

Registration number: 07697483 (England and Wales)



The Sandon School Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021



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

The Sandon School Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 14
Governance Statement	15 to 19
Statement of Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements to the Members of The Sandon School Academy Trust	22 to 25
Independent Reporting Accountant's Assurance Report on Regularity to The Sandon School Academy Trust and the Education and Skills Funding Agency	26 to 27
Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)	28 to 29
Balance Sheet as at 31 August 2021	30
Statement of Cash Flows for the year ended 31 August 2021	31
Notes to the Financial Statements	32 to 56

The Sandon School Academy Trust

Reference and Administrative Details

Members	Mrs A Whelpdale Mr D Robertson Mrs C Fitzsimmons Rev. Terence Brown Mr Clive Hodges
Trustees (Directors)	Rev. Terence Brown, Chair of Personnel & Curriculum Mrs Christine Fitzsimmons Mrs Naomi Glover (resigned 15 March 2021) Mr Clive Hodges, Responsible Officer Mrs Claire Jefferies, Vice Chair of Trustees (resigned 31 August 2021) Mr Duncan Owen Mr Duncan Robertson, Chair of Finance & General Purposes Mr John Robins, Vice Chair of Trustees Mrs Louise Rooney Mrs Jane Springthorpe (resigned 31 October 2020) Mrs Anne Whelpdale, Chair of Trustees Mr Andrew Weaver, Headteacher & Accounting Officer Mrs Debbie Francis Mr Steven Wadwell
Company Registration Number	07697483 (England and Wales)
Independent Auditor	Edmund Carr LLP Chartered Accountants and Registered Auditors 146 New London Road Chelmsford Essex CM2 0AW
Bankers	Lloyds Bank PLC 77-81 High Street Chelmsford Essex CM1 1DU

The Sandon School Academy Trust

Reference and Administrative Details (continued)

Solicitors	Gepp Solicitors 58 New London Road Chelmsford Essex CM2 0PA
Headteacher and Registered Office	Mr Andrew Weaver, The Sandon School Molrams Lane Sandon Chelmsford Essex CM2 7AQ
Senior Management Team	Mr Andrew Weaver, Headteacher Mrs Jill McEvoy, Deputy Headteacher Mrs Helen Newman, Assistant Headteacher Mr Josh Goodacre, Assistant Headteacher Mrs Karen Bayley, Business Manager Mrs Jackie Henderson, Assistant Headteacher Mrs June Allen, Assistant Headteacher

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report under charity law, and a directors' report under company law. This also includes the Strategic Report.

The trust operates an academy for students aged 11 to 18 on the east side of Chelmsford. It has a student capacity of 1,235 and had a student roll of 1,274 in the spring 2021 school census.

Structure, governance and management

Constitution

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

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

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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

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

Method of recruitment and appointment or election of Trustees

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

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

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

Policies and procedures adopted for the induction and training of Trustees

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

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Organisational structure

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

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

There are eight such committees:

- Audit Committee (Sub-Committee of F&GP)
- Complaints Committee
- Discipline Committee
- Finance & General Purposes Committee (F&GP)
- Non-executive Planning Committee
- Pay Committee
- Personnel & Curriculum Committee
- Staff Committee

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

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

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

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

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

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

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

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

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

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

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Arrangements for setting pay and remuneration of key management personnel

The salary structure of key management personnel is set by the Pay Committee with reference to teachers pay and conditions, size of school and levels of responsibility. Reference is also made to Local Government salary scales for the Business Manager. Reference is also made to benchmarking results from other similar sized schools. Any progression within this structure is agreed annually by the Pay Committee.

Trade Union Facility Time

During the year the Trust did not have any employees who were relevant union officials.

Connected organisations, including related party relationships

During the year the school did not have any transactions with related parties and other connected charities and organisations other than the Primary Cluster groups.

Objectives and activities

Objects and aims

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

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Objectives, strategies and activities

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

1. A Learning Organisation

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

2. A Caring and Supportive Community

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

3. An Effective Learning Environment

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

4. A Popular School

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

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Public benefit

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

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

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

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Achievements and performance

The academy is achieving its forecast numbers of students. Total student numbers in the year ending August 2021 were 1,274 in the Spring 2021 Census.

Impact of Covid-19:

The school continued to operate during the national lockdowns, operating both an on site provision for the children of critical workers and remote on-line lessons for the remainder of the school. The school has worked hard to ensure the delivery of a quality education in the difficult circumstances caused by Covid 19. We have also undertaken a system of welfare checks throughout this period and the well being of our staff and student's paramount. The provision of safety procedures for all members of our school community has been a major undertaking and we have made efforts to meet all government guidelines.

