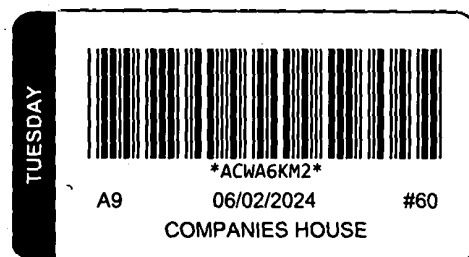


Company Registration No. 08922806 (England and Wales)

THE SANDON TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

1



THE SANDON TRUST

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THE SANDON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr I Bagnall
Mrs R Beckett (Accounting officer/Principal)
Miss K Dailey
Mr D Blundred
Miss L Gulley
Mr P Harbron
Mrs A Gill
Mrs K Brown (resigned 10.9.2023)
Mrs M Swift
Mr W Weston
Mrs N Stanway (appointed 26.4.2022)
Mrs Clare Norcup (appointed 7.4.2023)

Members

Mrs L McLoughlin (appointed 26.5.2022)
Mr I Bagnall
Mr R Ford

Senior management team

- Principal	Mrs R Beckett
- Head of School	Mrs E Kiddle
- Vice Principal	Mrs L Williams
- Vice Principal	Mrs K Burrows

Company registration number

08922806 (England and Wales)

Registered office

c/o Sandon Primary Academy
Normacot Grange Road
Meir
Stoke-on-Trent
ST3 7AW

Independent auditor

DJH Mitten Clarke Audit Limited
Bridge House
Ashley Road
Hale
Altrincham, WA14 2UT

Bankers

Lloyds Bank
PO Box 3
Queens Square
Wolverhampton, WV1 1RF

Solicitors

Cook Lawyers
Barons Court
Manchester Road
Wilmslow, SK9 1BQ

THE SANDON TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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

The trust operates a primary academy for pupils aged 3 -11 serving a catchment area in Meir, Stoke on Trent. It has a pupil capacity of 480 and had a roll of 522 on the school census in May 2023.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee with no share capital at its registered address, Normacot Grange Road, Meir, Stoke-on-Trent, ST3 7AW, incorporated in England and Wales with registration number 08922806. It is also an exempt charity. The company commenced operation as an academy on 1 May 2014. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Sandon Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Sandon Trust.

Details of the trustees who served during the year 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

In accordance with normal commercial practice the academy has purchased professional indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. The insurance cover provided for trustees and officers is up to £1,000,000 on any one claim. Further details are given in note 10.

Method of recruitment and appointment or election of trustees

The academy trust should have the following trustees as set out in its articles of association and funding agreement:

- A minimum of 2 parent trustees who are elected by the trust
- A minimum of 2 trustees elected by the trust who are representatives of the community.

Any new trustee (governor) would be appointed based on an assessment of the member's skill set.

Policies and procedures adopted for the induction and training of trustees

Trustees have access to a comprehensive training package and receive a full induction in accordance with the academy's trustees' induction document. This includes relevant safeguarding training

Organisational structure

The governance of the academy trust is defined in the memorandum and articles of association together with the funding agreement with the Department for Education. The trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academy by the use of budgets and other data, and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The board of trustees has devolved responsibility for day to day management of the academy to the principal and senior leadership team (SLT). The SLT comprises of the principal, head of school and 2 vice principals. The SLT implements the policies ratified. The principal is the accounting officer.

THE SANDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting the pay of the academy's key management personnel is based upon clear performance management targets and pupil outcomes. Pay is benchmarked against other academies of a similar size and socio-demographics.

Trade union facility time

The academy currently employs 34 full time equivalent staff; therefore, there is no requirement for union facility time analysis.

Related parties and other connected charities and organisations

The Sandon Trust is connected to Townsend and Renaudon Chartered Surveyors as defined by the relevant Charities SORP with which it has transacted. The members, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims

Objects and aims of the academy as laid down in its articles of association are 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 schools offering a broad and balanced curriculum.

