

Registered number: 06486255

SANDBACH SCHOOL

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**



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SANDBACH SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C E Longden J D Cargill P J Sherratt S C Davies S A Kennerley (resigned 31 August 2022)
Trustees	S A Kennerley, Chair (resigned 31 August 2022) C E Longden, Vice Chair A P Mitchell D D Surry G M Merry (resigned 13 June 2022) J Cowell J Wells (appointed 1 September 2022) J D Cargill M Roberts P J Sherratt, Chair R D England S I Burns, Head Teacher S C Davies C Bulman S C Dodds D A Evans S Brotherston (appointed 21 March 2022, resigned 28 November 2022) W Smith-Coats (appointed 21 March 2022) C W White (appointed 1 September 2022, resigned 3 October 2022)
Company registered number	06486255
Company name	Sandbach School
Principal and registered office	Sandbach School Crewe road Sandbach Cheshire CW11 3NS
Independent auditors	WR Partners Chartered Accountants Drake House Gadbrook Park Rudheath Northwich Cheshire CW9 7RA
Bankers	Lloyds Bank plc 1 Horsemarket Street Warrington WA 1 1TP

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors

Slater Heelis LLP
Oaklands House
2nd Floor, Suite 2
34 Washway Road
Sale
M33 6FS

Senior Management Team

S I Burns- Principal & Accounting officer
D Osborne- Director of finance and resources
S Dodds- Deputy Head
J Cosgrove- Deputy Head
S Bielby- Assistant Head
K Sykes- Assistant head (Retired December 2022)

L Kane- Assistant Head
D Evans- Assistant Head
M Sanders- Assistant Head

Internal Auditors

Afford Bond
31 Wellington Rd
Nantwich
CW5 7ED

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Sandbach School is an 11-16 Comprehensive School for Boys with a co-educational Sixth Form. In 2011 Sandbach School became one of the first Free Schools to convert to an Academy. The school serves the communities of Sandbach, Haslington, Elworth and surrounding parishes in South Cheshire. In October 2021 there were 1,504 students on roll (1,251 Main School, 250 Sixth Form).

Sandbach School core ethos is Achievement, Excellence and Opportunity for all of our students. The School is determined to recognise the entitlement of all students to a quality and equality of experience, provision, care and support. The school endeavours to marry all that is seen as best in terms of educational development with all that is desirable from the traditions of the School.

The range of extra-curricular provision is outstanding, encompassing sport, the Arts, Combined Cadet Force and a myriad of clubs and activities. Extra-curricular relations are used positively to enhance in-class dynamic.

Sandbach School is committed to expanding as a community school via adult education, arts programmes, and via the wider use of sporting facilities. Sandbach School is fully committed to working in partnership with schools, community groups and arts organisations across a wide range of scales. Sandbach School also operates 'The Link' community business which helps to bridge wider relationships with the community and also to generate income to reinvest in the school.

Incorporation

The charitable company was incorporated on 28 January 2008.

Commencement of Activities

On 4th July 2008 the assets and liabilities of Sandbach School (Charity Registration No. 525923), were transferred to the charitable company. The transfer excluded the whole of the freehold land and buildings and certain investments which were held by the charity on permanent endowment. These assets were retained within the charity, which under powers granted by the Charities Act 1993, was registered as a subsidiary charity of the charitable company Charity Registration No. 1124293-1.

On 17 August 2011 an agreement was reached with the ESFA to convert the Free School into an Academy.

Structure, governance and management

a. Constitution

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

b. Members' liability

The liability of the members of the Academy Trust is limited.

Every member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

If the Academy Trust is wound up or dissolved and after all its debts and liabilities have been satisfied there remains any property it shall not be paid to or distributed among the members of the Academy Trust, but shall be given or transferred to some other charity or charities having similar objects. Their objects must prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Academy Trust. The charity will be chosen by the members of the Academy Trust at or before the time of dissolution or as close to this time as practically possible.

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.]

d. Method of recruitment and appointment or election of Trustees

The number of Governors shall be not less than three.

The Academy Trust per its Articles of Association shall have the following Governors:

(a) Up to 7 Governors, appointed by Members of the Governing Body.

(b) Up to 2 Staff Governors (in addition to the Headteacher). The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

(c) up to 1 LA Governor. The LA may appoint a LA Governor by not less than 1 month's notice in writing delivered or posted (by registered post), to the Office of the Academy Trust).

(d) Between 2 and 6 Parent Governors. The Parent Governors shall be elected by parents/guardians of registered students at the Academy. A Parent Governor must be a parent/guardian of a student at the Academy at the time when they are elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent/guardian of a registered student at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

returned to the Academy Trust by a registered student at the Academy.

(e) the Headteacher;

(f) up to 3 Co-Opted Governors appointed by the Governors. The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Headteacher).

(g) any Additional Governors. The Secretary of State may appoint such Additional Governors as they think fit if the Secretary of State has:

- given the Governors a warning notice

- the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

-The Secretary of State may also appoint such Additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For these purposes, the grade or description received by Sandbach School on any inspection prior to the date of adoption of these Articles shall not be regarded as a grade or assessment received by the Academy on any Inspection.

- Where an Additional or Further Governor appointed ceases to hold office as a Governor for any reason, other than being removed by the Secretary of State, the Secretary of State shall be entitled to appoint an Additional or Further Governor in their place.

(h) any Further Governors. The Secretary of State may also appoint such Further Governors as they think fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy or if they are satisfied that any Governor or Member of the Academy Trust is not a suitable person and they exercise their powers further to clause 91A of the Funding Agreement.

The total number of Governors shall not exceed 23 at any one time.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Policies & Procedures adopted for the induction and training of Trustees

Sandbach School is committed to the training and development of Governors. The School subscribes to the Key for School Governors, an online reference resource. The school also uses training material from the Modern Governor and Ofsted's website.

A secure Governor portal is in operation which enables important information to be shared on a timely basis with Governors.

