the authorisation of spending within agreed budgets. The elements of the budget devolved to the individual academies' spending control is delegated to the head of establishment (LGB, Executive Headteacher, Headteacher, or Head of School).

Final authorisation of all orders and payments is reviewed centrally and authorised by the Chief Executive or Chief Finance and Operations Officer as a further check and balance.

The Chief Executive is responsible for the appointment of staff.

The Chief Executive is the Accounting Officer.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Arrangements for setting pay and remuneration of key management personnel

Performance targets and salaries for key Trust personnel are agreed annually by the Trust Board.

Remuneration for key management personnel is reviewed as roles change. Similar arrangements exist at each school level.

The Trustees consider the Chief Executive and Trust Leadership Team as comprising the key management personnel of the MAT in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

The Performance Management of the Headteachers and SLTs are delegated by Trustees to LGBs via the Terms of Reference.

All Trustees give their time freely and no Trustee remuneration was paid in the year for their role as Trustees.

Trade union facility time

Relevant union officials	Number of Employees
Number of employees who were relevant union officials during the relevant period	0
Full-time equivalent employee number	0
Percentage of time spent on facility time	Number of Employees
0%	0
1%-50%	0
51%-99%	0
100%	0
Percentage of pay bill spent on facility time	£000
Total cost of facility time	£5,347.80-
Total pay bill	£7,231,889.73
	%
Percentage of the total pay bill spent on facility time (%)	0.07%
Paid trade union activities	%
Time spent on paid trade union activities as a percentage of total paid facility time hours (%)	0

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Related parties and other connected charities and organisations

The following schools, colleges and universities are partners in the Cheshire Vale Teaching Support Alliance:

- BISHOPS' BLUE COAT C OF E HIGH SCHOOL
- BISHOP HEBER HIGH SCHOOL
- BLACON HIGH SCHOOL
- CHESHIRE WEST AND CHESTER LA
- CHESTER CATHOLIC HIGH
- CHRISTLETON HIGH SCHOOL
- EATON PRIMARY SCHOOL
- ELLESMERE PORT CATHOLIC HIGH SCHOOL
- FRODSHAM MANOR HOUSE PRIMARY SCHOOL
- HARTFORD C OF E HIGH SCHOOL
- HELSBY HIGH SCHOOL
- LIVERPOOL JOHN MOORES UNIVERSITY
- NESTON HIGH SCHOOL
- OAK VIEW ACADEMY
- QUEEN'S PARK HIGH SCHOOL
- SANDYMOOR SCHOOL
- ST. NICHOLAS CATHOLIC HIGH SCHOOL
- TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE
- THE BRIDGE SHORT STAY SCHOOL
- UNIVERSITY OF CHESTER
- UPTON-BY-CHESTER HIGH SCHOOL
- WEAVERHAM HIGH SCHOOL
- WHITBY HIGH SCHOOL

The Alliance aims to:

- Develop an effective and sustainable alliance that helps deliver improved outcomes for young people
- Be part of system wide improvement that creates a better future for all
- Provide outstanding opportunities for staff within and beyond the Alliance to develop their leadership skills, experience and confidence including the delivery of licensed programmes from the National College for School Leadership
- Provide and broker outstanding training and development opportunities for staff within and beyond the Alliance that support the achievement and excellence in terms of learner outcomes
- Broker the supply of system leaders such as National Leaders in Education (NLEs), Local Leaders in Education (LLEs) and Specialist Leaders in Education (SLEs)
- Ensure the supply of outstanding new teachers into the profession through effective Initial Teacher Training (ITT)
- Provide school to school support that gives additional capacity to ensure that all schools can be strong and successful schools, meeting the needs within their own context
- Work together on succession planning to ensure that schools within and beyond the partnership can continue to be effectively led and managed
- Engage in research and development work that contributes to a more evidence-based approach to school improvement.

During 2022-23 the Alliance's School Direct programme continued to build on the strong performance of the previous five years.

The Alliance uses 1 National Leader of Education (NLEs), 7 Local Leaders of Education (LLEs), 1 National Leader of Governance (NLG), and 45 Specialist Leaders of Education (SLEs) to support other schools in challenging circumstances.

THS has strong collaborative links with its partner primary schools, which have formed the Sandstone Partnership, to further the development of educational and CPD opportunities for all members stakeholder groups.

THS is also a member of a Science Learning Partnership and has established a Cheshire West and Chester Science hub which is based at Tarporley High School and Sixth Form College.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

THS is also the lead school for Cheshire West and Chester's Math's hub, working on "Teaching for Mastery in your school".

During 2022-23, the Trust enlarged with Weaverham High School joining Sandstone Trust on 1 April 2023. The new trust continues to build on existing strong relationships with all four schools to develop deeper synergies for the benefit of all constituent parts of the organisation.

There are no related parties with either control or significant influence on the decisions or operations of the Teaching School Alliance. There are no sponsors.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

Sandstone Trust (ST) brings together expertise from across our schools with the purpose of ensuring the best possible outcomes for our students. The schools work in collaboration with a shared vision. The Trust fully believes in the strength that partnership brings and has a shared vision for and ethos in our schools.

The Trust currently comprises Tarporley High School and Sixth Form College, Eaton Primary School, Tarvin Primary School and Weaverham High School, and aims to be a dynamic and forward-thinking Trust which works together whilst retaining the identity and uniqueness of each of the individual schools.

The Trust has a clear vision of "Experiencing excellence through dynamic partnership". The Trust aims to achieve its vision through its strategic aims of:

- Inspirational partnership
- Exceptional development
- Educational rigour

Underpinned by the Trust's values of:

- Respect
- Collaboration
- Honesty
- Exploration

This shared vision enables all our schools to deliver the highest quality of teaching and learning, as well as a range of opportunities to support the academic, personal and social development of our students. Our aspirational culture ensures that the Trust works tirelessly to support and challenge everyone to be the very best that they can be.

Objectives, Strategies and Activities

Sandstone Trust is an incorporated company and charity that aims to establish and maintain a number of Academies in accordance with guidelines laid down in its funding agreement with the DfE.

Effective governance in our Trust is supported by the following:

- Trust Members – the guardians of the constitution
- Trust Board – the Directors / Trustees
- Trust sub-committees
- Executive Leadership Team - the Chief Executive Officer (the CEO), the Chief Finance and Operations Officer (CFOO),
- The Headteachers of the individual schools who are accountable to the Executive Leadership Team
- Local Governing Bodies (LGB) – the Local Governors

The Trust Board has overall responsibility and ultimate decision-making authority for all the work of the Trust, including the establishment and maintenance of the schools.

The ST governing model sets out the fundamental principles of the organisation. The model consists of the principles set out here, the Multi-Academy Trust Articles of Association and the detail set out in the Terms of Reference for each of the LGBs.

The governance principles of ST recognise the importance of developing relationships with a common purpose and they are about developing processes and structures in a changing educational landscape,

The Trust will continue to develop our governance arrangements to shape and take account of best practice in the sector.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trust has put in place systems to ensure that it is compliant with the principles and regulations set out in the Academies Financial Handbook. ST Trust Board intends to continue to develop its governance in an effort to ensure outstanding practice in governance

The Trust's governance is underpinned by a common understanding about who is responsible for providing valuable input to decision making and who has the decision-making responsibility.

Public benefit

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in the exercise of their duties.

The Trustees met 6 times during the year. In all their discussions and decision making the Trustees have been conscious of their duty to use public funds to deliver an excellent educational experience to our students. This principle is applied in all expenditure decisions whether it be employing highly qualified and inspiring staff or using the Trust's financial resources to improve the environment on campus for our students.

Each committee's Terms of Reference provide a framework for information and challenge, for Trustees to enable effective decision making and monitoring of the impact of expenditure in each area of operations.

The Trust's Leadership Team uses benchmarking and other data to ensure that the advice provided to Trustees in their decision making is as robust as possible. The Trustees have created a culture of support and challenge within the Trust which promotes continuous improvement, and fosters innovation.

This is embodied in a culture within the Trust that celebrates student achievement.

Strategic report

Achievements and performance

The Trust Board uses a number of key performance indicators (KPI's) to assess Trust performance and therefore the success of the MAT. These include, but are not limited to, Ofsted outcomes if available, exam results in comparison to Trust data and national averages, attendance percentages and total spend as a percentage of the overall academy budget.

Tarporley High School and Sixth Form College and Tarvin Primary School had OfSTED inspections during the academic year 2022-23. The outcome of both inspections was a category of Good.