The school continues to monitor the financial implications of the pandemic and seeks to minimise the impact where possible.

Academic performance:

The cancellation of examinations in 2020 and 2021 has meant that student results have not be published this year. Historically our results are in line with predicted levels.

	2015	2016	2017	2018	2019
KS5					
Passes	96.5%	98.0%	99.6%	98.6%	97.8%
Grades A* - B	46.7%	48.8%	55.7%	50.0%	45%
Value Added Score	+0.23				
KS4					
Passes 5+ A*-C	67.0%*	67.3%			
Grade 4+ in English and Mathematics **			67.0%	72.0%	72.0%
Progress 8				-0.05	-0.20
New Measure from 2017					

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

* New method of calculation including English and Mathematics from 2017

** From 2017, reformed GCSEs have started to be phased in and so direct comparison with previous years is no longer possible. A new headline measure of the proportion of students achieving Grade 4 or better in both English and Mathematics is now published.

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

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Key performance indicators

In March 2018, the school was inspected by Ofsted and was awarded a 'Good'. The report was very complimentary about the schools activities and performance and the full report is available via our website.

Student Data

	2016/17	2017/18	2018/19	2019/20	2020/21
Student absence rates, Overall (May Census*)	6.21%	5.72%	6.14%	4.93%	17.88
Student applications/Offeres (March offer date)	934	852	807	736	736

	2016/17	2017/18	2018/19	2019/20	2020/21
Income ('000)					
(Funding for educational operations)	£6,017	£6,161	£6,204	£6,516	£6,890

Financial Data

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

Staff Costs

	2016/17	2017/18	2018/19	2019/20	2020/21
All staff	75.50	79.34	76.46	82.77	82.32
Teachers	59.00	59.12	55.51	64.55	57.70
Support Staff	16.50	20.22	20.95	18.22	18.66
Staff: Student ratio	9.63	10.46	10.46	10.35	10.83
Teachers : Student	16.11	17.67	17.72	17.48	17.35
Support Staff : Student	23.94	25.45	25.54	25.36	28.82

Occupancy Costs

Expressed as a % of total revenue expenditure	3.73	4.32	4.22	4.21	4.27
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ICT expenditure

Expressed as a % of total revenue expenditure	1.20	1.17	1.34	1.38	2.13
Expressed as revenue expenditure per student	£66.13	£60.37	£73.03	£74.86	£115.04

Examination expenditure

Expressed as a % of total revenue expenditure	1.94	1.59	1.63	1.58	1.18
Expressed as revenue expenditure per student	£104.54	£82.35	£88.48	£85.50	£63.68

*For 20/21 this represents Spring 2021 census

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Going concern

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

Promoting the success of the academy

The School seeks to promote its admissions to year 7 and to the sixth form, via its annual open evenings, tours of the school, promotional materials and its good reputation in the community. The school maintains close links with the local primary schools. The school community works together to promote environmental awareness including recycling and energy usage.

Fundraising

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

Financial review

The Sandon School received the majority of its income from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants (£6,634,263 in 2021) and these are shown as restricted funds in the statement of financial activities, some funding eg, SEN (£126,486 in 2021) continues to be received from Essex County Council. The school also holds some unrestricted funds through which our school visits are detailed. The Trustees have assessed the levels of available reserves and are confident that they are sufficient to meet the current operational needs. Liabilities identified during the year arising from the Local Government Pension Fund (£3,824,000 in 2021) are included in the restricted general fund. The Trustees maintain control through the work of the Responsible Officer and regular budget reviews, Financial Regulations and the monitoring of the School Development Plan and the Premises Improvement Plan.

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

The total deficit for the year, including revaluation of the defined benefit pension scheme, was £690,875 (2020: £366,075).

The Covid-19 pandemic had a financial impact on the expected financial activities within a fully operational school. During school closures and partial school openings, the school did encounter a reduction in the level of utility and typical running costs for the school site. Staffing costs were also reduced during lock down periods and partial school openings, however, supply costs did plummet during the full opening periods due to Covid-related staff absences. The school did encounter additional, unplanned costs for ensuring the site met the standards for all control measures within the Covid-19 risk assessment, although, internal resources were explored and used as much as possible to reduce this.