New Governors on induction receive briefings on their roles and responsibilities as school governors and as Trustees of the Charitable Company. The school has 3 subcommittees which are Business & Resources, Teaching & Learning and Personnel & Pay. Each of the Committees are chaired by a Governor. Each committee has clear Terms of Reference and delegated powers which are reviewed annually. The skills of each Governor are assessed on appointment or election and they are appointed to the relevant committee which best matches up to their skills and experience.

f. Organisational structure

The school has a senior leadership team which comprises the Headteacher, the school's Director of Finance and Resources, 4 Deputy Headteachers, and 5 Assistant Head Teachers. Lead by the Head Teacher, this group is responsible for the strategic and operational day to day running of the school and delivery of education to the students. The Headteacher attends all Governing Body meetings and provide reports directly to Governors at these meetings and throughout the year.

The Governors of Sandbach School are responsible for determining the general policy and strategic direction of the school following recommendations from the Headteacher. Each Governing Body sub-committee has clear Terms of Reference, which detail the remit of that committee. Recommendations from sub committees are fed back to the Full Governing Body on a termly basis. Governors are actively involved in some of the day to day aspects of running the school such as recruitment, staff and student disciplinarians, and attending events.

The school has a clear delegated authority listing which details the decision making powers of the relevant sub committees. In respect of school funds, the Finance Committee has the power to agree non salary payments up to £50,000. Any commitments in excess of this must have full Governing Body approval.

g. Arrangements for setting pay and remuneration of key management personnel

The Governing Body annually agree the pay policy. This policy states that teachers pay will be set with reference to the recommendations of School Teachers Review Body. The Headteacher's, Deputies and Assistant heads' pay and remuneration are thus set in accordance with reference to the recommendations of School Teachers Review Body and are also benchmarked against other schools in the local area. The Director of Finance and Resources and other senior support staff pay is set in accordance with the Academy Trust's pay policy and is also benchmarked against other schools in the local area.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Charitable company has two subsidiaries as detailed below:-

Sandbach School Property Trust

This subsidiary charity holds, on permanent endowment, the land and buildings known as Sandbach School, Cheshire and certain investments. The property and investments are held for the sole use of the Charitable Company, Sandbach School in furtherance of its objects as set out in the report of the trustees.

The assets of the Property Trust are included in the balance sheet of Sandbach School. No separate subsidiary disclosures are included in the financial statements.

Sandbach School Developments Limited (The Link Business) (Registered Company No. 11346587)

The company has been established to manage the hire of the Sandbach School sporting facilities to clubs, associations and individuals in the Sandbach and surrounding areas. All profits from such activities are transferred to the school as a donation under gift aid.

The Love Music Trust (Registered Company No. 1148615)

Sandbach School is the lead partner and fund holder of the Love Music Trust. The Love Music Trust is the lead partner of the Cheshire East Music Hub funded by the Arts Council and by parental fees and subscriptions. The Love Music Trust is committed to providing access to high quality music education and exposure to outstanding musical experiences to all students in Cheshire East. In September 2012, The Love Music Trust took over Cheshire East Councils existing music provision, staff and resources and with partners works collaboratively to provide music tuition across the county. Certain aspects of the management of The Love Music Trust are located within Sandbach School with a Service Level Agreement in place for any work undertaken by the School on behalf of The Love Music Trust.

Objectives and activities

a. Objects and aims

The Academy Trust's objects ("the Objects") are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by:

(a) the provision and conduct in or near Sandbach of a day school ("the Academy") for boys or boys and girls offering a broad and balanced curriculum; and

(b) the provision of education through day and evening classes for persons over compulsory school age; including in each case academic, vocational, social, physical and recreational training and associated organised leisure time activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives for 2021/22 have been summarised within the four priorities listed below.

1. Quality of Education – ensuring an ambitious, well sequenced and planned curriculum which enables all groups of learners to achieve well and succeed in life.
2. Behaviour & Attitudes – ensuring that high expectations, coupled with a consistent and fair approach to behaviour and conduct permeates the school community developing positive relationships which are underpinned by mutual respect.
3. Personal Development – ensuring that the broader curriculum supports learners to develop their character, keep physically and mentally well and prepare them to take their place in modern Britain.
4. Leadership and Management – ensuring that leaders are unequivocal in their drive to safeguard students, provide for staff development and well-being and to maintain strong community links.

c. Public benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. Sandbach School provides a benefit to the public through the provision of a quality comprehensive education for 11-16 year old boys of Sandbach, Haslington and surrounding areas, and a co-educational Sixth Form.

In addition, the school also opens all of its facilities to the local community. There is significant use of our sports facilities (Swimming pool, all weather pitch, sports hall, grass pitches) by local clubs, societies and casual users.

The Governors confirm that they have had due regard for the guidance published by the Charity Commission on public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

(continued)

a. Academic Performance for 2021/22

In July 2018 the School was visited by OFSTED as part of its 3 year cycle. The school maintained its good OFSTED rating.

In the summer of 2022, the school celebrated a strong set of GCSE examination results which demonstrated the hard work and determination of both students and staff to adapt to the challenges and disruption caused to learning by the Covid-19 pandemic in the preceding years.

56% of students achieved the Grade 5 benchmark in English and Maths. 74% of students gained a minimum Grade 4 in English and Maths.

History (76%), Geography (76%) and Science (71%) results continue to be a strength of the school but particularly pleasing is the success achieved across the breadth of the school curriculum, with strong performances from students in Drama (75%), Art (83%) and Music (94%).

The Sixth Form also demonstrated strong performance across the board with 23% of students achieving the highest A*-A grades and over 55% achieving A*-B grades.

Overall the Sixth Form celebrated a pass rate of 99%.

b. 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.

The Trustees are considering the possibility of the school joining an existing multi academy trust or forming a new multi academy trust with a number of other local schools. The school is currently undertaking due diligence procedures in respect of this. If the process is completed within the next 12 months the school would transfer to the new entity as a going concern. The Trustees have considered the effect of this on the balance sheet of Sandbach school as at 31 August 2022, with the conclusion that no adjustments to the carrying value of the assets and liabilities is required.