The board considered the following measures of performance for the year ended 31 August 2023:

Academy	Maintained Status OfSTED Rating	Current OfSTED Rating
Eaton Primary School	Inadequate	No data available
Tarporley High School and Sixth Form College (Overall)	N/A	Good
Tarporley High School and Sixth Form College (6th Form judgement)		Outstanding
Tarvin Primary School	Good	Good
Weaverham High School	Good	No data available

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Sandstone Trust Outcomes - Primary Phase

EATON PRIMARY SCHOOL DATA OVERVIEW 2023

Early Years

EYFS	2023	National 2022
Good level of development*	95%	65%
Expected across all areas (17 areas)	95%	63%
Average number of ELGs at expected per child	16.2	14.1

*Children are defined as having a good level of development if they are at the expected level for the 12 early learning goals within the 5 areas of learning relating to: communication and language; personal, social and emotional development; physical development; literacy; and mathematics.

Phonics

Year 1 Phonics	2023	National 2022	2023 average score	National average score 2022
	92%	75%	36	32.3

Key Stage 1

Subject	Level	2023	National 2023
English Reading	Greater depth	60%	18% (2022)
	Expected or above	92%	69%
English Writing	Greater depth	8%	8% (2022)
	Expected or above	80%	61%
Maths	Greater depth	24%	15% (2022)
	Expected or above	88%	72%
Science	Expected	92%	77% (2022)

Year 4 Multiplication Tables Check The test is out of 25.

Year 4 MTC	2023 average score	National average score 2022
	20	19.8

Key Stage 2 Writing

Level	Percentage 2023	National 2023
Greater depth	26%	13%
Expected or above	87%	71%
Progress score	+4.2	0

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key Stage 2 Science

Level	Percentage 2023	National 2022
Expected	95%	79%

Key Stage 2 unvalidated SATs data

Reading

Level	Percentage 2023	National 2023
Greater depth	26%	29%
Expected or above	70%	73%
Average scaled score	104	105
Progress score	-0.5	0

Grammar, Punctuation and Spelling

Level	Percentage 2023	National 2023
Greater depth	22%	30%
Expected or above	70%	72%
Average scaled score	103	105

Maths

Level	Percentage 2023	National 2023
Greater depth	13%	24%
Expected or above	70%	73%
Average point score	103	104
Progress score	-0.5	0

TARVIN PRIMARY SCHOOL DATA OVERVIEW 2023

Early Years

EYFS	2023	National 2022
Good level of development*	77%	65%
Expected across all areas (17 areas)	77%	63%
Average number of ELGs at expected per child	15.9	14.1

*Children are defined as having a good level of development if they are at the expected level for the 12 early learning goals within the 5 areas of learning relating to: communication and language; personal, social and emotional development; physical development; literacy; and mathematics.

Phonics

Year 1 Phonics	2023	National 2022	2023 average score	National average score 2022
	97%	75%	37.7	32.3

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key Stage 1

Subject	Level	2023	National 2023
English Reading	Greater depth	17%	18% (2022)
	Expected or above	92%	69%
English Writing	Greater depth	3%	8% (2022)
	Expected or above	61%	61%
Maths	Greater depth	19%	15% (2022)
	Expected or above	86%	72%
Science	Expected	94%	77% (2022)

Year 4 Multiplication Tables Check The test is out of 25.

Year 4 MTC	2023 average score	National average score 2022
	21.7	19.8

Key Stage 2 Writing

Level	Percentage 2023	National 2023
Greater depth	13%	13%
Expected or above	73%	71%
Progress score	+1.4	0

Key Stage 2 Science

Level	Percentage 2023	National 2022
Expected	98%	79%

Key Stage 2 unvalidated SATs data

Reading

Level	Percentage 2023	National 2023
Greater depth	29%	29%
Expected or above	73%	73%
Average scaled score	105	105
Progress score	+0.4	0

Grammar, Punctuation and Spelling

Level	Percentage 2023	National 2023
Greater depth	29%	30%
Expected or above	78%	72%
Average scaled score	104	105

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Maths

Level	Percentage 2023	National 2023
Greater depth	27%	24%
Expected or above	60%	73%
Average point score	102	104
Progress score	-0.7	0

Sandstone Trust Outcomes – Secondary Phase

TARPORLEY HIGH SCHOOL AND SIXTH FORM COLLEGE EXAM RESULTS 2023

GCSE and A level Results 2023

Tarporley High School and Sixth Form Colleges' results 2023 A Level and GCSE results are excellent, and in advance of local and national performance levels. When taken in the context of the Pandemic and its aftermath, with the significant disruption that it caused to the learning of students, the results are exceptional and demonstrate the validity of the strategies that the Trust put in place during the period to mitigate against the negative effects of the pandemic on student outcomes.

For comparison purposes both tables of results below have omitted the 2020 and 2021 results which were not based upon exam performance and instead compare the 2023 results against previous years when public examinations were taken in the normal way.

GCSE Attainment 8 and Progress 8 Summary

Measure	Total
Average Total Attainment 8	53.49
Average Attainment 8 Grade	5.35
Average KS2 Prior Attainment	106
Average Estimated A8	49.55
Average Total Progress 8	0.43

Basics 9-7

Measure	Total	%
Students Achieving 9-7 in English and Maths	32	15.5
Students Achieving 9-7 in English	75	36.4
Students Achieving 9-7 in Maths	43	20.9

Basics 9-5

Measure	Total	%
Students Achieving 9-5 in English and Maths	124	60.2
Students Achieving 9-5 in English	159	77.2
Students Achieving 9-5 in Maths	131	63.6

Basics 9-4

Measure	Total	%
Students Achieving 9-4 in English and Maths	161	78.2
Students Achieving 9-4 in English	183	88.8
Students Achieving 9-4 in Maths	168	81.6

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

A Level Results

	21	50	99
	43.9	74.3	100
	27.9	54.1	99.2
	28	51	100
	22.1	43.3	97

WEAVERHAM HIGH SCHOOL EXAM RESULTS 2023

When comparing results to the most relevant cohort of 2019, Weaverham High School's results have improved in a number of key measures in 2023 including both the headline Average Attainment 8 grade and the Average Progress 8 measure.

GCSE Attainment 8 and Progress 8 Summary

Average Attainment 8 Grade	48.73
Average KS2 Prior Attainment	105.5
Average Estimated A8	49.72
Average Total Progress 8	-0.10

Basics 9-7

Measure	Total	%
Students Achieving 9-7 in English and Maths	33	15.0
Students Achieving 9-7 in English	65	29.5
Students Achieving 9-7 in Maths	45	20.5

Basics 9-5

Measure	Total	%
Students Achieving 9-5 in English and Maths	106	48.2
Students Achieving 9-5 in English	145	65.9
Students Achieving 9-5 in Maths	120	54.5

Basics 9-4

Measure	Total	%
Students Achieving 9-4 in English and Maths	152	69.1
Students Achieving 9-4 in English	173	78.6
Students Achieving 9-4 in Maths	165	75.0

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Recruitment and Campus Development

The 4-18 roll of the Trust has remained stable during the 2022-23 academic year and is forecast to remain so during 2023-24. The Trust's sixth form recruitment levels have remained stable.

The Trust entered two bids to the Education Funding and Skills Agency's (EFSA) Condition Improvement Fund (CIF) to address serious concerns over THS's electrical systems within its SCOLA block, and a carbon reducing scheme to address issues with TPS's boiler. Both bids were successful. The electrical safety scheme for THS commenced in Summer 2023 and is progressing well, and the planning phase of the TPS carbon reduction scheme is underway with the scheme to replace the existing oil fired boilers due to be completed by September 2024.

The Trust also completed a Water Infrastructure Health and Safety Works at THS, which it received a grant for during the 2019-20 window and phase one of the heating infrastructure scheme at THS has already been completed. Phase two is still ongoing but it is anticipated that it will be completed by the end of December 2023.

Key Financial Performance Indicators

The main financial performance indicator for the Trust is the level of reserves held at 31 August 2023. It is the Trust's management policy that in general terms the income received in any one year is spent for the benefit of those children in school that year, with provision also made for a contingency for "unforeseen" events.

During the financial year 2022-23 expenditure has been within projected spending levels, and a positive cashflow has been maintained throughout the period.

The formula for funding academies is primarily based upon student numbers and this is also a key performance indicator.

The funding allocations for each School for 2022-23 were based upon the following numbers of students on roll:

<u>School</u>	<u>Students on Roll</u>
Eaton Primary School	146
Tarporley High School and Sixth Form College 11-16	1214
Tarvin Primary School	287
Weaverham High School	1164

Sixth Form numbers are more susceptible to variation, due to the choice element and these numbers are kept under regular review. Sixth Form recruitment for the academic year 2023-24 is stable.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Going concern

Sandstone Trust has assessed itself to be a "going concern" in line with the requirements of ISA 570 which defines the term "going concern" assumption as:

"the defining assumption about the condition of an entity for which adoption of the going concern basis of accounting is appropriate."

With FRS102 defining the period over which the "going concern" assumption must be considered as at least, but not limited to:

"twelve months from the date when the financial statements are authorised for issue."

In making this judgement the Trust has reviewed its ongoing healthy reserve levels, the liquidity of those reserves, the ongoing obligations, such as payroll, and trade creditors amongst other items, and the stability of the Trust's income streams (i.e. student roll information).