Objectives, strategies and activities

At The Sandon Trust we teach '*Respect for Self, Respect for Others and Responsibility for Actions*' and this ethos is threaded throughout all of the key objectives and strategies. To this end the academy aims to provide:

- Positive teaching and learning activities for all children to ensure they reach their full potential.
- A unique, enriched learning environment which supports an engaging, bespoke curriculum.
- Accurate assessment and tracking of pupil progress, in particular vulnerable groups.

A continuing strategy utilised by the trust to ensure that the academy's objectives are met is the employment of additional qualified teaching staff to reduce class sizes. This strategy has had a significant impact on progress and attainment levels across all year groups as teaching is precisely targeted to meet the needs of all learners. Measurable outcomes at the end of Key Stage 2 demonstrate the impact of small classes. Progress measures indicate great gains when considering starting points for the 2022-23 cohort.

The learning environment provides pupils with enriched experiences which brings their learning to life in practical and creative lessons.

Public benefit

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Examples of activities in which the academy trust has ensured charitable purposes for the public benefit include the following:

- Providing free school uniform vouchers for all pupils.
- Holding a wide range of events for the benefit of the local community - Christmas and other seasonal experiences.
- Supporting local community groups and events during the Summer Break.
- Subsidising school trips, visits and residential visits for all pupils.
- Taking part in the National Free School Voucher scheme (285 pupils took part in the scheme).

THE SANDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

Results shown are percentages based on teacher assessment and results of statutory testing. They are not validated yet but indicate how the academy has performed. The academy's 3 year recovery curriculum and strategic catch-up plan continues to be in place and will continue throughout the next academic year to support lost learning through the pandemic.

Assessment point	2019 % Validated	2022 % Achieved	2023 % Achieved
End of Foundation Stage - Good Level of Development	70%	58.7%	68%
Year 1 Phonics Check	81%	58%	71%
End of Key Stage 1			
Reading	70%	56.9%	66%
Writing	70%	55.2%	65%
Mathematics	71%	51.7%	75%
End of Key Stage 2			
Reading	77%	66.2%	76%
Writing	82%	61.5%	79%
Mathematics	77%	35.4%	74%
GPS	70%	47.7%	66%

Key performance indicators

Outcomes for the school indicate that the vast majority of attainment is above national for key assessment points. Considering starting points and the impact of the COVID pandemic, children have made significant gains demonstrating the board's successful utilisation of its financial resources. Rates of progress are above national in all areas for 2023.

Going concern

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

Financial review

Most of the academy's income is obtained from the ESFA in the form of recurrent grants, some of which are restricted to particular purposes.

Total income for the year is £3,586,000 over total expenditure of £3,495,000.

At 31 August 2023 the net book value of fixed assets was £2,935,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The pension value as at 31 August 2023 has been determined by the actuary which is now showing the academy trust as having a pension asset/liability of £nil as at 31 August 2023. In accordance with applicable accounting standards, the asset/liability value has been deemed to be recognisable on the basis that the academy trust has expectations of reduced future employer contributions at some point during the life of the plan.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the usual appropriate level of free reserves should be equivalent to 1 month of the GAG, approximately £190,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Restricted general funds excluding the pension reserve carried forward are £419,000 being unspent ESFA grants. Unrestricted funds carried forward are £104,000. Total free funds carried forward for the academy are £523,000.

THE SANDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Investment policy

The academy will look to invest any surplus funds it has in short term deposits which, whilst not generating substantial returns, do ensure that the academy can gain easy access to its funds and minimise its exposure to any losses.

Principal risks and uncertainties

The financial risks to which The Sandon Trust is exposed relate primarily to:

- Changes in government legislation.
- Potential of reduced funding and cash flow.
- Reduction in pupil numbers.