Financial review

During the year ending 31 August 2022, the total expenditure excluding actuarial pension adjustments and depreciation was £9,761,199 (2021: £7,798,310). This expenditure was largely met by recurrent grant funding from the ESFA and the local authority as well as self-generated incoming resources. The deficit for the year on revenue funds was £6,468.

The school received additional catch-up funding as a result of the ongoing impact to education of the Covid-19 pandemic. This funding was primarily utilised through the deployment of additional teaching staff and learning support assistants to ensure that less resilient learners did not fall further behind.

The major source of funding for the academy is the Education and Skills Funding Agency in the form of recurrent grants provided for the delivery of education. For the year ended 31 August 2022 non-capital income received from the ESFA totalled £8,028,756 (2021: £7,651,391) and capital funding received was £392,884 (2021: £937,235). The academy also received £478,927 (2021: £371,859) funding from the Local Authority.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The academy generated £195,718 (2021: £74,789) of income from the provision of services for sport and room hire to the local and surrounding communities. Income generation was adversely impacted by the planned closure of the swimming pool for re-roofing works.

During the year the school has undertaken a number of capital projects which have, in the main, been funded by CIF grants. The capital income recognised during the year amounted to £392,884 with associated capital expenditure of £310,331. The remaining capital funds are carried forward to be utilised in the forthcoming year.

a. Reserves policy

The Trustees review the reserve levels throughout the year. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

The academy's policy is to carry forward a prudent level of resources. Due to anticipated changes to future funding, the situation will be kept under regular review.

The academy incurred a revenue deficit for the year of £6,468 after transfers of £197,241 from revenue to capital. The academy has a carry forward surplus on revenue funds in the sum of £22,274.

The Trustees are working towards maintaining surplus revenue funds by careful monitoring of costs against budgets and the implementation of cost saving measures. At 31 August 2022 the local government pension deficit was £Nil (2021: £3,474,000) and the fixed asset restricted funds were £14,917,724 (2021: £14,632,871).

b. Investment policy

The academy receives funding on a monthly basis from the Education and Skills Funding Agency. This funding is kept in a low interest bearing current account.

For other longer term surplus funds the academy adopts a policy of keeping risk to a minimum with a preference for a guaranteed return (all interest/dividends earned by the academy are injected back into funding the academy's activities). During the year ended 31 August 2022, Sandbach School did not make any additional longer term investments.

c. Principal risks and uncertainties

The principal risks are documented and managed via a Risk Register which is reviewed and updated regularly. The school seeks specialist advice in respect of certain areas of risk such as Health & Safety and HR.

The principal risks and uncertainties are:

- Changes to funding for schools
- Significant changes in the cost base which are out of the control of the school, for example pension contribution rates
- Ensuring that admission numbers remain high and on an upward trajectory.
- The continued pause and potential write off of the CIF loan
- The age, complexity and cost of maintaining the school site which includes a number of Grade II listed buildings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

The school runs a number of events throughout the year, such as concerts, drama productions and sports presentation evenings. Some of these events are free to attend, at other events members of the public are invited to buy tickets to attend. At these and other events the school sells refreshments and snacks, raffle tickets and other merchandise in order to raise funds for the school. Members of the public and organisations are also invited to sponsor the school and events.

Our fundraising activities are carried out without the need to involve commercial/professional fundraisers. The school has not received any fundraising complaints during the year.

Plans for future periods

The main priorities for the school are unchanged from those previously listed within this report. The school will now embed these priorities and address individual objectives and actions which sit beneath those objectives in order to deliver the success criteria that are outlined.

Disclosure of information to auditors

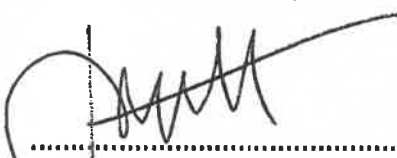
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, WR Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 15 December 2022 and signed on its behalf by:


.....
P J Sherratt
(Chair of Trustees)

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Sandbach School 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Sandbach School 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 4 times during the year. During 2021/22 the board of trustees reverted to a sub-committee structure.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S A Kennerley, Chair	4	4
C E Longden, Vice Chair	3	4
A P Mitchell	4	4
D D Surry	2	4
G M Merry	3	3
J Cowell	1	4
J Wells	2	3
J D Cargill	2	4
M Roberts	1	4
P J Sherratt, Chair	3	4
R D England	3	4
S I Burns, Head Teacher	4	4
S C Davies	4	4
C Bulman	3	4
S C Dodds	4	4
D A Evans	4	4
S Brotherston	4	4
B Smith-Coats	1	1
C W White	0	0

The board of trustees has considered and reviewed the scope of its work and its effectiveness over the past 12 months and has not identified any issues requiring improvement. The board of trustees receive regular up-to-date information on academic performance, behaviour, safeguarding, attendance, finance and matters relating to the school site.

Although the full board met less than 6 times during the year, it considers that it has maintained effective oversight of funds as:

- All trustees receive a comprehensive monthly financial pack which complies with the requirements of the academies handbook.
- Finance is discussed at both full board meetings and at Business & Resources Committee meetings (as summarised below).
- During the year, trustees established a separate audit committee
- The school was visited by an SRMA during the year who was unable to make any costed recommendations

The Business & Resources Committee is a subcommittee of the main governing body. Its purpose is to set and review the budget and annual accounts, make recommendations in respect of delegated financial limits, authorise levels of expenditure, agree adequate insurance cover, and ensure Health & Safety legislation is followed. Attendance at meetings in the year was as follows:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governor	Meetings Attended	Out of a possible (where less than 4– due to a member leaving or joining during the year)
S Brotherston	4	4
S Burns	3	4
J Cargill	4	4
J Cowell	3	4
S Davies	4	4
R England	4	4
S Kennerley	4	4
G Merry	1	4
A Mitchell	2	4
M Roberts	1	4
P Sherratt	4	4
B Smith-Coats	1	2

Review of value for money

As accounting officer, the Mrs SI Burns has responsibility for ensuring that the Academy 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 Academy'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 has delivered improved value for money during the year by:

1. The economic, efficient and effective use of all resources to produce better educational results.
2. The avoidance of waste and extravagance.
3. The prudent and economical administration of the organisation.
4. The establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting.
5. Ensuring all financial transactions represent value for money.