The Trust's management accounting reporting process reviews, income and expenditure reports, cashflow reports and a balance sheet for each of its schools. These reports provide Trustees with information throughout the year to enable an assessment to be made, on not only the progress against budget, but also the individual school's ability to meet its commitments during each accounting period and (from the cashflow projections) for coming periods.

Financial modelling is undertaken by the Trust's Finance Team, which takes into account student population data/projections, known changes to funding streams (DfE grant funding etc), staffing changes such as annual pay progression and establishment changes, and energy usage modelling. The Trust produces detailed financial models which it uses to supply 3-year budget forecast information to the DfE and maintains detailed models for a 5-year cycle. The Trust also uses these models to produce cashflow analysis for a three-year cycle.

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 largest proportion of the Trust's income is obtained from the DfE, via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for defined purposes. The grants received from the DfE during the period 1 September 2022 to 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

For the financial period which ended 31 August 2023, the total expenditure of the Trust did not exceed the recurrent grant funding from the DfE, together with incoming resources.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements for the financial period to 31 August 2023. These assets were used exclusively for providing education and the associated support services.

The land buildings and other assets of each of the schools had been transferred to the Trust upon conversion. The land and buildings were professionally valued at that time. Other assets have been included in the financial statements as a best estimate, taking into account purchase price and remaining useful lives.

The balance of the predecessor schools' budget share was transferred to the Trust in the cycle following conversion and is shown as unrestricted funds.

As a part of the successful CIF grant application processes, the Trustees gained permission from the Secretary of State to take out CIF and Salix Loans to support the Trust's condition infrastructure improvement programmes. Trustees have analysed the impact of the loan repayment schedules on revenue income and are confident that they are affordable.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Upon conversion the Trust has taken responsibility for the deficit in the Local Government Pension Scheme (LGPS) in respect of any of the schools' support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in the financial statements.

The Trust's Handbook of Internal Procedures sets out the framework for financial management, including the financial responsibilities of the Governors, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. This handbook is kept under review to ensure fitness of purpose.

On a monthly basis Hall Livesey Brown (HLB) work with the finance team to carry out month end procedures and are working with the Trust to hone management accounts reporting for Trustees. This combined with a dedicated central finance function have provided greater resilience for the Trust and allowed it to expand this year by onboarding Weaverham High School.

Trustees have also appointed Hall Livesey and Brown to undertake internal checks on financial controls. HLB have full access to the trust's cloud-based systems for asset management and the accounts package (SAGE Education), with supporting documentation being digitised and stored within the systems for ease of scrutiny. Extensive use continues to be made of Microsoft Teams to enable this.

Internal checks were undertaken covering the following areas:

1. Banking Arrangements
2. Credit card
3. Income
4. Bank & Cash
5. The School Fund
6. VAT
7. Personnel
8. Teaching School – review of systems
9. Purchasing
10. Tendering
11. Insurance cover
12. Computer security
13. Pre-Year End Health Check – prepayments/accruals/yearend adjustments
14. Asset register
15. Segregation of duties

Any matters arising from the internal checks undertaken by Hall Livesey Brown were reported to the Trust's audit committee and appropriate remedial action has been taken.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

The Trust currently holds the following levels of reserves:-

- £2,386,066 unrestricted reserves
- £Nil restricted reserves
- (£56,000) pension reserve
- £38,310,487 fixed asset fund
- £40,640,553

The Trustees have decided that elements of the unrestricted reserves will be utilised to support the following over the coming period:

- Liquidity
- The Trust's Capital Programme including its ongoing bids for CIF funding
- Enable the Trust to manage the effects of known and unknown funding fluctuations

During the period 2016-23 £11,543,837 million has been secured from DfE and local authority sources for investment in the Trust's Estates, and Trustees had agreed to utilise reserves to support this programme. The Trust continues to seek new capital income streams and is committed to replacing the current temporary classrooms on the THS campus. Given this, the Trustees have agreed to continue to utilise reserves to support this programme. This position will be reviewed annually.

Investment policy

The Trust's investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures adopted by the Trust Board and must always ensure the maximum integrity of such investments.

It is the policy of the Trust to have cash invested in liquid investments that bear minimal risk.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

The Trust Board reviews its financial risk assessment annually through the work of its internal auditors Hall Livesey Brown (HLB) and maintains a risk register covering its entire business and a business continuity plan to address different levels of potential disruption to the normal business operations of the Trust. The areas covered by this risk assessment are as follows:

1. Governance
2. Financial Planning and Budgetary Control
3. Payroll
4. Purchasing Arrangements
5. Payment of Invoices
6. Petty Cash Imprest
7. Inventory/Trust Assets
8. Income
9. Data Security
10. Insurance
11. Cheshire Vale Teaching Support Alliance

The Trustees have implemented a number of systems to assess and minimise these risks as part of their processes for internal controls. Where significant financial risk still remains, they have ensured that adequate insurance cover is in place.

Within the period the Trust was accountable for four schools. Eaton Primary School, Tarporley High School and Sixth Form College, Tarvin Primary School, Weaverham High School. Overall the roll at each of the school is stable:

Academy	Published Pupil Net Capacity Pupil (source GAIS)	Pupils on Roll Autumn Census 2022
Eaton Primary School	210	153
Tarporley High School and Sixth Form College	1270	1212
Tarvin Primary School	315	264
Weaverham High School	1175	1168

Tarvin and Eaton Primary Schools' rolls during the period are stable and forecast to remain so.

Tarporley High School and Sixth Form Colleges roll for Years 7 to 11 is stable, and analysis of student numbers from our partner primary schools indicates that the risks to revenue funding from a falling roll are slight. The Trustees have identified that variations in 6th Form recruitment are more difficult to predict, and projections for recruitment and retention are discussed regularly by the Trust Board and Senior Leadership Team.

Weaverham High School's roll for Y7 to 11 is also stable, the school's analysis included within their budget planning indicates a low risk in terms of falling roll.

Constraints imposed by the tightening of the public purse continue to affect the Trust. Changes to the formula for funding schools as the government move towards a national funding formula, the changes to special educational needs funding, and the increases in employment and premises costs due to pay awards, changes to employer's superannuation contributions and inflation mean that revenue funding streams will be constrained for the foreseeable future.

The Trust maintained its strong financial performance during the period despite the financial pressures caused by some long-term staff absences and the increased use of agency staff to plug recruitment gaps, particularly amongst the Trust's support staff, due the general recruitment crisis in the education sector.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trust has continued to develop its ways of working and services offered to its schools as the MAT entered its third full year. The focus during the year has been the further embedding of systems and processes with the former maintained schools. During the year a review was undertaken of operating practices which resulted in the establishment of a dedicated central services function based at the Trust's new Dragonhall Site.

Weaverham High School joined the Trust on 1 April 2023, as a former foundation school. The Trust's central team managed the successful conversion process. Since April 2023 the focus has been, and continues to be, on the successful integration of the school into the Trust.

The Trust as part of its management accounting reporting reviews, income and expenditure reports, cashflow reports and a balance sheet for each of its schools. These provide Trustees with information throughout the year to enable a view to be taken on not only the progress against budget but also the individual school's ability to meet its commitments during each accounting period and (from the cashflow projections) for coming periods. Liquidity for all areas of the Trust's operations was maintained throughout the period.

The Trust has continued to operate effectively, meeting its obligations under its funding agreement with the Department for Education (DfE). Challenges have presented themselves particularly in terms of procurement of supplies and services from an economy emerging from lockdown.

At the 31 August 2023, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

Cheshire Vale Teaching Support Alliance, has been reviewed during the period in the context of the Trust's need to develop a school improvement offer for its schools and prospective partner schools. The existing team has been integrated from 1 September 2023 into the Trust's central services team.

The Trust has always been keen to ensure that the activities of the Support Alliance do not expose it to any financial risks arising from the activity of this business unit. This element of the Trust's operations is controlled by the same rigorous systems of financial controls as other areas of the Trust. The Alliance is required to live within the available financial resources within its bank accounts and is not permitted to run programmes which are not self-financing. No subsidy is made by the Trust to the Alliance's activities.

The most significant potential liability for the Trust is the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the Notes to the Financial Statements. Having assessed the risk, Governors consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, and so the risk from this liability is minimised.

Other risks and uncertainties which the Trust may face:

Financial:- The Trust receives the majority of its funding from the Government via the E-FSA. Whilst the expectation exists that this funding will continue, Government Policy or practice may change, and public funding may not remain at the level or indeed be distributed by the same formula.

Failures in governance or management:- Risk arise in this area from the potential failure to effectively manage the finances of the Trust, internal controls, compliance with regulations and legislation or statutory returns. Through the monitoring and review systems in place Trustees ensure appropriate measures are in place to mitigate risks.

Reputational:- The Trust's continued success is dependent on its ability to attract applicants in sufficient numbers by maintaining the highest of educational standards and through them the Outstanding Ofsted judgement. Trustees ensure that the quality of teaching and learning is at the core of everything the Trust does. Student success, achievement and progress are monitored closely, reviewed and celebrated.