Trustees examine the financial health formally every half term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full trustees' meetings. The trustees also regularly review cash flow monthly to ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The academy trust has recognised its share of the Local Government Pension Scheme assets and liabilities in accordance with Financial Reporting Standard 102. A balance of £nil has been recognised at 31 August 2023.

Fundraising

The academy does not partake in charity fundraising at this present time.

Plans for future periods

The board of trustees has the following priorities set for further development:

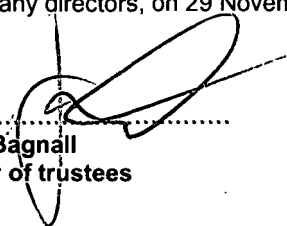
- Development of outdoor KS2 sport's facilities (All weather pitch)

Auditor

Insofar 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.

This trustees' report, incorporating a strategic report, will be approved by order of the board of trustees, as the company directors, on 29 November 2023 and signed on the board's behalf by:



.....
Mr I Bagnall
Chair of trustees

THE SANDON TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Sandon Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. Meetings are split into 2 types, full trustees meetings and the audit, risk and finance committee. Attendance during the year at these meetings are as follows:

Trustee	Meetings attended	Full Trustees	Audit, Risk and Finance
Mr I Bagnall (Chair)	8/9	3/3	5/6
Mrs R Beckett (Accounting officer)	7/9	2/3	5/6
Mr D Blundred (Vice Chair)	3/3	3/3	NA
Mr P Harbron	7/9	3/3	4/6
Mrs A Gill	7/9	1/3	6/6
Miss K Dailey	3/3	3/3	NA
Ms K Brown	6/9	3/3	3/6
Mr W Weston	3/3	3/3	NA
Mrs M Swift	3/3	3/3	NA
Ms Lisa Gulley	5/9	2/3	3/6
Mrs N Stanway (appointed 26.04.22)	3/9	2/3	1/6

As a result of a review of the trustees' skills audit in June 2023, the trust has stayed stable. The trust will carry out its next review before the spring term 2024, following the appointment of new trustees at the end of the year to 31 August 2023. The trust manages conflicts of interest by maintaining an up to date and complete register of interests. Conflict of interests arise when the interests of a governor/trustee in a matter being considered by the governing board, may affect, or be seen to affect, the ability of that governor/trustee to take decisions on the matter that are impartial and in the best interests of the school. In every meeting conflicts of interests are always declared as part of the agenda.

Review of value for money

As accounting officer, the principal 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Continuing to review the cost and quality of wholesale catering/cleaning suppliers to ensure best value.
- Review and evaluating the potential savings in working with other schools (the school resource management and self-assessment tool).
- Continue to financial procedures for procurement and tendering with the trust so they are in line with local authority guidelines.

THE SANDON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sandon Trust for the period 1 September 2022 to 31 August 2023 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint the finance director from Ormiston Meridian Academy for internal scrutiny reviews. This was carried out once a term over 3 terms and complies with the Financial Handbook. Internal scrutiny covers:

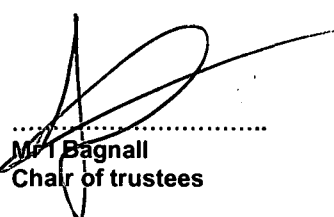
- testing and reviewing of payroll systems;
- reviewing expenditure and monitoring income;
- testing and reviewing of purchase systems; and
- refining procedures through termly internal assurance reports which are acted upon accordingly.