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 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 Sandbach School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Business & Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks
- Delegation of authority and segregation of duties

The Board of Trustees has decided to buy-in an internal audit service from Afford Bond

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included [insert details of the checks carried out.]

The RO function has been fully delivered in line with the ESFA's requirements. There have been no material control issues identified arising from the RO's work.

In particular the checks carried out in the current period included:

1. Verification of payroll information back to source information (i.e. employment contracts, accounting systems, bank payments)
2. Review of authorisation processes around invoicing in line with Delegated Authorities and available budgets.
3. Review of income to ensure appropriately collected, accounted and reconciled and used for appropriate purposes.
4. Checking of bank balances and reconciliations to ensure they are timely, appropriately approved, and entered correctly onto the finance system.
5. Review of management accounts to ensure reasonable, accurate and completed with sufficient detail.
6. Consideration of material contracts to ensure appropriate tender processes are followed, and decisions regarding award are taken appropriately.

On a termly basis, the RO reports to the board of trustees through the Audit and Business and Resources committees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (CONTINUED)

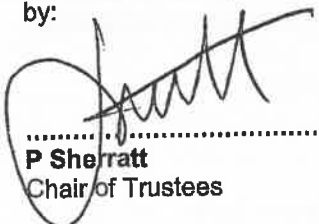
Review of effectiveness

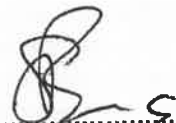
As accounting officer, the Mrs SI Burns has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 15 December 2022 and signed on their behalf by:


.....
P Sherratt
Chair of Trustees


.....
S I Burns
Accounting Officer

SANDBACH SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Sandbach School I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy 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 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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.



S I Burns
Accounting Officer
Date: 15 December 2022

SANDBACH SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction, 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on its behalf by:


.....
P J Sherratt
(Chair of Trustees)

SANDBACH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SANDBACH SCHOOL**

Opinion

We have audited the financial statements of Sandbach School (the 'parent Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Academy balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Group's and of the parent Academy's affairs as at 31 August 2022 and of the Group's 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, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent Academy'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.

SANDBACH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SANDBACH SCHOOL (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 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 financial statements 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.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

- the parent Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy 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, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Group's and the parent 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 Group or the parent Academy or to cease operations, or have no realistic alternative but to do so.

SANDBACH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SANDBACH SCHOOL (CONTINUED)**

Auditors' 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 Auditors' 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.

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:

We reviewed the susceptibility of the Trust's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.

- We reviewed the Trust's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Trust and its environment and identify any instances of non-compliance.
- We also assessed the Trust's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Trust awareness to carry out our work to the required standard.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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

SANDBACH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SANDBACH SCHOOL (CONTINUED)**



Fran Johnson BSc BFP FCA (Senior statutory auditor)

for and on behalf of
WR Partners

Chartered Accountants
Statutory Auditors

Drake House

Gadbrook Park

Rudheath

Northwich

Cheshire

CW9 7RA

19 December 2022

SANDBACH SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 1 December 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sandbach School during the year 1 September 2021 to 31 August 2022 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 Sandbach School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sandbach School 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 Sandbach School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sandbach School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sandbach School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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.

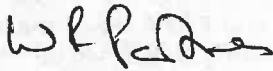
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

SANDBACH SCHOOL
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
WR Partners
Chartered Accountants
Statutory Auditors

Date: 19 December 2022

SANDBACH SCHOOL
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	392,884	392,884	946,365
Other trading activities		327,473	-	-	327,473	214,411
Investments	6	135	-	-	135	125
Charitable activities		-	9,082,271	-	9,082,271	8,191,806
Total income		327,608	9,082,271	392,884	9,802,763	9,352,707
Expenditure on:						
Charitable activities	8	-	10,415,106	310,331	10,725,437	8,419,810
Total expenditure		-	10,415,106	310,331	10,725,437	8,419,810
Net income/(expenditure)		327,608	(1,332,835)	82,553	(922,674)	932,897
Transfers between funds	18	(214,602)	17,361	197,241	-	-
Net movement in funds before other recognised gains/(losses)		113,006	(1,315,474)	279,794	(922,674)	932,897
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	4,670,000	-	4,670,000	(1,041,000)
Net movement in funds		113,006	3,354,526	279,794	3,747,326	(108,103)

SANDBACH SCHOOL
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	28,742	(3,474,000)	14,632,871	11,187,613	11,295,716
Net movement in funds	113,006	3,354,526	279,794	3,747,326	(108,103)
Total funds carried forward	141,748	(119,474)	14,912,665	14,934,939	11,187,613

SANDBACH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 06486255

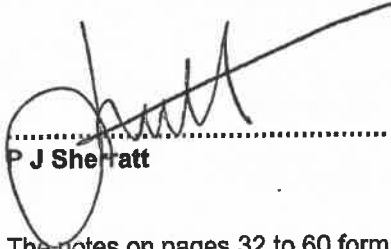
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	15,171,311	14,844,108
		<u>15,171,311</u>	<u>14,844,108</u>
Current assets			
Debtors	15	386,378	267,288
Cash at bank and in hand		991,968	818,982
		<u>1,378,346</u>	<u>1,086,270</u>
Creditors: amounts falling due within one year	16	(1,266,373)	(979,726)
Net current assets		<u>111,973</u>	<u>106,544</u>
Total assets less current liabilities		<u>15,283,284</u>	<u>14,950,652</u>
Creditors: amounts falling due after more than one year	17	(348,345)	(289,039)
Net assets excluding pension asset / liability		<u>14,934,939</u>	<u>14,661,613</u>
Defined benefit pension scheme asset / liability	25	-	(3,474,000)
Total net assets		<u><u>14,934,939</u></u>	<u><u>11,187,613</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	14,912,665	14,632,871
Restricted income funds	18	(119,474)	-
Restricted funds excluding pension asset	18	<u>14,793,191</u>	<u>14,632,871</u>
Pension reserve	18	-	(3,474,000)
Total restricted funds	18	<u>14,793,191</u>	<u>11,158,871</u>
Unrestricted income funds	18	<u>141,748</u>	<u>28,742</u>
Total funds		<u><u>14,934,939</u></u>	<u><u>11,187,613</u></u>