Safeguarding and child protection:- The Trustees continue to ensure that safeguarding and child protection within the Trust are maintained to the highest standard. They do this through robust recruitment processes, and the monitoring and training of staff, ensuring that effective child protection, health and safety and pupil discipline policies and procedures are in place.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Staffing: - The Trust's reputation and success is built on the quality of its staff. Trustees have put in place policies and procedures to ensure the continued development and training of all staff and putting in place plans for succession.

Fraud and mismanagement of funds: - The Trust has appointed Auditors to undertake regular checks on the financial systems and records as required by the Academy Financial Handbook. The Trust's Finance Team receive training specific to their roles to keep them up to date with financial practice requirements and develop the skills required to undertake their roles.

Litigation: - Many of the potential risks detailed above could result in litigation. Even if the Trust was successful in any such action, it would present a financial and reputational risk. As outlined Trustees have put in place robust systems and procedures, together with adequate insurance cover, to mitigate this risk.

Financial and risk management objectives and policies

The Trust incorporates an assessment of risk, both financial and otherwise, within its procedures for Financial Management. This incorporates a formal Financial Management Risk Assessment. In addition, the Trust recognises the need to make provision in the event of a major incident which may disrupt normal operations, and this is formalised in a Business Continuity Plan.

The Trustees continually assess the major risks to which the Trust may be exposed, focussing on those relating to its finances, teaching and learning, the safeguarding of children, capital infrastructure and other operational areas. The Trustees have put in place a robust system of internal controls to evaluate and reduce any risks which are identified. Where significant risk still remains, adequate insurance cover has been put in place.

The Trust's 4 – 18 roll remains stable, and analysis of student numbers within our partner schools indicates that the risks from a falling roll are small. Reception and Sixth Form numbers can however vary, and this area of risk is kept under review by the Trustees and the Trust Leadership Team. Detailed analysis is also undertaken of other areas of pupil related funding where turbulence exists due to formula changes, which includes Sixth Form Funding and funding provision for students with special educational needs. Increasing employment and facilities costs, aligned with the ongoing austerity measures, mean that budgets will be challenging for the foreseeable future.

The management accounting reporting review of the Trust, analyses, income and expenditure, cashflow and the balance sheets for each of its schools. This review provides Trustees with information throughout the period to enable Trustees to judge not only the progress against budget, but in addition the individual school's ability to meet its commitments during each accounting period and (from the cashflow projections) for coming periods. Liquidity for all areas of the Trust's operations was maintained throughout the period.

The key financial balances that the Trust deals with are largely bank balances and trade creditors with limited trade and other debtors and therefore its financial risk is minimal.

However, the Trust does have to carry the deficit on the local government defined pension scheme on its balance sheet which at 31 August 2023 stood at £56,000. The deficit is being addressed by the Pension Fund Administrators and is likely to result in increased costs to the Trust over time by way of increased employer contributions.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Sandstone Trust aims to be a dynamic and forward-thinking Trust which works together whilst retaining the identity and uniqueness of each of the individual schools.

The Trust aims to achieve its vision through the highest quality teaching and learning as well as a range of opportunities to support the personal and social development of our students. The aspirational culture ensures that the Trust works tirelessly to support and challenge everyone to be the very best that they can be.

This vision drives developments and innovation within the Trust and is translated into the strategic and operational plans that the trust implements.

The Trust's aim is to establish all its schools as centres of excellence and the destination of choice for all students within the localities that the Trust serves.

The Trust is developing a five-year estate development plan, which encompasses ongoing refurbishment of our existing facilities and bids for capital funding to the EFSA to improve our facilities and increase the capacity of the school to meet demands within our locality. Since 1 December 2020 the focus of work in this area has been on the evaluation of the trust's new building stock, to better inform development priorities in coming periods.

The Trust is also working closely with Cheshire West and Chester Council to ensure sufficient school places are in place to meet the demands of our locality.

Funds held as custodian trustee on behalf of others

The Academy and its Governors do not act as the Custodian of any other Charity.

Employee consultation and disabled employees

The trustees recognise that equal opportunities must be an integral part of good practice within the workplace. The Trust has established equal opportunities in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued. This includes building works to improve staff and student accessibility. The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in its employment as well as generally through training and career development.

The Trust encourages staff contribution at all levels, and close collaboration between the academies, head teachers and senior managers takes place to share knowledge and best practice. Furthermore, the Trust provides internal and external professional development support. As our Trust grows Trustees recognise the need to build capacity for a cohesive and Trust-wide approach to professional development which will support the Trust's vision: Experiencing excellence through partnership and our strategic aims: Inspirational partnership, Exceptional development, educational rigour. Trustees are currently in the process of appointing a Professional Development Lead, whose focus will be to lead the Trust's professional development strategy, at all levels within the Trust. In terms of recruitment, all new staff are inducted, and teachers take part in training before the start and during the school year. The Trust recognises the strength of bringing all its staff together for CPD activities, with the first joint INSET (In service training) day being held on 27 November 2023.

The Trust makes extensive use of staff surveys to inform executive leaders and Trustees of the views of staff. The staff surveys seek views on the following areas, vision and values, climate within the workplace, staff development, communication, leadership and strategic development, well-being, workload, retention, and workplace barriers.

The Trust also works in close collaboration with our trade union partners representing our employees (both teaching and support staff), by buying back into the Cheshire West and Chester Council's (CWaC) Trade Union Facilities Time pooling arrangement; regular meetings between the CEO and the CWaC area union representatives; meetings between individual Headteachers and union representatives based at their schools. These meetings focus on people policy development, strategic updates and staff related operational matters.

Each school's Local Governing Body's (LGB) activity is determined by its Terms of Reference. Each LGB is required to have staff governors elected by the school's staff, 1 Teacher Staff Governor and 1 Support Staff Governor.

SANDSTONE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

Riverside Accountancy Lancaster Limited has indicated its willingness to continue in office.

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 05 December 2023 and signed on its behalf by:

Nigel Taylor

Chair of Trustees

SANDSTONE TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Sandstone 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 Chief Executive, 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 Sandstone Trust and the Secretary of State for Education. The Director of Finance and Operations is 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 Statement of Trustees' Responsibilities. The Governing Body (Trust Board of the SAT) and Trust Board has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees (who were also Governors) was as follows:

Trustees	Meetings attended	Out of possible
Nigel Taylor (Chair of Trustees)	5	6
Jason Lowe (Accounting Officer)	6	6
Judith Shorrocks (Resigned 13 March 2023)	2	3
John Gow (Resigned 31 August 2023)	5	6
Daniel Thomas	3	6
Sebastian Kramer	4	6
Simon Lazarus	5	6
Julie Ellis (Appointed 18 July 2023)	0	0
Bryn Heeley (Appointed 31 January 2023)	3	4
Robert Lambert (Appointed 18 July 2023)	0	0
Andrea Millard (Appointed 18 July 2023)	0	0

[Include here:

- key changes in the composition of the board of trustees
- the coverage of its work
- the board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board
- information about the quality of the data used by the board, and why the board finds it acceptable

Conflicts of interest

Academy trusts must describe the processes they have in place to manage conflicts of interest, including for example (but not limited to) maintaining an up-to-date and complete register of interests, and how the information on this register is used in the day-to-day management and governance of the academy trust. Where relevant, they must also explain how the academy trust avoids conflicts of interest in its ownership or control of any subsidiaries, joint ventures or associates.

SANDSTONE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Governance reviews

[As a matter of best practice academy trusts should be carrying out a self-assessment annually, and commissioning independent external reviews of governance routinely, as part of a wider programme of self-assessment and improvement in subsequent years. The outcome should be presented here.

- Describe the evaluation or review that has been undertaken during the year on the impact and effectiveness of the board of trustees, including any external review of governance
- Describe the findings, any actions taken and the impact they had
- Indicate when the trust intends to conduct its next self-evaluation or external review of governance.
- If the academy trust has not carried out a review it should still indicate when it intends to do so.]

The Trust Board established a Finance Audit and Risk Committee to monitor all aspects of the financial management, audit systems and reporting, and risk management for the Trust Board.

Attendance at the Finance audit and risk committee meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Nigel Taylor (Chair of Trustees)	3	3
Jason Lowe (Accounting Officer)	2	3
John Gow (Resigned 31 August 2023)	3	3
Simon Lazarus	3	3
Julie Ellis (Appointed 18 July 2023)	0	0
Robert Lambert (Appointed 18 July 2023)	0	0

The Trust Board also established a Standards Committee to oversee educational standards and performance of the Trust's schools. This committee met twice during the year

The Trust Board has carried out extensive work on the development of schemes of delegation for the trust as a whole and for the local governing bodies of each of its schools. This work was supported by Mills Reeve.