Review of effectiveness

As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management and self-assessment tool; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on 29 November 2023 and signed on its behalf by:


.....
Mr M Bagnall
Chair of trustees


.....
Mrs R Beckett
Accounting officer

THE SANDON TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of The Sandon 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, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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


.....
Mrs R Beckett
Accounting officer

Date: 29 November 2023

THE SANDON TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of The Sandon Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

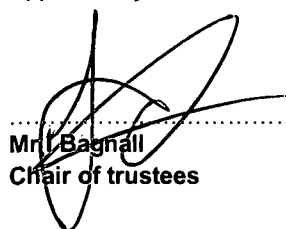
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 29 November 2023 and signed on its behalf by:



.....
Mr. Bagnall
Chair of trustees

THE SANDON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SANDON TRUST FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of The Sandon Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the accounts

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

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

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

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



Candice Beynon FCCA (Senior Statutory Auditor)
for and on behalf of DJH Mitten Clarke Audit Limited
Chartered Accountants
Statutory Auditor
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: 29/11/2023

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 2 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sandon Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Sandon Trust's funding agreement with the Secretary of State for Education dated 30 April 2014 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DJH Mitten Clarke Audit Ltd

DJH Mitten Clarke Audit Limited
Reporting Accountant

Date: 29/11/2023

THE SANDON TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2023 £000	Total 2022 £000
Income and endowments from:						
Donations and capital grants	3	-	23	30	53	35
Charitable activities:						
- Funding for educational operations	4	-	3,326	-	3,326	3,154
Other trading activities	5	187	20	-	207	116
Total		<u>187</u>	<u>3,369</u>	<u>30</u>	<u>3,586</u>	<u>3,305</u>
Expenditure on:						
Raising funds	6	-	-	-	-	1
Charitable activities:						
- Educational operations	7	172	3,137	186	3,495	3,263
Total	6	<u>172</u>	<u>3,137</u>	<u>186</u>	<u>3,495</u>	<u>3,264</u>
Net income/(expenditure)		15	232	(156)	91	41
Transfers between funds	15	-	(314)	314	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	17	-	(44)	-	(44)	1,621
Net movement in funds		15	(126)	158	47	1,662
Reconciliation of funds						
Total funds brought forward		89	545	2,777	3,411	1,749
Total funds carried forward		<u>104</u>	<u>419</u>	<u>2,935</u>	<u>3,458</u>	<u>3,411</u>

THE SANDON TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2022		funds	General	Fixed asset	2022
	Notes	£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	3	-	25	10	35
Charitable activities:					
- Funding for educational operations	4	-	3,154	-	3,154
Other trading activities	5	108	8	-	116
Total		<u>108</u>	<u>3,187</u>	<u>10</u>	<u>3,305</u>
Expenditure on:					
Raising funds	6	1	-	-	1
Charitable activities:					
-Educational operations	7	92	3,017	154	3,263
Total	6	<u>93</u>	<u>3,017</u>	<u>154</u>	<u>3,264</u>
Net income/(expenditure)		15	170	(144)	41
Transfers between funds	15	-	(95)	95	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	17	-	1,621	-	1,621
Net movement in funds		<u>15</u>	<u>1,696</u>	<u>(49)</u>	<u>1,662</u>
Reconciliation of funds					
Total funds brought forward		74	(1,151)	2,826	1,749
Total funds carried forward		<u>89</u>	<u>545</u>	<u>2,777</u>	<u>3,411</u>

THE SANDON TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £000	2022 £000	2022 £000
Fixed assets				
Tangible assets	11		2,935	2,777
Current assets				
Debtors	12	115	99	
Cash at bank and in hand		572	658	
		687	757	
Current liabilities				
Creditors: amounts falling due within one year	13	(164)	(148)	
Net current assets			523	609
Net assets excluding pension asset			3,458	3,386
Defined benefit pension scheme asset	17		-	25
Total net assets			3,458	3,411
Funds of the academy trust:				
Restricted funds	15			
- Fixed asset funds			2,935	2,777
- Restricted income funds			419	520
- Pension reserve			-	25
Total restricted funds			3,354	3,322
Unrestricted income funds	15		104	89
Total funds			3,458	3,411

The accounts were approved by the trustees and authorised for issue on 29 November 2023 and are signed on their behalf by:

Mr I Bagnall
Chair of Trustees

Company registration number 08922806 (England and Wales)

THE SANDON TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

		2023		2022	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Net cash provided by operating activities	18		228		416
Cash flows from investing activities					
Capital grants from DfE Group		30		10	
Purchase of tangible fixed assets		(344)		(105)	
Net cash used in investing activities			(314)		(95)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(86)		321
Cash and cash equivalents at beginning of the year			658		337
Cash and cash equivalents at end of the year			<u>572</u>		<u>658</u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

The Sandon Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations is set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

1.3 Income

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

Grants

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

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

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

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.