SANDBACH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 06486255

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 25 to 60 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:


.....
P J Sheppard

The notes on pages 32 to 60 form part of these financial statements.

SANDBACH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 06486255

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	15,171,311	14,844,108
Investments		1	1
		<u>15,171,312</u>	<u>14,844,109</u>
Current assets			
Debtors	15	376,878	317,313
Cash at bank and in hand		947,824	780,200
		<u>1,324,702</u>	<u>1,097,513</u>
Creditors: amounts falling due within one year	16	(1,275,487)	(979,726)
Net current assets		<u>49,215</u>	<u>117,787</u>
Total assets less current liabilities		<u>15,220,527</u>	<u>14,961,896</u>
Creditors: amounts falling due after more than one year	17	(348,345)	(289,039)
Net assets excluding pension asset / liability		<u>14,872,182</u>	<u>14,672,857</u>
Defined benefit pension scheme asset / liability	25	-	(3,474,000)
Total net assets		<u><u>14,872,182</u></u>	<u><u>11,198,857</u></u>

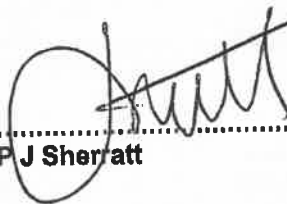
SANDBACH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 06486255

ACADEMY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note		2022 £		2021 £
Funds of the Academy					
Restricted funds:					
Fixed asset funds	18	14,912,664		14,632,871	
Restricted funds excluding pension asset / liability	18	14,912,664		14,632,871	
Pension reserve	18	-		(3,474,000)	
Total restricted funds	18		14,912,664		11,158,871
Unrestricted income funds				39,986	
Unrestricted funds excluding pension asset	18	-			
Total unrestricted income funds	18		(40,482)		39,986
Total funds			14,872,182		11,198,857

The Academy's net movement in funds for the year was £3,673,325 (2021 - £(96,859)).

The financial statements on pages 25 to 60 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:


.....
P J Sherratt

The notes on pages 32 to 60 form part of these financial statements.

SANDBACH SCHOOL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	437,934	675,671
Cash flows from investing activities			
Cash flows from investing activities	22	(244,515)	(1,279,590)
Cash flows from financing activities			
Cash flows from financing activities	21	(20,433)	(27,178)
Change in cash and cash equivalents in the year		172,986	(631,097)
Cash and cash equivalents at the beginning of the year		818,982	1,450,079
Cash and cash equivalents at the end of the year	23, 24	<u>991,968</u>	<u>818,982</u>

The notes on pages 32 to 60 form part of these financial statements

SANDBACH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sandbach School meets the definition of a public benefit entity under FRS 102.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Sandbach School DevelopmeLtd on a line by line basis.

The Academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Going concern

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

SANDBACH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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 Consolidated 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 Consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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 year it is receivable and to the extent the academy trust has provided the goods or services.

• **Donated goods, facilities and services**

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

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' 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.

SANDBACH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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 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

Assets costing £500 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 Consolidated 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 Consolidated 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, at rates calculated to write off the cost of each asset on a straight line/reducing balance basis over its expected useful life, as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Fixtures, Fittings and Equipment	-	10% reducing balance
Assets under construction	-	No depreciation
Computer equipment	-	20% on cost
Motor vehicles	-	25% reducing balance

Land value is not depreciated.

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 Consolidated statement of financial activities.

1.6 Leased Assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 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 tax on Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases 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. Amounts due to the Academy'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. 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 the Academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Pensions Benefits

Retirement benefits to employees of the Group 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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of 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 operating surplus 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 Consolidated 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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 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 Department for Education Group.

2. Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2022. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Capital grants	-	392,884	392,884	937,235
Other donations	-	-	-	9,130
Subtotal detailed disclosure	-	392,884	392,884	946,365
	-	392,884	392,884	946,365
<i>Total 2021</i>	2,833	943,532	946,365	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations			
DfE/ESFA grants			
General annual grant (GAG)	7,659,478	7,659,478	6,948,709
Other DfE/ESFA grants			
ESFA - pupil premium	148,550	148,550	208,548
Other DfE group grants	93,891	93,891	337,166
	<u>7,901,919</u>	<u>7,901,919</u>	<u>7,494,423</u>
Other Government grants			
Other local authority grants	478,927	478,927	349,543
	<u>478,927</u>	<u>478,927</u>	<u>349,543</u>
Other income from the Academy's educational operations	553,681	553,681	168,556
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	-	-	93,120
Other DfE/ESFA COVID-19 funding	147,744	147,744	63,848
	<u>147,744</u>	<u>147,744</u>	<u>156,968</u>
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus job retention scheme funding	-	-	22,316
	<u>-</u>	<u>-</u>	<u>22,316</u>
	<u>9,082,271</u>	<u>9,082,271</u>	<u>8,191,806</u>
	<u>9,082,271</u>	<u>9,082,271</u>	<u>8,191,806</u>
<i>Total 2021</i>	<u>8,191,806</u>	<u>8,191,806</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	195,718	195,718	77,789
Catering income	20,680	20,680	3,055
Other income	111,075	111,075	133,567
	<u>327,473</u>	<u>327,473</u>	<u>214,411</u>
<i>Total 2021</i>	<u>214,411</u>	<u>214,411</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Short term deposits	135	135	125
	<u>125</u>	<u>125</u>	
<i>Total 2021</i>	<u>125</u>	<u>125</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Academy's educational operations:					
Direct costs	6,319,905	282,400	465,608	7,067,913	6,279,091
Allocated support costs	1,943,717	571,186	1,023,147	3,538,050	2,140,719
Hire of facilities:					
Allocated support costs	117,608	-	1,866	119,474	84,785
	<u>8,381,230</u>	<u>853,586</u>	<u>1,490,621</u>	<u>10,725,437</u>	<u>8,504,595</u>
<i>Total 2021</i>	<u>6,679,614</u>	<u>769,518</u>	<u>1,055,463</u>	<u>8,504,595</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Educational operations	10,605,963	10,605,963	8,335,025
Hire of facilities	119,474	119,474	84,785
	<u>10,725,437</u>	<u>10,725,437</u>	<u>8,419,810</u>
<i>Total 2021</i>	<u>8,419,810</u>	<u>8,419,810</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	7,067,913	3,538,050	10,605,963	8,335,025
Hire of facilities	-	119,474	119,474	84,785
	<u>7,067,913</u>	<u>3,657,524</u>	<u>10,725,437</u>	<u>8,419,810</u>
<i>Total 2021</i>	<u><u>6,454,565</u></u>	<u><u>1,965,245</u></u>	<u><u>8,419,810</u></u>	

Analysis of direct costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	6,150,817	6,150,817	5,751,091
Depreciation	282,400	282,400	270,000
Educational supplies and services	181,995	181,995	134,177
Examination fees	92,990	92,990	124,055
Technology costs	197,576	197,576	92,256
Staff development	39,223	39,223	5,742
Other staff costs	99,848	99,848	44,126
Other direct costs	23,064	23,064	33,118
	<u>7,067,913</u>	<u>7,067,913</u>	<u>6,454,565</u>
<i>Total 2021</i>	<u><u>6,454,565</u></u>	<u><u>6,454,565</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Hire of facilities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	2,101,060	-	2,101,060	903,576
Depreciation	27,931	-	27,931	20,522
Technology costs	85,552	-	85,552	58,977
Staff expenses	11,745	-	11,745	-
Other staff costs	97,330	-	97,330	57,495
Insurance	48,565	-	48,565	25,470
Other support costs	157,846	119,474	277,320	262,361
Rates	142,333	-	142,333	69,350
Energy	159,749	-	159,749	143,227
Bad debts	3,052	-	3,052	-
Maintenance of premises and equipment	232,633	-	232,633	196,526
Cleaning and caretaking	20,903	-	20,903	30,974
Security & transport	55,044	-	55,044	52,777
Catering	264,317	-	264,317	83,762
Legal and professional	30,318	-	30,318	8,095
Finance costs	85,124	-	85,124	38,000
Governance costs	14,548	-	14,548	14,133
	<u>3,538,050</u>	<u>119,474</u>	<u>3,657,524</u>	<u>1,965,245</u>
<i>Total 2021</i>	<u>1,880,460</u>	<u>84,785</u>	<u>1,965,245</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Operating lease rentals	108,746	80,691
Depreciation of tangible fixed assets	310,331	290,522
Net interest on defined benefit fixed liability	62,000	38,000
Fees paid to auditors for:		
- audit	10,550	10,500
- other services	3,998	2,383
	10,550	10,500
	3,998	2,383

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2022	Group 2021	Academy 2022	Academy 2021
	£	£	£	£
Wages and salaries	5,199,219	4,805,455	5,447,271	4,805,455
Social security costs	550,504	482,811	550,504	482,811
Pension costs	2,254,102	1,293,830	2,254,102	1,293,830
	8,003,825	6,582,096	8,251,877	6,582,096
Agency staff costs	230,995	56,132	-	56,132
Staff development and other staff costs	17,057	16,439	-	16,439
Redundancy/ severance costs	11,745	-	-	-
	8,263,622	6,654,667	8,251,877	6,654,667

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

b. Staff numbers

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

	Group 2022 No.	Group 2021 No.
Teachers	133	115
Administration and support	47	45
Management	8	8
	<u>188</u>	<u>168</u>

c. Higher paid staff

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy 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 was £436,293 (2021 - £426,656).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
S I Burns, Head Teacher	Remuneration	105,000 - 110,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000
S C Dodds	Remuneration	70,000 - 75,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
D A Evans	Remuneration	55,000 - 60,000	55,000 - 60,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Group has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2022 was £Nil (2021 - £Nil). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

Group

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	11,685,890	4,435,868	1,377,126	551,255	7,518	18,057,657
Additions	-	402,515	134,306	88,463	12,250	637,534
At 31 August 2022	<u>11,685,890</u>	<u>4,838,383</u>	<u>1,511,432</u>	<u>639,718</u>	<u>19,768</u>	<u>18,695,191</u>
Depreciation						
At 1 September 2021	1,995,703	-	728,837	482,216	6,793	3,213,549
Charge for the year	206,327	-	78,513	25,316	175	310,331
At 31 August 2022	<u>2,202,030</u>	<u>-</u>	<u>807,350</u>	<u>507,532</u>	<u>6,968</u>	<u>3,523,880</u>
Net book value						
At 31 August 2022	<u>9,483,860</u>	<u>4,838,383</u>	<u>704,082</u>	<u>132,186</u>	<u>12,800</u>	<u>15,171,311</u>
At 31 August 2021	<u>9,690,187</u>	<u>4,435,868</u>	<u>648,289</u>	<u>69,039</u>	<u>725</u>	<u>14,844,108</u>