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Financial and risk management objectives and policies

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

Cash flow:

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

Financial Risk Management:

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

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

The key risk and uncertainties identified through its risk management are: threats to student numbers, ICT failure, major incidents and identified financial risks. For all financial risks, stringent internal controls are in place such as credit control, salary and cash flow monitoring and for all risks and uncertainties the Trustees have agreed measures to mitigate these effects and these are reviewed regularly. The Trustees have expressed concern at the Local Government Pension Fund Deficit (2021: £3,824,000) but accept the liability as assessed by Essex County Council Pension Fund.

Reserves policy

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

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

At the balance sheet date, the charitable company had unrestricted reserves of £271,004 (2020: £354,453). Total restricted and unrestricted general reserves at the balance sheet date were £1,043,000 (2020: £1,070,024)

Investment policy

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

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Report

Plans for future periods

The Sandon School will continue to work towards its new aim of 'Aiming Higher Together'. It will focus on being:

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

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

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

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

The Sandon School Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Funds held as Custodian Trustee on behalf of others

The School holds a small fund for a primary school consortium (Primary Cluster groups) to facilitate joint training, the groups funding is supported by a bid from Essex County Council. During the year the Academy Trust received £5,989 and has a balance of £63.

Auditor

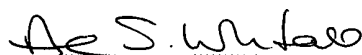
In so far as the Trustees are aware:

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

Reappointment of auditor

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

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 6 December 2021 and signed on its behalf by:



Mrs Anne Whelpdale
Chair of Trustees

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2021

Scope of responsibility

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

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

The Covid-19 pandemic affected the governing board meetings that are normally held in person at the school. However, during the duration of the pandemic lockdowns, these meetings were replaced with virtual meetings on the Microsoft Teams platform. As a result of this measure, governance business continued to operate efficiently and effectively.

Governance

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

Trustee	Meetings attended	Out of a possible
Rev. Terence Brown	4	4
Mrs Christine Fitzsimmons	3	4
Mrs Claire Jefferies	2	4
Mrs Debbie Francis	4	4
Mr Duncan Robertson	4	4
Mrs Naomi Glover	2	2
Mr Clive Hodges	3	4
Mr Duncan Owen	4	4
Mr John Robins	4	4
Mrs Louise Rooney	4	4
Mr Andrew Weaver	4	4
Mrs Jane Springthorpe	1	1
Mrs Anne Whelpdale	4	4
Mr Steven Wadwell	3	4

During this academic year, 3 Trustees resigned.

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2021 (continued)

Governance reviews

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

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

The school has a very effective Board of trustees and the next internal evaluation of Board of Trustees is scheduled for November 2021.

The Board currently assesses its governance as Good . It provides strong leadership and has a significant impact on the success of the school and its future direction.

It keeps under regular review the six key features of strategic leadership, accountability, people, structures, compliance and evaluation.

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

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

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Duncan Robertson	3	3
Mr Clive Hodges	3	3
Mr Duncan Owen	3	3
Mr John Robins	2	3
Mrs Anne Whelpdale	2	3
Mr Andrew Weaver	3	3
Mrs Claire Jefferies	1	1

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2021 (continued)

The Audit Committee is a sub committee of F&GP. Its purpose is to:

Monitor the efficiency and accuracy of the schools financial systems, to receive reports from the external auditors and also RO and to respond to any issues of concern. Mr Andrew Weaver (Headteacher & Accounting Officer) was on the Audit Committee but did not have a vote.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Duncan Robertson	3	3
Mr Clive Hodges	3	3
Mr John Robins	2	3
Mr Duncan Owen	3	3
Mr Andrew Weaver	3	3
Mrs Anne Whelpdale	2	3
Mrs Claire Jefferies	1	1

Review of value for money

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

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

- The school always enters into competitive tendering for high value contracts and services and seeks at least 3 quotations for other goods and services over £10,000.
- A review of contracts takes place at the end of a contract term and other longer term contracts are being reviewed as part of our commitment to reduce costs. Examples include:
 - Consultation regarding energy contracts
 - Review of contracts such as mechanical, electrical, waste collection, ICT, Telephone, photocopiers etc.
 - We also challenge most purchases by competitive quotes

During the Covid-19 pandemic, the school continued to operate a finance function in order to ensure value for money was delivered and payments to suppliers were as swift as possible during such extraordinary financial times.

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2021 (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sandon School Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy 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 year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The board of trustees has decided:

- To buy-in an internal audit service from SBM Services to support the Governor appointed Responsible Officer.