Trustees	Meetings attended	Out of possible
Jason Lowe (Accounting Officer)	2	2
Judith Shorrock (Resigned 13 March 2023)	2	2
Daniel Thomas	2	2
Sebastian Kramer	2	2
Bryn Heeley (Appointed 31 January 2023)	0	0
Andrea Millard (Appointed 18 July 2023)	0	0

SANDSTONE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the 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 Trust Board where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Trust has delivered improved value for money during the year by applying the four principles of best value as the main drivers of all the Trust's operations and Trustees:

- **Challenge** - Is the Trust's performance high enough? Why and how is a service provided? Is it still needed? Can it be delivered differently? What do parents want?
- **Compare** - How does the Trust's student performance and financial performance compare with other multi-academy trusts and schools? How does the performance of the Trust's schools compare with LA schools? How does the performance of the Trust's schools compare other Academy schools?
- **Consult** - How does the Trust seek the views of stakeholders about the services the Trust provides?
- **Compete** - How does the Trust secure efficient and effective services? Are services of an appropriate quality or economic benefit?

when making decisions about:

- the allocation of resources to best promote the aims and values of the Trust
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all students

This approach has underpinned the Trust's drive to improve educational outcomes for all its students.

Ensuring that the Academy gains good value for money, and effective and efficient use of resources

The Trust takes a prudent approach to expenditure. As the largest single expenditure item within the Trust's budget is staffing, the staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the Trust's objectives.

Creative use of human resources demonstrates a commitment to using staff skills effectively, and staff are encouraged to use their particular areas of expertise to enhance pupil outcomes.

Purchasing also follows best value principles. A scheme of delegation is in place. Trustees and the Trust's Leadership Team recognise that the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

The following thresholds and measures are applied to procurement decisions taken by the Trust:

- competitive tendering procedures (e.g., for goods and services above £50,000)
- minimum of 3 quotes for purchases greater than £5,000 but less than £50,000
- procedures which minimise office time by the purchase of goods or services under £5,000 direct from known, reliable suppliers (e.g., stationery, small equipment)

EU procurement regulations are complied with. Trustees and staff accept that best value quotes may not be the cheapest as other factors, including workmanship, reliability and quality of services, need to be considered.

The Trust's Finance, ICT and Estates Teams takes an active approach in reducing costs, whilst maintaining the Trust's infrastructure to be fit for purpose.

The Finance Team take a proactive approach to sourcing suitably high-quality supplies and services at the most competitive price.

SANDSTONE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The skills of the ICT Team are utilized to minimise the need for external consultants. For example, the Trust's ICT infrastructure is based upon a virtual server environment which was developed, implemented and is maintained by the Trust's Strategic ICT manager. The Trust uses a Voice Over Internet Protocols (VOIP) telecommunications system to reduce maintenance costs and increase business resilience. In addition, the Trust has moved to a cloud-based infrastructure for the majority of its core systems, relating to the curriculum and support functions (SAGE for Education, MS Office 365, Parago, SIMS.net, MS Teams and MS SharePoint).

This strategic decision has been taken to reduce the hardware costs for the Trust and remove a single point of failure, enhancing business resilience. This move stood the Trust in good stead during the first and second national lockdowns during the COVID 19 pandemic as it allowed full operation throughout the period via remote working by all members of the support Team. These systems were extended to Eaton Primary School and Tarvin Primary School during 2021 and will support the Trust's strategy to streamline ancillary functions across the Trust, reducing duplication of function, and building in greater resilience for all areas of operation. Further work will be done with Weaverham High School to integrate their systems with those of the Trust in the coming period.

The Trust's buildings require continual maintenance as a result of their age and condition. The Trust has taken a decision to appoint a Trust Operations Manager (TOM) to centrally manage all estate functions in each of the trust's schools. The TOM assesses major maintenance works and where possible the Trust's skilled staff undertake repairs, maintenance and decoration to reduce the use of external contractors. Where external contractors are required the TOM and Chief Finance and Operations Officer (CFOO) will seek Trustee approval prior to work being put out to tender.

Recent initiatives to reduce costs made by these teams are:

- The Trust's energy procurement for THS is via Crown Commercial Services. This initiative has already seen a reduction in energy charges for the Academy's gas and electricity since the move to this service provider.
- The Trust seeks where possible to make use of Crown Commercial Services in the procurement of services.
- The successful 2020-21, 2021-22, and 2022-23 Condition Improvement Fund bids will deliver energy efficiencies by boiler replacement, heating infrastructure replacement and replacement of defective hot and cold domestic hot water systems. The energy systems projects are planned to reduce costs and carbon footprint.
- The Trust continues to use purchasing consortia frameworks to achieve improvements in service provision, for example the use of the Crescent Purchasing Consortium to source cleaning and catering providers. Both these initiatives have delivered improved services and in the case of the catering service greater income.
- Scrutiny of service contracts to ensure providers are held to account for the quality and effectiveness of their service is ongoing. During 2021-22 the Midshire Signature Catering service was rolled out across three of the Trust's schools to deliver an improved service at reduced cost to all the schools.

During 2023-24, the Trust will continue to review its services, seeking opportunities to procure services trust wide, which will offer better value for money for all four schools. The Trust has already put in place contracts to bulk purchase janitorial consumable items, to deliver savings and greater resilience to all of its schools.

SANDSTONE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Maximising income generation

The Trust has a Lettings policy in place and continues to explore opportunities to generate income through the hire of the site. A proactive approach is taken towards preparing funding bids and generating revenue streams in order to maximise income generation. In order to enhance its chances of success of obtaining funding for refurbishment and / or replacement of buildings, the Trust is working closely with a range of suitably qualified and experienced consultants to prepare Condition Improvement Fund bids to the Education and Skills Funding Agency (ESFA).

The purpose of the system of internal control

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

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees 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 period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board.
- regular reviews by the Trust Board 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 Governors have appointed Hall Livesey Brown to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The reviewer reports to the Trust Board on the operation of the systems of control and on the discharge of the Trust Boards financial responsibilities.

This is achieved by agreeing an annual programme of audit tests on the systems of internal controls; reporting to the Trustees the results of the tests; and attending Trust Board, Finance, Audit and Risk Committee, and Trust Board meetings as required.

Reviewing controls and managing risks

As detailed in the Risk Management section of the Trustees Report the Trust Board takes a proactive approach to the management of risks, implementation of control measures and putting in place adequate insurance to provide cover where risk still remains.

SANDSTONE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

[Academy trusts should confirm whether the internal auditor/reviewer has delivered their schedule of work as planned, provide details of any significant control issues arising as a result of the internal auditor's/ reviewer's work and, if relevant, describe what remedial action is being taken to rectify the issues]

Review of effectiveness

As Accounting Officer, the Chief Executive 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 Hall Livesey and Brown.
- the work of the external auditor, Riverside Accountancy
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Lessons Learned

2022-23 has been a year in which provision of services have been reviewed to establish fitness for purpose, with a view to informing service development to deliver cost reduction, and improvement of outcomes. The Trust has established a dedicated central services team based at its Dragon Hall site. This team provides strategic financial, HR, governance to the Trust's schools, and has enabled the Trust to grow with the onboarding of Weaverham High School from 1 April 2023.

The Trustees and Trust Leadership Team have continued to review and develop the Trust's systems for the delivery and procurement of services to ensure that service levels are maintained and enhanced, by building on the work undertaken in previous periods.

The landscape of service provision to schools continues to be fluid as traditional sources of services, such as the Local Authority, have continued to reduce their capacity to deliver support services to schools. This has affected a number of services traditionally provided by the Local Authority but has particularly been felt in areas such as catering services and cleaning. The Trust has now extended its outsourcing of catering services to three of its schools to alternative providers. Forecasts for all schools show a positive financial contribution from this service to the Trust.

During 2023 the Trust worked with a National Leader in Governance to carry out an external review of the Governance for the Trust. This was a positive experience and enabled Trustees and Executive Leaders to have positive professional conversations with an external governance professional in relation to their plans to develop the trust and have robust governance arrangements in place. The review found that the Trust had effective and robust governance arrangements in place. An action plan to further develop the systems of governance is being developed.

In 2022 a School Resource Management Advisor (SRMA) was commissioned by the ESFA to review the Trust's systems and make recommendations to the Trustees on possible savings and efficiencies. This piece of work was extremely useful, as it helped the Trust to crystalize its thinking with regard to central service development and also suggested some potential cost savings. The Trust continued to work with the SRMA in 2023 and is seeking to work further with them in relation to income generation within the Primary Phase.

In 2023 as part of the preparations for Weaverham High School joining the Trust, an External Review of Governance was commissioned by the DfE. The aim was to evaluate the Trust's systems of governance and provide support, where necessary, to Trustees to meet the challenges of a growing trust. The outcome of the review was very positive and endorsed the Trustees approach to putting in place effective governance structures as the Trust grows.