Academy

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	11,685,890	4,435,868	1,377,126	551,255	7,518	18,057,657
Additions	-	402,515	134,306	88,463	12,250	637,534
At 31 August 2022	<u>11,685,890</u>	<u>4,838,383</u>	<u>1,511,432</u>	<u>639,718</u>	<u>19,768</u>	<u>18,695,191</u>
Depreciation						
At 1 September 2021	1,995,703	-	728,837	482,216	6,793	3,213,549
Charge for the year	206,327	-	78,513	25,316	175	310,331
At 31 August 2022	<u>2,202,030</u>	<u>-</u>	<u>807,350</u>	<u>507,532</u>	<u>6,968</u>	<u>3,523,880</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Tangible fixed assets (continued)

Academy (continued)

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Net book value						
At 31 August 2022	<u>9,483,860</u>	<u>4,838,383</u>	<u>704,082</u>	<u>132,186</u>	<u>12,800</u>	<u>15,171,311</u>
At 31 August 2021	<u>9,690,187</u>	<u>4,435,868</u>	<u>648,289</u>	<u>69,039</u>	<u>725</u>	<u>14,844,108</u>

Included in cost of freehold land and buildings is freehold land of £1,370,000 (2021 £1,370,000) which is not depreciated.

15. Debtors

	Group 2022 £	Group 2021 £	Academy 2022 £	Academy 2021 £
Due within one year				
Amounts owed by group undertakings	-	-	-	60,802
Other debtors	321,381	164,671	311,881	153,894
Prepayments and accrued income	64,997	102,617	64,997	102,617
	<u>386,378</u>	<u>267,288</u>	<u>376,878</u>	<u>317,313</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Academy 2022 £	Academy 2021 £
Government loans	73,479	73,479	73,479	73,479
Other loans	11,749	21,959	11,749	21,959
Trade creditors	566,870	318,878	566,870	318,878
Amounts owed to group undertakings	-	-	9,114	-
Other taxation and social security	137,196	119,049	137,196	119,049
Other creditors	131,252	120,143	131,252	120,143
Accruals and deferred income	345,827	326,218	345,827	326,218
	<u>1,266,373</u>	<u>979,726</u>	<u>1,275,487</u>	<u>979,726</u>

17. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Academy 2022 £	Academy 2021 £
Government loans	338,419	268,892	338,419	268,892
Other loans	9,926	20,147	9,926	20,147
	<u>348,345</u>	<u>289,039</u>	<u>348,345</u>	<u>289,039</u>

Included within the above are amounts falling due as follows:

	Group 2022 £	Group 2021 £	Academy 2022 £	Academy 2021 £
Between one and two years				
Bank loans	338,419	268,892	338,419	268,892
Other loans	9,926	20,147	9,926	20,147
	<u>348,345</u>	<u>289,039</u>	<u>348,345</u>	<u>289,039</u>

Between two and five years

Over five years

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	28,742	327,608	-	(214,602)	-	141,748
Restricted general funds						
General Annual Grant (GAG)	-	7,659,478	(7,796,313)	17,361	-	(119,474)
Pupil Premium	-	148,550	(148,550)	-	-	-
Other DfE / ESFA grants	-	220,728	(220,728)	-	-	-
Other government grants	-	499,834	(499,834)	-	-	-
Other restricted income	-	553,681	(553,681)	-	-	-
Pension reserve	(3,474,000)	-	(1,196,000)	-	4,670,000	-
	<u>(3,474,000)</u>	<u>9,082,271</u>	<u>(10,415,106)</u>	<u>17,361</u>	<u>4,670,000</u>	<u>(119,474)</u>
Restricted fixed asset funds						
DfE group capital grants	14,626,574	392,884	(310,331)	197,241	-	14,906,368
Private sector capital sponsorship	6,297	-	-	-	-	6,297
	<u>14,632,871</u>	<u>392,884</u>	<u>(310,331)</u>	<u>197,241</u>	<u>-</u>	<u>14,912,665</u>
Total Restricted funds	<u>11,158,871</u>	<u>9,475,155</u>	<u>(10,725,437)</u>	<u>214,602</u>	<u>4,670,000</u>	<u>14,793,191</u>
Total funds	<u><u>11,187,613</u></u>	<u><u>9,802,763</u></u>	<u><u>(10,725,437)</u></u>	<u><u>-</u></u>	<u><u>4,670,000</u></u>	<u><u>14,934,939</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

General fund

Represents amounts derived from the hire of facilities, other trading activities and investment income.

General Annual Grant

This represents the balance remaining from core funding provided by the EFSA for the schools core educational activities.

Other Restricted General Funds

This represents the balance remaining from other funding provided by the EFSA/DfE and local authorities for the academy trust's educational activities.

Pupil Premium

Pupil premium is funding to improve education outcomes for disadvantaged pupils.

Pension Reserve

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the report of the actuary produced as at 31 August 2022.

Fixed Asset Restricted Funds

This represents the value of fixed assets shown on the balance sheet plus any other assets and liabilities (including cash) relating to the Trust's capital projects. Transfers between restricted and fixed asset funds represent authorised purchases of fixed assets from revenue funds.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds					
General funds	-	385,925	(357,183)	-	28,742
Restricted general funds					
General Annual Grant (GAG)	(74,548)	6,948,709	(6,325,035)	(549,126)	-
Pupil Premium	-	208,548	(208,548)	-	-
Other DfE/ ESFA grants	16,529	494,134	(510,663)	-	-
Other government grants	-	371,859	(371,859)	-	-
Pension reserve	(2,135,019)	8,023,250	(7,772,105)	(1,590,126)	(3,474,000)
	<u>(2,193,038)</u>	<u>16,046,500</u>	<u>(15,188,210)</u>	<u>(2,139,252)</u>	<u>(3,474,000)</u>
Restricted fixed asset funds					
DfE group capital grants	13,430,735	937,235	(290,522)	549,126	14,626,574
Private sector capital sponsorship	-	6,297	-	-	6,297
	<u>13,430,735</u>	<u>943,532</u>	<u>(290,522)</u>	<u>549,126</u>	<u>14,632,871</u>
Total Restricted funds	<u>11,237,697</u>	<u>16,990,032</u>	<u>(15,478,732)</u>	<u>(1,590,126)</u>	<u>11,158,871</u>
Total funds	<u><u>11,237,697</u></u>	<u><u>17,375,957</u></u>	<u><u>(15,835,915)</u></u>	<u><u>(1,590,126)</u></u>	<u><u>11,187,613</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	15,171,311	15,171,311
Current assets	1,272,946	-	105,400	1,378,346
Creditors due within one year	(1,181,145)	-	(85,228)	(1,266,373)
Creditors due in more than one year	(69,527)	-	(278,818)	(348,345)
Difference	119,474	(119,474)	-	-
Total	141,748	(119,474)	14,912,665	14,934,939