The Sandon School Academy Trust

Governance Statement for the Year Ended 31 August 2021 (continued)

SBM's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing of recruitment processes
- testing of payroll procedures
- testing and review of purchasing procedures
- a review of the risk register
- testing of business continuity processes
- testing of control account / bank reconciliations.
- Testing of funding reconciliations
- A review of governance
- A review of financial regulations
- A review of budget setting and monitoring

Twice per annum, the RO reports to the Board of Trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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

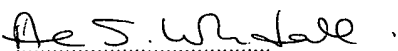
Review of effectiveness

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

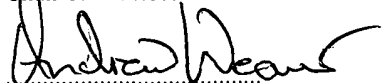
- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 6 December 2021 and signed on its behalf by:



Mrs Anne Whelpdale
Chair of Trustees



Mr Andrew Weaver
Headteacher & Accounting Officer


The Sandon School Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Sandon School Academy 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 Academies Financial Handbook 2020.

I confirm that I and the academy trust 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 Academies Financial Handbook 2020.

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.



Mr Andrew Weaver
Headteacher & Accounting Officer

6 December 2021

The Sandon School Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

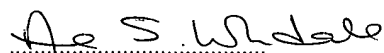
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 6 December 2021 and signed on its behalf by:



Mrs Anne Whelpdale
Chair of Trustees

The Sandon School Academy Trust

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

Opinion

We have audited the financial statements of The Sandon School Academy Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account), Balance Sheet as at 31 August 2021, Statement of Cash Flows for the year ended 31 August 2021, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Sandon School Academy Trust

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 21], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The Sandon School Academy Trust

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows;

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations for the company, including the Companies Act 2006, tax legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.
- Identified laws and regulations were communicated with the audit team regularly and the team remained alert of instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by;

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we;

- Performed analytical procedures to identify any unusual or unexpected relationships
- Tested journal entries to identify unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Reading the minutes of meetings of those charged with governance
- Enquiring of management as to actual and potential litigation and claims

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

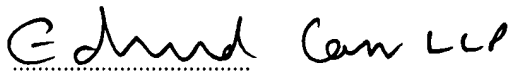
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Sandon School Academy Trust

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

Use of our report

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



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

146 New London Road
Chelmsford
Essex
CM2 0AW

6 December 2021

The Sandon School Academy Trust

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

In accordance with the terms of our engagement letter dated 27 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sandon School Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Sandon School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Sandon School Academy Trust and the 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 The Sandon School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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:

- reviewing the Minutes of the meetings of the Governing Board and other evidence made available to us, relevant to our consideration of regularity
- testing a sample of payments and receipts to documentation
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer

The Sandon School Academy Trust

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

 Edmund Carr LLP

Stewart Martin (Senior Statutory Auditor)

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road
Chelmsford
Essex
CM2 0AW

6 December 2021

The Sandon School Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Donations and capital grants	2	397	-	25,673	26,070
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	11,530	6,878,909	-	6,890,439
Other trading activities	4	252,883	31,167	-	284,050
Investments	5	160	-	-	160
Total		<u>264,970</u>	<u>6,910,076</u>	<u>25,673</u>	<u>7,200,719</u>
Expenditure on:					
Raising funds	6	348,419	-	-	348,419
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	7,068,163	483,012	7,551,175
Total		<u>348,419</u>	<u>7,068,163</u>	<u>483,012</u>	<u>7,899,594</u>
Net expenditure		(83,449)	(158,087)	(457,339)	(698,875)
Transfers between funds		-	(91,488)	91,488	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	8,000	-	8,000
Net movement in deficit		(83,449)	(241,575)	(365,851)	(690,875)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		<u>354,453</u>	<u>(2,810,429)</u>	<u>4,887,396</u>	<u>2,431,420</u>
Total funds/(deficit) carried forward at 31 August 2021		<u>271,004</u>	<u>(3,052,004)</u>	<u>4,521,545</u>	<u>1,740,545</u>