SANDSTONE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The national financial climate remains uncertain, with the ongoing effects of the aftermath of COVID-19 pandemic on the public purse, and the inflationary pressures caused by the war in Ukraine. It is anticipated that this will translate into a continuance of stringent public sector financial settlements. Inevitably this will require the trust to identify further financial efficiencies, to address inflationary pressures relating to employer related employee costs, energy costs, and supplies and services which it will face. The Trust will endeavour to make savings through, proactively managing its human resources, effective purchasing, increased use of Crown Commercial Services for procurement where applicable, in addition it will work with purchasing consortia (such as the Crescent Purchasing Consortia) and other trusts to gain economies of scale and take every opportunity to obtain value for money in order to improve outcomes for pupils.

Approved by order of the board of trustees on 05 December 2023 and signed on its behalf by:

Nigel Taylor
Chair of Trustees

Jason Lowe
Accounting Officer

SANDSTONE TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As Accounting Officer of Sandstone Trust, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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 Academy Trust Handbook 2022.

I confirm that I and the Academy Trust's board of trustees 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 Academy Trust Handbook 2022.

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

Jason Lowe
Accounting Officer

05 December 2023

SANDSTONE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who act as governors for Sandstone Trust and are also the directors of Sandstone Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from the EFSA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 05 December 2023 and signed on its behalf by:

Nigel Taylor
Chair of Trustees

SANDSTONE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDSTONE TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

SANDSTONE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDSTONE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We considered fraud risk to be low with the academy handling little cash; we enquired with management of any instances of fraud, which it was confirmed there were none.
- The financial statements have been reviewed in accordance with an FRS 102 checklist and the Academies Accounts Direction 2022-23 to ensure all disclosures are included and that the entity is complying with legal and regulatory framework.
- All legal fees and correspondence were reviewed to ensure that the entity abided with all laws and regulations.
- During the audit we speak to management, test the systems and speak to various members of the finance function to understand the academy trust, its processes and the nature of trade to assist in concluding that the financial statements are true and fair.
- We assessed and tested the controls that the academy trust has; it has good segregation of duties and effective controls in place.
- We reviewed the notes of academy trust meeting minutes
- We reviewed and scrutinised the academy trust's forecasts and assumptions

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SANDSTONE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDSTONE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Use of our report

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

Lyndsay Nicholson ACA (Senior Statutory Auditor)
for and on behalf of Riverside Accountancy Lancaster Ltd

5 December 2023

Chartered Accountants
Statutory Auditor

Second Floor
Riverside Offices
Lancaster

LA1 1RD

SANDSTONE TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SANDSTONE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 23 November 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sandstone Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Sandstone Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sandstone Trust's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- A review of the internal control handbook ensuring that the necessary controls are implemented and are working as stated.
- Confirming that guidance set by the ESFA, within the Accounts Direction 2022 to 2023 and the Academies Financial Handbook 2022, has been adhered to.
- Ensuring expenditure does not contravene the funding agreement.
- Ensuring public funds have been spent for the purposes intended.
- Ensuring any connected party transactions are highlighted and the not for profit principles have been adhered to.
- Reviewing relevant Governing Body and committee meeting minutes.
- Reviewing the financial transactions for any unusual transactions which may be improper.
- Ensuring key staff and governors have declared their interests in related parties.

SANDSTONE TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SANDSTONE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Riverside Accountancy Lancaster Ltd

Dated: 05 December 2023

SANDSTONE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	3	-	111,724	605,238	716,962	1,395,146
Donations - transfer from local authority on conversion	27	177,950	802,940	16,862,001	17,842,891	-
Charitable activities:						
- Funding for educational operations	4	-	12,843,075	-	12,843,075	8,925,687
Other trading activities	5	554,145	184,573	-	738,718	301,121
Investments	6	729	-	-	729	315
Total		<u>732,824</u>	<u>13,942,312</u>	<u>17,467,239</u>	<u>32,142,375</u>	<u>10,622,269</u>
Expenditure on:						
Raising funds	7	-	762	-	762	2,483
Charitable activities:						
- Educational operations	9	-	13,625,120	485,316	14,110,436	10,127,607
Total	7	<u>-</u>	<u>13,625,882</u>	<u>485,316</u>	<u>14,111,198</u>	<u>10,130,090</u>
Net income		732,824	316,430	16,981,923	18,031,177	492,179
Transfers between funds	18	307,335	(624,623)	317,288	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	671,000	-	671,000	3,563,000
Net movement in funds		1,040,159	362,807	17,299,211	18,702,177	4,055,179
Reconciliation of funds						
Total funds brought forward		1,345,907	(418,807)	21,011,276	21,938,376	17,883,197
Total funds carried forward		<u>2,386,066</u>	<u>(56,000)</u>	<u>38,310,487</u>	<u>40,640,553</u>	<u>21,938,376</u>

SANDSTONE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022		Unrestricted funds	Restricted funds:		Total 2022
	Notes	£	General £	Fixed asset £	£
Income and endowments from:					
Donations and capital grants	3	32,966	94,584	1,267,596	1,395,146
Charitable activities:					
- Funding for educational operations	4	-	8,925,687	-	8,925,687
Other trading activities	5	243,507	57,614	-	301,121
Investments	6	315	-	-	315
Total		276,788	9,077,885	1,267,596	10,622,269
Expenditure on:					
Raising funds	7	-	2,483	-	2,483
Charitable activities:					
- Educational operations	9	-	9,641,631	485,976	10,127,607
Total	7	-	9,644,114	485,976	10,130,090
Net income/(expenditure)		276,788	(566,229)	781,620	492,179
Transfers between funds	18	(278,606)	99,007	179,599	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	3,563,000	-	3,563,000
Net movement in funds		(1,818)	3,095,778	961,219	4,055,179
Reconciliation of funds					
Total funds brought forward		1,347,725	(3,514,585)	20,050,057	17,883,197
Total funds carried forward		1,345,907	(418,807)	21,011,276	21,938,376

SANDSTONE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	13	38,310,487	21,015,326
Current assets			
Debtors	14	432,725	238,648
Cash at bank and in hand		3,392,572	1,745,125
		<u>3,825,297</u>	<u>1,983,773</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(1,310,422)	(534,045)
Net current assets		<u>2,514,875</u>	<u>1,449,728</u>
Total assets less current liabilities		<u>40,825,362</u>	<u>22,465,054</u>
Creditors: amounts falling due after more than one year	16	(128,809)	(92,678)
Net assets excluding pension liability		<u>40,696,553</u>	<u>22,372,376</u>
Defined benefit pension scheme liability	20	(56,000)	(434,000)
Total net assets		<u><u>40,640,553</u></u>	<u><u>21,938,376</u></u>
Funds of the Academy Trust:			
Restricted funds	18		
- Fixed asset funds		38,310,487	21,011,276
- Restricted income funds		-	15,193
- Pension reserve		(56,000)	(434,000)
Total restricted funds		<u>38,254,487</u>	<u>20,592,469</u>
Unrestricted income funds	18	<u>2,386,066</u>	<u>1,345,907</u>
Total funds		<u><u>40,640,553</u></u>	<u><u>21,938,376</u></u>

The accounts on pages 40 to 66 were approved by the Trustees and authorised for issue on 05 December 2023 and are signed on their behalf by:

Nigel Taylor
Chair of Trustees

Company registration number 08100344 (England and Wales)

SANDSTONE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		1,989,531		(188,361)
Cash flows from investing activities					
Dividends, interest and rents from investments		729		315	
Capital grants from DfE Group		605,238		1,267,596	
Purchase of tangible fixed assets		(992,309)		(814,077)	
Net cash (used in)/provided by investing activities			(386,342)		453,834
Cash flows from financing activities					
New other loan		80,268		-	
Repayment of long term bank loan		(22,869)		(22,869)	
Repayment of other loan		(13,142)		(8,126)	
Finance costs		-		(336)	
Net cash provided by/(used in) financing activities			44,257		(31,331)
Net increase in cash and cash equivalents in the reporting period			1,647,446		234,142
Cash and cash equivalents at beginning of the year			1,745,125		1,510,983
Cash and cash equivalents at end of the year			3,392,571		1,745,125

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 one year from the date of approval of the accounts.

The Governors have reviewed and approved budgets and cash flow forecasts for 2023/24 and future years which are regularly updated to reflect the latest information and assumptions, and consider in light of this review that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Weaverham High School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion and Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

1.4 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

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising 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.

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets held under construction, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold and leasehold buildings	2% Straight line
Assets in the course of construction	Not to be depreciated until the work is completed
Leasehold land	125 years
Freehold land	Not depreciated
Computer equipment	25% Straight line
Fixtures, fittings & equipment	15-20% Straight line
Motor vehicles	25% Straight line

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

1.7 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.

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.10 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.

1.11 Pensions 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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 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.

2 Critical accounting estimates and areas of judgement

Accounting 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.