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

Long leasehold land & property	Property - 50 years straight line, Land - 125 years straight line
Leasehold improvements	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line
Motor vehicles	4 years reducing balance

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 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.

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

1.12 PFI arrangements

The Academy has a PFI arrangement in place which covers maintenance and facility management arrangements. Payments are accounted for in the period to which they relate.

2 Critical accounting estimates and areas of judgement

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

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 SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees have considered the apportionment of depreciation between direct and support costs. The majority of fixed assets are almost entirely used for the provision of education and only a small part for support services. Therefore a 90% direct cost and 10% support cost apportionment is considered appropriate.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Capital grants	-	30	30	10
Other donations	-	23	23	25
	<u>-</u>	<u>53</u>	<u>53</u>	<u>35</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
DfE/ESFA grants				
General annual grant (GAG)	-	2,318	2,318	2,239
Other DfE/ESFA grants:				
- UIFSM	-	42	42	43
- Pupil premium	-	365	365	354
- Supplementary grant	-	72	72	-
- Others	-	156	156	143
	<u>-</u>	<u>2,953</u>	<u>2,953</u>	<u>2,779</u>
Other government grants				
Local authority grants	-	373	373	375
	<u>-</u>	<u>373</u>	<u>373</u>	<u>375</u>
Total funding	<u>-</u>	<u>3,326</u>	<u>3,326</u>	<u>3,154</u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's educational operations (Continued)

The academy trust received £373,000 from the local authority in the year, being £315,000 for the management of Grange Nursery School and Little Sandon, £12,000 pupil premium funding, £6,000 of other income and £40,000 High Needs funding. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Catering income	35	-	35	20
School trips income	-	20	20	8
Other income	152	-	152	88
	<u>187</u>	<u>20</u>	<u>207</u>	<u>116</u>

6 Expenditure

	Staff costs £000	Non-pay expenditure Premises £000	Other £000	Total 2023 £000	Total 2022 £000
Expenditure on raising funds					
- Direct costs	-	-	-	-	1
Academy's educational operations					
- Direct costs	2,013	167	253	2,433	2,099
- Allocated support costs	475	358	229	1,062	1,164
	<u>2,488</u>	<u>525</u>	<u>482</u>	<u>3,495</u>	<u>3,264</u>

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	4	3
Depreciation of tangible fixed assets	186	154
Fees payable to auditor for:		
- Audit	7	7
- Other services	6	5
Net interest on defined benefit pension liability	(1)	24

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Direct costs				
Educational operations	-	2,433	2,433	2,099
Support costs				
Educational operations	172	890	1,062	1,164
	<u>172</u>	<u>3,323</u>	<u>3,495</u>	<u>3,263</u>
Analysis of costs			2023 £000	2022 £000
Direct costs				
Teaching and educational support staff costs			2,013	1,734
Staff development			7	8
Depreciation			167	139
Technology costs			12	5
Educational supplies and services			116	148
Other direct costs			118	65
			<u>2,433</u>	<u>2,099</u>
Support costs				
Support staff costs			476	665
Depreciation			19	15
Technology costs			23	20
Maintenance of premises and equipment			286	241
Cleaning			40	9
Rent, rates and other occupancy costs			3	6
Insurance			10	9
Catering			97	60
Interest on defined benefit pension scheme			(1)	24
Legal costs			16	18
Other support costs			80	85
Governance costs			13	12
			<u>1,062</u>	<u>1,164</u>

Maintenance of premises includes PFI charges totalling £155,000 (2022: £136,000). These amounts are paid to the local authority, are index linked and the Academy is committed to these payments on a rolling contract basis to August 2025.