The Sandon School Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £
Income and endowments from:					
Donations and capital grants	2	4,603	-	309,069	313,672
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	19,604	6,496,785	-	6,516,389
Other trading activities	4	395,609	47,986	-	443,595
Investments	5	595	-	-	595
Total		<u>420,411</u>	<u>6,544,771</u>	<u>309,069</u>	<u>7,274,251</u>
Expenditure on:					
Raising funds	6	452,834	-	-	452,834
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	6,429,919	435,573	6,865,492
Total		<u>452,834</u>	<u>6,429,919</u>	<u>435,573</u>	<u>7,318,326</u>
Net (expenditure)/income		(32,423)	114,852	(126,504)	(44,075)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(322,000)	-	(322,000)
Net movement in deficit		(32,423)	(207,148)	(126,504)	(366,075)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		<u>386,876</u>	<u>(2,603,281)</u>	<u>5,013,900</u>	<u>2,797,495</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>354,453</u>	<u>(2,810,429)</u>	<u>4,887,396</u>	<u>2,431,420</u>

The Sandon School Academy Trust

(Registration number: 07697483 (England and Wales))

Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	4,521,545	4,723,808
Current assets			
Stocks	12	4,305	3,091
Debtors	13	137,993	621,613
Cash at bank and in hand		<u>1,280,640</u>	<u>1,105,401</u>
		1,422,938	1,730,105
Creditors: Amounts falling due within one year	14	<u>(369,938)</u>	<u>(496,493)</u>
Net current assets		<u>1,053,000</u>	<u>1,233,612</u>
Total assets less current liabilities		5,574,545	5,957,420
Creditors: Amounts falling due after more than one year	15	<u>(10,000)</u>	<u>-</u>
Net assets excluding pension liability		5,564,545	5,957,420
Pension scheme liability	23	<u>(3,824,000)</u>	<u>(3,526,000)</u>
Net assets including pension liability		<u>1,740,545</u>	<u>2,431,420</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		771,996	715,571
Restricted fixed asset fund		4,521,545	4,887,396
Restricted pension fund		<u>(3,824,000)</u>	<u>(3,526,000)</u>
		1,469,541	2,076,967
Unrestricted funds			
Unrestricted general fund		<u>271,004</u>	<u>354,453</u>
Total funds		<u>1,740,545</u>	<u>2,431,420</u>

The financial statements on pages 28 to 56 were approved by the Trustees, and authorised for issue on 6 December 2021 and signed on their behalf by:



Mrs Anne Whelpdale
Trustee

The Sandon School Academy Trust

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	230,894	(190,095)
Cash flows from investing activities	20	(65,655)	309,664
Cash flows from financing activities		<u>10,000</u>	<u>-</u>
Change in cash and cash equivalents in the year		175,239	119,569
Cash and cash equivalents at 1 September		<u>1,105,401</u>	<u>985,832</u>
Cash and cash equivalents at 31 August	21	<u><u>1,280,640</u></u>	<u><u>1,105,401</u></u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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

Income

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

Grants receivable

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance 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.

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

Capital grants are recognised 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 where there is entitlement and are not deferred over the life of the asset on which they are expended.

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Interest Receivable

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

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.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

Asset class	Depreciation method and rate
Freehold buildings	4% p.a.
Furniture and fixtures	20% p.a.
Computer equipment	33.33% p.a.
Motor vehicles	20% p.a.

Liabilities

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

Provisions

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

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. 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 of quadrennial valuations using a prospective unit credit method. 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 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/(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.

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

Stock

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

Leased assets

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

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 as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 as detailed in note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Capital grants	-	25,673	25,673	309,069
Other donations	397	-	397	4,603
	<u>397</u>	<u>25,673</u>	<u>26,070</u>	<u>313,672</u>

Capital grants received are not permanent endowments.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	6,102,686	6,102,686	5,793,177
Other DfE/ESFA grants	-	378,699	378,699	370,649
Pupil Premium	-	152,878	152,878	173,446
	-	6,634,263	6,634,263	6,337,272
Other government grants	-			
Special Educational Projects	-	126,486	126,486	140,713
Exceptional government funding				
Coronavirus Job Retention	11,530	-	11,530	19,604
Coronavirus exceptional support	-	118,160	118,160	18,800
	11,530	118,160	129,690	38,404
Total grants	11,530	6,878,909	6,890,439	6,516,389

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as a separate line under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	11,299	-	11,299	34,141
Catering income	200,948	-	200,948	241,826
Class Sales	-	8,926	8,926	10,030
Educational Visits	34,049	-	34,049	115,564
Other sales	6,587	22,241	28,828	42,034
	<u>252,883</u>	<u>31,167</u>	<u>284,050</u>	<u>443,595</u>

5 Investment income

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	<u>160</u>	<u>160</u>	<u>595</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure

	Non Pay Expenditure			2020/21	2019/20
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	154,664	-	193,755	348,419	452,834
Academy's educational operations					
Direct costs	4,581,458	-	445,381	5,026,839	4,693,909
Allocated support costs	<u>1,242,026</u>	<u>1,095,183</u>	<u>187,127</u>	<u>2,524,336</u>	<u>2,171,583</u>
	<u><u>5,978,148</u></u>	<u><u>1,095,183</u></u>	<u><u>826,263</u></u>	<u><u>7,899,594</u></u>	<u><u>7,318,326</u></u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2020/21 £	2019/20 £
Audit fee - Edmund Carr LLP	13,800	15,700
Other services - Edmund Carr LLP	2,450	3,075
Depreciation	<u>293,751</u>	<u>290,092</u>

7 Charitable activities

	2020/21 £	2019/20 £
Direct costs - educational operations	5,026,839	4,693,909
Support costs - educational operations	<u>2,524,336</u>	<u>2,171,583</u>
	<u>7,551,175</u>	<u>6,865,492</u>

	Educational operations £	2020/21 Total £	2019/20 Total £
Analysis of support costs			
Support staff costs	1,242,026	1,242,026	1,082,564
Depreciation	293,751	293,751	290,092
Premises costs	801,432	801,432	636,207
Legal costs - other	61,560	61,560	44,455
Other support costs	109,117	109,117	99,490
Governance costs	<u>16,450</u>	<u>16,450</u>	<u>18,775</u>
Total support costs	<u>2,524,336</u>	<u>2,524,336</u>	<u>2,171,583</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff

Staff costs

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	4,084,851	3,889,283
Social security costs	408,450	383,337
Pension costs	1,215,726	1,092,195
	<u>5,709,027</u>	<u>5,364,815</u>
Supply teacher costs	269,121	205,617
	<u>5,978,148</u>	<u>5,570,432</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2020/21 No	2019/20 No
Teachers	70	68
Administration and support	62	62
Management	7	6
	<u>139</u>	<u>136</u>

Higher paid staff

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

	2021 No	2020 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £769,635 (2020: £711,600).

9 Related party transactions - trustees' remuneration and expenses

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

Mr Steven Wadwell (Staff Trustee)

Remuneration: £45,000 - £50,000 (2020 - £45,000 - £50,000)

Employer's pension contributions: £Nil (2020 - £Nil)

Mr Duncan Owen (Staff Trustee)

Remuneration: £40,000 - £45,000 (2020 - £35,000 - £40,000)

Employer's pension contributions: £10,000 - £15,000 (2020 - £5,000 - £10,000)

Mr Andrew Weaver (Headteacher)

Remuneration: £95,000 - £100,000 (2020 - £90,000 - £95,000)

Employer's pension contributions: £20,000 - £25,000 (2020 - £20,000 - £25,000)

10 Trustees' and officers' insurance

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

11 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2020	6,913,059	32,375	75,323	21,165	7,041,922
Additions	<u>91,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,488</u>
At 31 August 2021	<u>7,004,547</u>	<u>32,375</u>	<u>75,323</u>	<u>21,165</u>	<u>7,133,410</u>
Depreciation					
At 1 September 2020	2,224,465	32,375	40,109	21,165	2,318,114
Charge for the year	<u>273,628</u>	<u>-</u>	<u>20,123</u>	<u>-</u>	<u>293,751</u>
At 31 August 2021	<u>2,498,093</u>	<u>32,375</u>	<u>60,232</u>	<u>21,165</u>	<u>2,611,865</u>
Net book value					
At 31 August 2021	<u>4,506,454</u>	<u>-</u>	<u>15,091</u>	<u>-</u>	<u>4,521,545</u>
At 31 August 2020	<u>4,688,594</u>	<u>-</u>	<u>35,214</u>	<u>-</u>	<u>4,723,808</u>

Freehold land & buildings includes £163,828 (2020: £163,828) of land which is not being depreciated.