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	14,844,108	14,844,108
Current assets	774,886	-	311,384	1,086,270
Creditors due within one year	(746,144)	-	(233,582)	(979,726)
Creditors due in more than one year	-	-	(289,039)	(289,039)
Provisions for liabilities and charges	-	(3,474,000)	-	(3,474,000)
Total	28,742	(3,474,000)	14,632,871	11,187,613

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20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022	2021
	£	£
Net (expenditure)/Income for the year (as per Statement of financial activities)	(922,674)	932,897
Adjustments for:		
Depreciation	310,331	290,522
Capital grants from DfE and other capital income	(392,884)	(943,532)
Investment income receivable	(135)	(125)
Defined benefit pension scheme cost less contributions payable	571,000	318,000
Defined benefit pension scheme finance cost	62,000	38,000
Pension asset ceiling cap	563,000	-
Increase in debtors	(128,202)	(30,587)
Increase in creditors	375,498	70,496
Net cash provided by operating activities	437,934	675,671

21. Cash flows from financing activities

	Group	Group
	2022	2021
	£	£
Repayment of long term bank loan	(20,433)	(27,178)
Net cash used in financing activities	(20,433)	(27,178)

22. Cash flows from investing activities

	Group	Group
	2022	2021
	£	£
Dividends, interest and rents from investments	135	125
Capital grants from DfE Group	392,884	937,235
Capital funding received from sponsors and others	-	6,297
Purchase of tangible fixed assets	(637,534)	(2,223,247)
Net cash used in investing activities	(244,515)	(1,279,590)

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23. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand and at bank	991,968	818,982
Total cash and cash equivalents	991,968	818,982

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	818,982	172,986	991,968
Debt due within 1 year	(95,438)	10,210	(85,228)
Debt due after 1 year	(289,039)	(59,306)	(348,345)
	434,505	123,890	558,395

25. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The Cheshire Pension fund. 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 31 March 2019.

Contributions amounting to £131,251 were payable to the schemes at 31 August 2022 (2021 - £119,627) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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 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.

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25. Pension commitments (continued)

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 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 year amounted to £737,257 (2021 - £660,899).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group 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 contribution made for the year ended 31 August 2022 was £334,000 (2021 - £285,000), of which employer's contributions totalled £250,000 (2021 - £210,000) and employees' contributions totalled £ 84,000 (2021 - £71,000). The agreed contribution rates for future years are 25.3 percent for employers and 5.5 to 12.5 percent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	3.1	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	3.1	2.9
Commutation of pensions to lump sums	50	50

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.4
Females	23.8	24
<i>Retiring in 20 years</i>		
Males	22.1	22.4
Females	25.5	25.7

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(155)	(267)
Discount rate -0.1%	155	267
Mortality assumption - 1 year increase	262	439
Mortality assumption - 1 year decrease	(262)	(439)
CPI rate +0.1%	147	248
CPI rate -0.1%	(147)	(248)

Share of scheme assets

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25. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 August 2022	<i>At 31 August 2021</i>
	£	£
Equities	3,490,760	3,446,780
Bonds	2,279,680	3,147,060
Property	926,120	749,300
Cash and other liquid assets	427,440	149,860
Total market value of assets	7,124,000	7,493,000

The actual return on scheme assets was £541,424 (2021 - £981,583).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2022	<i>2021</i>
	£	£
Current service cost	821,000	528,000
Interest income	(125,000)	(111,000)
Interest cost	187,000	149,000
Total amount recognised in the Consolidated Statement of Financial Activities	883,000	566,000

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

	2022	<i>2021</i>
	£	£
At 1 September	10,967,000	8,531,000
Current service cost	821,000	528,000
Interest cost	187,000	149,000
Employee contributions	84,000	71,000
Actuarial (gains)/losses	(5,370,000)	1,789,000
Benefits paid	128,000	(101,000)
At 31 August	6,817,000	10,967,000

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Changes in the fair value of the Group's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	7,493,000	6,454,000
Interest income	125,000	111,000
Actuarial (losses)/gains	(700,000)	748,000
Employee contributions	84,000	71,000
Employer contribution	250,000	210,000
Benefits paid	128,000	(101,000)
FRS102 asset ceiling	(563,000)	-
At 31 August	6,817,000	7,493,000

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

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27. Related party transactions

Owing to the nature of the Academy 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust 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's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

Love Music Trust (LMT) is a related party of the school as the head teacher is a director.

During the year a management charge and salary recharges of £86,550 (2021: £82,062) were made to Love Music Trust. £71 was outstanding at 31 August 2022 (2021: £NIL).

Mr S Davies is a governor of the academy and has close family members employed as teachers in the school. In the year to 31 August 2021 they received remuneration in line with the normal teachers' pay scale.

Mr D Evans is a governor of the academy. In the year to 31 August 2021 they received remuneration in line with the normal teachers' pay scale.

	2022 £	2021 £
Charges to Love Music Trust	86,550	82,062
Charges from Roberts Bakery	(7,203)	(840)
	<u>79,347</u>	<u>81,222</u>

28. Capital commitments

At 31 August 2022 the company capital expenditure contracted for but not provided in the accounts of £67,714 (2021: £102,926).