THE SANDON TRUST

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

8 Staff

Staff costs

Staff costs during the year were:

	2023 £000	2022 £000
Wages and salaries	1,897	1,629
Social security costs	185	150
Pension costs	401	592
Staff costs - employees	2,483	2,371
Agency staff costs	-	20
Staff restructuring costs	5	4
	2,488	2,395
Staff development and other staff costs	8	12
Total staff expenditure	2,496	2,407

Staff restructuring costs comprise:

Redundancy payments	-	1
Severance payments	5	3
	5	4

Severance payments

The academy trust paid 2 severance payments in the year, disclosed in the following bands:

£0 - £25,000 2

Special staff severance payments

Included in staff restructuring costs are non-contractual special staff severance payments totalling £2,000 (2022: £3,438). Individually, Individually the payments were £1,000 & £1,000.

Staff numbers

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

	2023 Number	2022 Number
Teachers	23	23
Administration and support	41	40
Management	7	5
	71	68

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Staff

(Continued)

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £341,000 (2022: £373,000).

9 Trustees' remuneration and expenses

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 services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

R Beckett (Principal and trustee)

Remuneration £85,001 - £90,000 (2022: £85,001 - £90,000)

Employer's pension contributions £20,001 - £25,000 (2022: £15,001 - £20,000)

During the period ended 31 August 2023, no travel and subsistence expenses (2022: £nil) were reimbursed or paid directly to trustees (2022: 0 trustees).

Other related party transactions involving the trustees are set out in note 22.

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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Tangible fixed assets

	Long leasehold land & property improvements	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2022	1,275	1,631	356	443	30	3,735
Additions	-	82	114	148	-	344
At 31 August 2023	1,275	1,713	470	591	30	4,079
Depreciation						
At 1 September 2022	199	122	290	327	20	958
Charge for the year	24	34	68	58	2	186
At 31 August 2023	223	156	358	385	22	1,144
Net book value						
At 31 August 2023	1,052	1,557	112	206	8	2,935
At 31 August 2022	1,076	1,509	66	116	10	2,777

The net book value of land and buildings comprises:

	2023 £000	2022 £000
Long leaseholds (over 50 years)	1,052	1,076

12 Debtors

	2023 £000	2022 £000
VAT recoverable	43	27
Prepayments and accrued income	72	72
	115	99

13 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Other taxation and social security	42	37
Other creditors	47	42
Accruals and deferred income	75	69
	164	148

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Deferred income

	2023 £000	2022 £000
Deferred income is included within:		
Creditors due within one year	33	17
Deferred income at 1 September 2022	17	20
Released from previous years	(17)	(20)
Resources deferred in the year	33	17
Deferred income at 31 August 2023	33	17

At the balance sheet date, the academy trust was holding £29,000 (2022: £17,000) received in advance for Universal Infant Free School Meals grant and £4,000 (2022: £nil) received in advance for rates relief.

15 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	389	2,318	(2,105)	(183)	419
UIFSM	-	42	(42)	-	-
Pupil premium	-	365	(365)	-	-
Other DfE/ESFA grants	-	156	(156)	-	-
Other government grants	-	373	(373)	-	-
Supplementary grant	-	72	(72)	-	-
Other restricted funds	131	43	(43)	(131)	-
Pension reserve	25	-	19	(44)	-
	545	3,369	(3,137)	(358)	419
Restricted fixed asset funds					
Inherited on conversion	1,821	-	(26)	-	1,795
DfE group capital grants	15	30	(9)	-	36
Capital expenditure from GAG	703	-	(121)	314	896
Private sector capital sponsorship	238	-	(30)	-	208
	2,777	30	(186)	314	2,935
Total restricted funds	3,322	3,399	(3,323)	(44)	3,354
Unrestricted funds					
General funds	89	187	(172)	-	104
Total funds	3,411	3,586	(3,495)	(44)	3,458

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Funds

(Continued)

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are funds which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

£183,000 was transferred from GAG funds to fixed asset funds to cover the cost of additions in the year not covered by grants.