12 Stock

	2021 £	2020 £
Catering	<u>4,305</u>	<u>3,091</u>

13 Debtors

	2021 £	2020 £
Trade debtors	86	1,277
Prepayments and accrued income	85,423	569,116
VAT recoverable	43,589	42,325
Other debtors	<u>8,895</u>	<u>8,895</u>
	<u>137,993</u>	<u>621,613</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	109,927	56,964
Other taxation and social security	102,120	88,915
Other creditors	31,295	37,956
Accruals	83,071	254,761
Deferred income	43,525	57,897
	<u>369,938</u>	<u>496,493</u>

	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	57,897	53,964
Resources deferred in the period	43,525	57,897
Amounts released from previous periods	<u>(57,897)</u>	<u>(53,964)</u>
Deferred income at 31 August 2021	<u>43,525</u>	<u>57,897</u>

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

Music tuition income received in advance £6,265 (2020 £Nil)
 Monies received for trips and visits taking place in the 2021/22 academic year £18,907 (2020 £37,938)
 Lettings income for Autumn term 2021 £Nil (2020 £1,910)
 Other miscellaneous income in advance £18,353 (2020 £18,049)

15 Creditors: amounts falling due after one year

	2021 £
Other creditors (Salix Loan > 1 year)	<u>10,000</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	715,571	6,102,686	(5,954,773)	(91,488)	771,996
Other DfE/ESFA grants	-	496,859	(496,859)	-	-
Special Educational Projects	-	126,486	(126,486)	-	-
Funds from other external bodies (parents etc)	-	31,167	(31,167)	-	-
Pupil Premium	-	152,878	(152,878)	-	-
	<u>715,571</u>	<u>6,910,076</u>	<u>(6,762,163)</u>	<u>(91,488)</u>	<u>771,996</u>
Restricted fixed asset funds					
DfE/ESFA and local authority capital grants	422,774	25,673	(201,014)	-	247,433
Capital expenditure from GAG	1,359,529	-	(97,206)	91,488	1,353,811
Inherited fixed assets	<u>3,105,093</u>	<u>-</u>	<u>(184,792)</u>	<u>-</u>	<u>2,920,301</u>
	4,887,396	25,673	(483,012)	91,488	4,521,545
Restricted pension funds					
Pension reserve	<u>(3,526,000)</u>	<u>-</u>	<u>(306,000)</u>	<u>8,000</u>	<u>(3,824,000)</u>
Total restricted funds	2,076,967	6,935,749	(7,551,175)	8,000	1,469,541
Unrestricted funds					
Unrestricted general funds	<u>354,453</u>	<u>264,970</u>	<u>(348,419)</u>	<u>-</u>	<u>271,004</u>
Total funds	<u>2,431,420</u>	<u>7,200,719</u>	<u>(7,899,594)</u>	<u>8,000</u>	<u>1,740,545</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	365,719	5,793,177	(5,443,325)	-	715,571
Other DfE/ESFA grants	-	562,896	(562,896)	-	-
Special Educational Projects	-	140,713	(140,713)	-	-
Funds from other external bodies (parents etc)	-	47,985	(47,985)	-	-
	<u>365,719</u>	<u>6,544,771</u>	<u>(6,194,919)</u>	<u>-</u>	<u>715,571</u>
Restricted fixed asset funds					
DfE/ESFA and local authority capital grants	270,940	309,069	(157,235)	-	422,774
Capital expenditure from GAG	1,453,076	-	(93,547)	-	1,359,529
Inherited fixed assets	<u>3,289,884</u>	<u>-</u>	<u>(184,791)</u>	<u>-</u>	<u>3,105,093</u>
	5,013,900	309,069	(435,573)	-	4,887,396
Restricted pension funds					
Pension reserve	<u>(2,969,000)</u>	<u>-</u>	<u>(235,000)</u>	<u>(322,000)</u>	<u>(3,526,000)</u>
Total restricted funds	2,410,619	6,853,840	(6,865,492)	(322,000)	2,076,967
Unrestricted funds					
Unrestricted general funds	<u>386,876</u>	<u>420,411</u>	<u>(452,834)</u>	<u>-</u>	<u>354,453</u>
Total funds	<u>2,797,495</u>	<u>7,274,251</u>	<u>(7,318,326)</u>	<u>(322,000)</u>	<u>2,431,420</u>

The academy trust is not subject to GAG carried forward limits.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

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

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

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

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

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

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

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	4,521,545	4,521,545
Current assets	271,004	1,141,934	10,000	1,422,938
Current liabilities	-	(369,938)	-	(369,938)
Creditors over 1 year	-	-	(10,000)	(10,000)
Pension scheme liability	-	(3,824,000)	-	(3,824,000)
Total net assets	<u>271,004</u>	<u>(3,052,004)</u>	<u>4,521,545</u>	<u>1,740,545</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	4,723,808	4,723,808
Current assets	354,453	1,212,064	163,588	1,730,105
Current liabilities	-	(496,493)	-	(496,493)
Pension scheme liability	-	(3,526,000)	-	(3,526,000)
Total net assets	<u>354,453</u>	<u>(2,810,429)</u>	<u>4,887,396</u>	<u>2,431,420</u>