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The most significant judgement which the Governors have established as critical in the preparation of the academy trust's financial statements is the assessment of the Local Government Pension Scheme (LGPS) deficit. This assessment is undertaken on behalf of the academy by Hymans Robertson, the pension fund's actuary, and makes assumptions about future fund performance, membership and members' life expectancy. This report is prepared in line with FRS 102.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Private sponsorship	-	105,888	105,888	92,584
Capital grants	-	605,238	605,238	1,267,596
Other donations	-	5,836	5,836	34,966
	-	716,962	716,962	1,395,146

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	11,277,384	11,277,384	8,064,621
Other DfE/ESFA grants:				
- Pupil premium	-	366,178	366,178	256,472
- Others	-	949,057	949,057	313,389
	-	12,592,619	12,592,619	8,634,482
Other government grants				
Local authority grants	-	250,456	250,456	291,205
Total funding	-	12,843,075	12,843,075	8,925,687

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	12,645	-	12,645	9,457
Catering income	186,547	-	186,547	25,107
Transport contributions	-	184,573	184,573	57,614
Other income	354,953	-	354,953	208,943
	554,145	184,573	738,718	301,121

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	729	-	729	315

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2023	2022
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	762	762	2,483
Academy's educational operations					
- Direct costs	8,243,133	-	1,035,526	9,278,659	6,414,246
- Allocated support costs	2,161,205	1,602,449	1,068,123	4,831,777	3,713,361
	<u>10,404,338</u>	<u>1,602,449</u>	<u>2,104,411</u>	<u>14,111,198</u>	<u>10,130,090</u>

Net income/(expenditure) for the year includes:

	2023	2022
	£	£
Operating lease rentals	151,783	123,199
Depreciation of tangible fixed assets	485,316	485,976
Fees payable to auditor for audit services	7,550	3,950
Bank and loan interest	-	336
Net interest on defined benefit pension liability	24,000	62,000
	<u>668,649</u>	<u>675,461</u>

8 Central services

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

The Academy Trust charges for these services on the following basis:

- 7% flat percentage of GAG income from April 2023
- September 2022 - March 2023 2% staff costs

The amounts charged during the year were as follows:

	2023	2022
	£	£
Eaton Primary School	35,907	-
Tarvin Primary School	54,872	-
Tarporley High School	398,095	-
Weaverham High School	194,372	-
	<u>683,246</u>	<u>-</u>

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

	2023	2022
	£	£
All from restricted funds:		
Direct costs		
Educational operations	9,278,659	6,414,246
Support costs		
Educational operations	4,831,777	3,713,361
	<u>14,110,436</u>	<u>10,127,607</u>
	2023	2022
	£	£
Analysis of support costs		
Support staff costs	2,170,840	1,737,992
Depreciation	485,316	485,976
Technology costs	9,370	7,051
Premises costs	1,117,133	850,852
Legal costs	96,679	74,024
Other support costs	907,409	521,190
Governance costs	45,030	36,276
	<u>4,831,777</u>	<u>3,713,361</u>

10 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£	£
Wages and salaries	7,469,283	5,095,633
Social security costs	746,119	521,948
Pension costs	1,829,398	1,552,700
	<u>10,044,800</u>	<u>7,170,281</u>
Staff costs - employees		
Agency staff costs	359,538	297,963
	<u>10,404,338</u>	<u>7,468,244</u>
Staff development and other staff costs	104,398	98,226
	<u>10,508,736</u>	<u>7,566,470</u>

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

(Continued)

Staff numbers

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

	2023 Number	2022 Number
Teachers	177	106
Administration and support	150	58
	<u>327</u>	<u>164</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2023 Number	2022 Number
Teachers	92	92
Administration and support	51	50
	<u>143</u>	<u>142</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	6	4
£70,001 - £80,000	5	2
£80,001 - £90,000	-	1
£90,000 - £100,000	3	-
£100,000 - £110,000	2	1
	<u>16</u>	<u>8</u>

Key management personnel

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 £1,902,848 (2022 £837,071).

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 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 headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking roles of headteacher 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:

Jason Lowe (Headteacher and Governor)

Remuneration £105,000 - £110,000 (2022 - £100,000 - £105,000)

Employer's pension contributions £25,000 - £30,000 (2022 - £20,000 - £25,000)

During the period ended 31 August 2023, travel and subsistence expenses were also paid to the staff governors which has been included in the remuneration figures reported above.

Other related party transactions are set out in note 23.

12 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 Trust 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.

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets	Land and buildings	Assets in the course of construction	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 September 2022	13,366,946	1,015,904	8,600,000	137,291	459,686	70,980	23,650,807
Transfer on conversion	18,005,868	(1,217,702)	-	-	-	-	16,788,166
Additions	272,622	619,987	-	91,079	8,621	-	992,309
Disposals	-	-	-	(5,486)	-	-	(5,486)
At 31 August 2023	31,645,436	418,189	8,600,000	222,884	468,307	70,980	41,425,796
Depreciation							
At 1 September 2022	1,882,316	-	275,800	126,371	280,012	70,980	2,635,479
On disposals	-	-	-	(5,486)	-	-	(5,486)
Charge for the year	260,580	-	157,600	12,526	54,610	-	485,316
At 31 August 2023	2,142,896	-	433,400	133,411	334,622	70,980	3,115,309
Net book value							
At 31 August 2023	29,502,540	418,189	8,166,600	89,473	133,685	-	38,310,487
At 31 August 2022	11,484,630	1,015,904	8,324,200	10,919	179,673	-	21,015,326

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets

(Continued)

The land and buildings transferred on conversion were independently professionally valued by Mason Owen, Chartered Surveyors and were included in the financial statements at their depreciated replacement valuation as at 1 August 2012. The Governors are of the opinion that the value of the land and buildings has not changed materially since this date and no further revaluations are considered necessary in the financial statements for the year ended 31 August 2023 as a result.

Included within freehold land and buildings is land valued at £800,000.

Leasehold land and buildings were brought in at valuation from Eaton Primary School and Tarvin Primary School which transferred to the Trust on 1 December 2020. The valuation was carried out by N Eckersley of Wright Marshall in accordance with the RICS Valuation Global Standards 2017. Eaton was valued at £3,700,000 including land of £500,000 and Tarvin was valued at £4,900,000 including £700,000 for the land.

This year the land and buildings of Weaverham High School were transferred in on 1 April 2023 when the school transferred to the Trust. The valuation was prepared by D Todd of Avison Young in accordance with the RICS valuation Global standards effective from 1 January 2022. The buildings were valued at £12,883,544 and land £3,904,622.

14 Debtors

	2023 £	2022 £
Trade debtors	16,832	15,709
VAT recoverable	212,458	52,542
Other debtors	-	9,513
Prepayments and accrued income	203,435	160,884
	<u>432,725</u>	<u>238,648</u>

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Government loans	22,869	22,869
Other loans	11,235	3,109
Trade creditors	735,549	100,728
Other taxation and social security	300,837	153,956
Other creditors	202,736	112,664
Accruals and deferred income	37,196	140,719
	<u>1,310,422</u>	<u>534,045</u>

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Government loans	68,608	91,477
Other loans	60,201	1,201
	<u>128,809</u>	<u>92,678</u>
	<u><u>128,809</u></u>	<u><u>92,678</u></u>
Analysis of loans	2023 £	2022 £
Wholly repayable within five years	162,913	118,656
Less: included in current liabilities	(34,104)	(25,978)
	<u>128,809</u>	<u>92,678</u>
	<u><u>128,809</u></u>	<u><u>92,678</u></u>
Loan maturity		
Debt due in one year or less	34,104	25,978
Due in more than one year but not more than two years	108,742	24,070
Due in more than two years but not more than five years	20,067	68,608
	<u>162,913</u>	<u>118,656</u>
	<u><u>162,913</u></u>	<u><u>118,656</u></u>

Included within other creditors is a loan of £4,310 from Salix, which is provided on the terms that the loan is repayable by annual instalments of £3,109 and is repaid in full by 2023. This loan is interest free and unsecured.

A new Salix loan is included with other creditors this year, the loan is repayable in annual instalments of £10,033 and is repayable within 7 years.

17 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	-	21,862
	<u>-</u>	<u>21,862</u>
Deferred income at 1 September 2022	21,862	36,818
Released from previous years	(21,862)	(36,818)
Resources deferred in the year	-	21,862
	<u>-</u>	<u>21,862</u>
Deferred income at 31 August 2023	<u><u>-</u></u>	<u><u>21,862</u></u>

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	-	11,277,384	(10,652,761)	(624,623)	-
Pupil premium	-	366,178	(366,178)	-	-
Other DfE/ESFA grants	15,193	949,057	(964,250)	-	-
Other government grants	-	250,456	(250,456)	-	-
Other restricted funds	-	1,252,237	(1,252,237)	-	-
Pension reserve	(434,000)	(153,000)	(140,000)	671,000	(56,000)
	<u>(418,807)</u>	<u>13,942,312</u>	<u>(13,625,882)</u>	<u>46,377</u>	<u>(56,000)</u>
Restricted fixed asset funds					
Inherited on conversion	16,521,006	16,862,001	-	-	33,383,007
DfE group capital grants	500,431	605,238	(485,316)	(152,031)	468,322
Capital expenditure from GAG	3,989,839	-	-	469,319	4,459,158
	<u>21,011,276</u>	<u>17,467,239</u>	<u>(485,316)</u>	<u>317,288</u>	<u>38,310,487</u>
Total restricted funds	<u>20,592,469</u>	<u>31,409,551</u>	<u>(14,111,198)</u>	<u>363,665</u>	<u>38,254,487</u>
Unrestricted funds					
General funds	1,345,907	732,824	-	307,335	2,386,066
Total funds	<u>21,938,376</u>	<u>32,142,375</u>	<u>(14,111,198)</u>	<u>671,000</u>	<u>40,640,553</u>

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 2023.