£131,000 was transferred from other restricted funds to fixed asset funds to cover the cost of additions in the year not covered by grants.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The pension value as at 31 August 2023 has been determined by the actuary which is showing the academy trust as having no pension asset/liability as at 31 August 2023. In accordance with applicable accounting standards, the asset value has been capped at an asset ceiling value on the basis that the academy trust has minimum funding requirements existing for future service. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

THE SANDON TRUST

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

15 Funds

(Continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,239	(1,834)	(16)	389
UIFSM	-	43	(43)	-	-
Pupil premium	-	354	(354)	-	-
Other DfE/ESFA grants	-	143	(143)	-	-
Other government grants	-	375	(375)	-	-
Other restricted funds	210	33	(33)	(79)	131
Pension reserve	(1,361)	-	(235)	1,621	25
	<u>(1,151)</u>	<u>3,187</u>	<u>(3,017)</u>	<u>1,526</u>	<u>545</u>
Restricted fixed asset funds					
Inherited on conversion	1,846	-	(25)	-	1,821
DfE group capital grants	15	10	(10)	-	15
Capital expenditure from GAG	697	-	(89)	95	703
Private sector capital sponsorship	268	-	(30)	-	238
	<u>2,826</u>	<u>10</u>	<u>(154)</u>	<u>95</u>	<u>2,777</u>
Total restricted funds	<u>1,675</u>	<u>3,197</u>	<u>(3,171)</u>	<u>1,621</u>	<u>3,322</u>
Unrestricted funds					
General funds	74	108	(93)	-	89
	<u>74</u>	<u>108</u>	<u>(93)</u>	<u>-</u>	<u>89</u>
Total funds	<u>1,749</u>	<u>3,305</u>	<u>(3,264)</u>	<u>1,621</u>	<u>3,411</u>

16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	2,935	2,935
Current assets	268	419	-	687
Current liabilities	(164)	-	-	(164)
Total net assets	<u>104</u>	<u>419</u>	<u>2,935</u>	<u>3,458</u>

THE SANDON TRUST

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

16 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £000	General £000	Restricted funds: Fixed asset £000	Total Funds £000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	2,777	2,777
Current assets	237	520	-	757
Current liabilities	(148)	-	-	(148)
Pension scheme asset	-	25	-	25
Total net assets	89	545	2,777	3,411

17 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 Staffordshire 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £47,000 were payable to the schemes at 31 August 2023 (2022: £42,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

THE SANDON TRUST

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

17 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £257,000 (2022: £222,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 27.2% for employers and between 5.5 and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £000	2022 £000
Employer's contributions	165	159
Employees' contributions	36	35
Total contributions	201	194
Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	3.0	3.0
Discount rate for scheme liabilities	5.2	4.3

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations

(Continued)

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

	2023 Years	2022 Years
Retiring today		
- Males	20.7	21.2
- Females	22.5	23.8
Retiring in 20 years		
- Males	19.2	22.2
- Females	24.4	25.5

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2023	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	44
1 year increase in member life expectancy	4%	67
0.1% increase in the Pension Increase Rate	3%	44
0.1% increase in the Salary Increase Rate	0%	1

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

	2023 Fair value £000	2022 Fair value £000
Equities	239	86
Bonds	82	19
Property	29	11
Other assets	7	3
Total market value of assets	357	119

The actual return on scheme assets was £83,000 (2022: £(42,000)).