18 Financial commitments

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	10,737	10,737
Amounts due between one and five years	<u>8,591</u>	<u>19,328</u>
	<u>19,328</u>	<u>30,065</u>

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

	2021 £	2020 £
Net expenditure	(698,875)	(44,075)
Depreciation	293,751	290,092
Capital grants from DfE and other capital income	(25,673)	(309,069)
Interest receivable	(160)	(595)
Defined benefit pension scheme revaluation	306,000	235,000
Increase in stocks	(1,214)	(2,304)
Decrease/(increase) in debtors	483,620	(437,865)
(Decrease)/increase in creditors	<u>(126,555)</u>	<u>78,721</u>
Net cash provided by/(used in) Operating Activities	<u>230,894</u>	<u>(190,095)</u>

20 Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	160	595
Purchase of tangible fixed assets	(91,488)	-
Capital funding received from sponsors and others	<u>25,673</u>	<u>309,069</u>
Net cash (used in)/provided by investing activities	<u>(65,655)</u>	<u>309,664</u>

21 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	<u>1,280,640</u>	<u>1,105,401</u>
Total cash and cash equivalents	<u>1,280,640</u>	<u>1,105,401</u>

22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 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 Essex County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both 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% administration levy)
- 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. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real 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 2023.

The employer's pension costs paid to TPS in the period amounted to £657,428 (2020: £620,696).

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £318,000 (2020 - £298,000), of which employer's contributions totalled £255,000 (2020 - £238,000) and employees' contributions totalled £63,000 (2020 - £60,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 to 12.5 per cent for employees.

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

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.70	1.60
Inflation assumptions (CPI)	2.60	1.50
RPI increases	<u>2.90</u>	<u>2.30</u>

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

	2021	2020
Retiring today		
Males retiring today	21.60	21.80
Females retiring today	23.60	23.80
Retiring in 20 years		
Males retiring in 20 years	22.90	23.20
Females retiring in 20 years	<u>25.10</u>	<u>25.20</u>

Sensitivity analysis

	2021 £'000	2020 £'000
Discount rate +0.1%	7,497.00	6,288.00
Discount rate -0.1%	7,839.00	6,576.00
Mortality assumption – 1 year increase	7,984.00	6,678.00
Mortality assumption – 1 year decrease	7,361.00	6,191.00
CPI rate +0.1%	7,681.00	6,443.00
CPI rate -0.1%	<u>7,651.00</u>	<u>6,417.00</u>

The academy trust's share of the assets in the scheme were:

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

	2021	2020
	£	£
Equities	2,459,000	1,800,000
Gilts	97,000	124,000
Other bonds	179,000	162,000
Property	268,000	226,000
Cash and other liquid assets	107,000	79,000
Other	<u>732,000</u>	<u>513,000</u>
Total market value of assets	<u><u>3,842,000</u></u>	<u><u>2,904,000</u></u>

The actual return on scheme assets was £695,000 (2020 - £65,000).

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020/21 £	2019/20 £
Current service cost	504,000	418,000
Interest income	(48,000)	(46,000)
Interest cost	103,000	99,000
Admin expenses	2,000	2,000
Total amount recognized in the SOFA	<u>561,000</u>	<u>473,000</u>

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

	2020/21 £	2019/20 £
At start of period	6,430,000	5,361,000
Current service cost	504,000	418,000
Interest cost	103,000	99,000
Employee contributions	63,000	60,000
Actuarial (gain)/loss	639,000	586,000
Benefits paid	(73,000)	(94,000)
At 31 August	<u>7,666,000</u>	<u>6,430,000</u>

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

	2020/21 £	2019/20 £
At start of period	2,904,000	2,392,000
Interest income	48,000	46,000
Actuarial gain/(loss)	645,000	264,000
Employer contributions	255,000	238,000
Employee contributions	63,000	60,000
Benefits paid	(73,000)	(96,000)
At 31 August	<u>3,842,000</u>	<u>2,904,000</u>

24 Related party transactions

Owing to the nature of the academy trust 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 the trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration already disclosed in note 9.

The Sandon School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £11,874 and disbursed £18,535 from the fund. An amount of £31,232 (2019: £31,452) is included in other creditors relating to undistributed funds that is repayable to ESFA.