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	8,064,621	(8,163,628)	99,007	-
Pupil premium	-	256,472	(256,472)	-	-
Other DfE/ESFA grants	48,415	313,389	(346,611)	-	15,193
Other government grants	-	291,205	(291,205)	-	-
Other restricted funds	-	152,198	(152,198)	-	-
Pension reserve	(3,563,000)	-	(434,000)	3,563,000	(434,000)
	<u>(3,514,585)</u>	<u>9,077,885</u>	<u>(9,644,114)</u>	<u>3,662,007</u>	<u>(418,807)</u>
Restricted fixed asset funds					
Inherited on conversion	16,521,006	-	-	-	16,521,006
DfE group capital grants	257,367	1,267,596	(485,976)	(538,556)	500,431
Capital expenditure from GAG	3,271,684	-	-	718,155	3,989,839
	<u>20,050,057</u>	<u>1,267,596</u>	<u>(485,976)</u>	<u>179,599</u>	<u>21,011,276</u>
Total restricted funds	<u>16,535,472</u>	<u>10,345,481</u>	<u>(10,130,090)</u>	<u>3,841,606</u>	<u>20,592,469</u>
Unrestricted funds					
General funds	<u>1,347,725</u>	<u>276,788</u>	<u>-</u>	<u>(278,606)</u>	<u>1,345,907</u>
Total funds	<u>17,883,197</u>	<u>10,622,269</u>	<u>(10,130,090)</u>	<u>3,563,000</u>	<u>21,938,376</u>

Total funds analysis by academy

	2023 £	2022 £
Fund balances at 31 August 2023 were allocated as follows:		
Eaton Primary School	1,712	36,916
Tarvin Primary School	(35,606)	38,561
Tarporley High School	2,159,476	1,285,623
Weaverham High School	260,484	-
Total before fixed assets fund and pension reserve	<u>2,386,066</u>	<u>1,361,100</u>
Restricted fixed asset fund	38,310,487	21,011,276
Pension reserve	(56,000)	(434,000)
Total funds	<u>40,640,553</u>	<u>21,938,376</u>

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2023	Total 2022
	£	£	£	£	£	£
Eaton Primary School	562,041	90,645	17,261	171,863	841,810	767,750
Tarvin Primary School	1,067,577	189,256	34,957	320,415	1,612,205	1,386,603
Tarporley High School	4,449,095	856,175	136,583	2,513,258	7,955,111	7,489,761
Weaverham High School	1,759,292	640,052	87,358	547,731	3,034,433	-
	<u>7,838,005</u>	<u>1,776,128</u>	<u>276,159</u>	<u>3,553,267</u>	<u>13,443,559</u>	<u>9,644,114</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	38,310,487	38,310,487
Current assets	3,825,297	-	-	3,825,297
Current liabilities	(1,310,422)	-	-	(1,310,422)
Non-current liabilities	(128,809)	-	-	(128,809)
Pension scheme liability	-	(56,000)	-	(56,000)
Total net assets	<u>2,386,066</u>	<u>(56,000)</u>	<u>38,310,487</u>	<u>40,640,553</u>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	21,015,326	21,015,326
Current assets	1,968,580	15,193	-	1,983,773
Current liabilities	(529,995)	-	(4,050)	(534,045)
Non-current liabilities	(92,678)	-	-	(92,678)
Pension scheme liability	-	(434,000)	-	(434,000)
Total net assets	<u>1,345,907</u>	<u>(418,807)</u>	<u>21,011,276</u>	<u>21,938,376</u>

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

The Academy Trust'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 Cheshire Pension Fund. Both are multi-employer defined benefit pension 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 2016 and of the LGPS, 31 March 2016.

Contributions amounting to £267,257 (2022- £138,063) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The pension costs paid to the TPS in the period amounted to £1,198,517 (2022: £931,406).

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.15% for employers and between 5.5% and 12.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £	2022 £
Employer's contributions	402,000	261,000
Employees' contributions	109,000	68,000
Total contributions	511,000	329,000
Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.70	3.75
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023 Years	2022 Years
Retiring today		
- Males	20.1	21.2
- Females	24.9	23.8
Retiring in 20 years		
- Males	21.7	22.1
- Females	25.6	25.5

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023	2022
0.1% decrease in the Real Discount Rate	144,000	119,000
0.1% increase in the Salary Increase Rate	262,000	203,000
0.1% increase in the Pension Increase Rate (CPI)	128,000	104,000
0.1% increase in the Salary Increase Rate	19,000	16,000

The Academy Trust's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	3,382,080	2,273,110
Bonds	2,146,320	1,484,480
Property	910,560	603,070
Other assets	65,040	278,340
Total market value of assets	6,504,000	4,639,000

The actual return on scheme assets was £(124,000) (2022: £(369,000)).

Amount recognised in the statement of financial activities

	2023 £	2022 £
Current service cost	518,000	633,000
Interest income	(247,000)	(80,000)
Interest cost	271,000	142,000
Benefit changes, curtailments and settlements gains or losses	(134,000)	-
Administration expenses	134,000	-
Total operating charge	542,000	695,000

Changes in the present value of defined benefit obligations

	2023 £
At 1 September 2022	5,073,000
Transferred in on existing academies joining the Academy Trust	1,836,000
Current service cost	518,000
Interest cost	271,000
Employee contributions	109,000
Actuarial gain	(1,176,000)
Benefits paid	(71,000)
At 31 August 2023	6,560,000

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2023 £
At 1 September 2022	4,639,000
Transferred in on existing academies joining the Academy Trust	1,683,000
Interest income	247,000
Actuarial loss	(371,000)
Employer contributions	402,000
Employee contributions	109,000
Benefits paid	(71,000)
Effect of non-routine settlements and administration expenses	(134,000)
At 31 August 2023	6,504,000

21 Reconciliation of net income to net cash flow from operating activities

	Notes	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)		18,031,177	492,179
Adjusted for:			
Net surplus on conversion to academy	27	(17,842,891)	-
Land and buildings on conversion		(16,788,166)	-
Capital grants from DfE and other capital income		(605,238)	(1,267,596)
Investment income receivable	6	(729)	(315)
Finance costs payable		-	336
Defined benefit pension costs less contributions payable	20	116,000	372,000
Defined benefit pension scheme finance cost	20	24,000	62,000
Depreciation of tangible fixed assets		485,316	485,976
(Increase) in debtors		(194,077)	(66,035)
Increase/(decrease) in creditors		768,248	(266,906)
Stocks, debtors and creditors transferred on conversion	27	17,995,891	-
Net cash provided by/(used in) operating activities		1,989,531	(188,361)

22 Analysis of changes in net funds

	1 September 2022 £	Cash flows 31 August 2023 £	
Cash	1,745,125	1,647,447	3,392,572
Loans falling due within one year	(25,978)	(8,126)	(34,104)
Loans falling due after more than one year	(92,678)	(36,131)	(128,809)
	1,626,469	1,603,190	3,229,659

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Long-term commitments

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	19,779	19,858
Amounts due in two and five years	69,761	-
	<u>89,540</u>	<u>19,858</u>

24 Related party transactions

Owing to the nature of the Academy Trust'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 Trustees have 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.

No related party transactions for the year under review.

25 Members' liability

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

SANDSTONE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Teaching Support Hub	2023		2022	
	£	£	£	£
Direct income				
External funding		107,548		92,701
Direct costs				
Direct staff costs	38,558		30,560	
Staff development	26,162		46,620	
Educational supplies and services	-		58	
	<u>64,720</u>		<u>77,238</u>	
Other costs				
Support staff costs	33,051		15,321	
Technology costs	118		357	
Other support costs	9,132		1,870	
	<u>42,301</u>		<u>17,548</u>	
Total expenditure		(107,021)		(94,786)
Surplus/(deficit) from all sources		527		(2,085)
balances at 1 September 2022		281,725		281,725
balances at 31 August 2023		<u>282,252</u>		<u>279,640</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

On [date] the [name of predecessor school] converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sandstone Trust from the [name] Local Authority for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

[Include any relevant additional details of the nature and terms of the transfer agreement, eg lease terms including the period of the lease]

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