Amount recognised in the Statement of financial activities

	2023 £000	2022 £000
Current service cost	147	370
Interest income	(82)	(18)
Interest cost	81	33
Total operating charge	146	385

THE SANDON TRUST

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

17 Pension and similar obligations		(Continued)	
Changes in the present value of defined benefit obligations		2023 £000	2022 £000
At 1 September 2022		94	1,361
Current service cost		147	370
Interest cost		81	54
Employee contributions		36	35
Actuarial loss/(gain)		45	(1,693)
Benefits paid		(46)	(33)
At 31 August 2023		357	94
Changes in the fair value of the academy trust's share of scheme assets		2023 £000	2022 £000
At 1 September 2022		119	-
Interest income		82	30
Actuarial (gain)/loss		1	(72)
Employer contributions		165	159
Employee contributions		36	35
Benefits paid		(46)	(33)
At 31 August 2023		357	119

The pension value as at 31 August 2023 has been determined by the actuary which is showing the academy trust as having no pension asset/liability as at 31 August 2023. In accordance with applicable accounting standards, the asset value has been capped at an asset ceiling value on the basis that the academy trust has minimum funding requirements existing for future service. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

18 Reconciliation of net income to net cash flow from operating activities		2023 £000	2022 £000
	Notes		
Net income for the reporting period (as per the statement of financial activities)		91	41
Adjusted for:			
Capital grants from DfE and other capital income		(30)	(10)
Defined benefit pension costs less contributions payable	17	(18)	211
Defined benefit pension scheme finance (income)/cost	17	(1)	24
Depreciation of tangible fixed assets		186	154
(Increase) in debtors		(16)	(20)
Increase in creditors		16	16
Net cash provided by operating activities		228	416

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

19 Analysis of changes in net funds

	1 September 2022 £000	Cash flows £000	31 August 2023 £000
Cash	658	(86)	572

20 Long-term commitments

Operating leases

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

	2023 £000	2022 £000
Amounts due within one year	9	13
Amounts due in two and five years	38	10
	<u>47</u>	<u>23</u>

Other contractual commitments

At 31 August 2023 the total of the academy trust's future minimum lease payments under other contractual commitments was:

	2023 £000	2022 £000
Amounts due within one year	162	152
Amounts due in two and five years	162	304
	<u>324</u>	<u>456</u>

The academy buildings are provided on a PFI contract which is now on a rolling contract basis until August 2025.

21 Capital commitments

	2023 £000	2022 £000
Expenditure contracted for but not provided in the accounts	126	-

There is a capital commitment of £126,000 which is for the construction of an artificial pitch. This will be covered by the academy trust's reserves. A deposit of £62,000 has already been paid in the year to 31 August 2023, the commitment is the balance left to pay.

THE SANDON TRUST

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

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account (2022: £nil), other than certain trustees' remuneration and expenses already disclosed in note 9.

D Harbron, wife of P Harbron, a trustee, is employed by the academy trust as a secretary. D Harbron's appointment was made in open competition and P Harbron was not involved in the decision-making process regarding appointment. D Harbron is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

K Beckett, daughter of R Beckett, a trustee, is employed by the academy trust as an early years practitioner. K Beckett's appointment was made in open competition and R Beckett was not involved in the decision-making process regarding appointment. K Beckett is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

L Williams, daughter of A Gill, a trustee, is employed by the academy trust as assistant principal. L Williams's appointment was made in open competition and A Gill was not involved in the decision-making process regarding appointment. L Williams is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

E Kiddle, daughter of R Ford, a trustee, is employed by the academy trust as head of school. E Kiddle's appointment was made in open competition and R Ford was not involved in the decision-making process regarding appointment. E Kiddle is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

J Kiddle, son-in-law of R Ford, a trustee, is employed by the academy trust as an unqualified teacher working towards their NQT status. J Kiddle's appointment was made in open competition and R Ford was not involved in the decision-making process regarding appointment. J Kiddle is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

23 Members' liability

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