

**REGISTERED COMPANY NUMBER: 06486255 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE TRUSTEES AND CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2019  
FOR  
SANDBACH SCHOOL**

Howard Worth  
Chartered Accountants and Statutory Auditors  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

**SANDBACH SCHOOL**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 11
Governance Statement	12 to 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees Responsibilities	17
Report of the Independent Auditors	18 to 19
Independent Accountant's Report on Regularity	20 to 21
Consolidated Statement of Financial Activities (Incorporating the Consolidated Income & Expenditure Account)	22
Consolidated Balance Sheet	23 to 24
Company Balance Sheet	25 to 26
Consolidated Cash Flow Statement	27
Notes to the Consolidated Cash Flow Statement	28
Notes to the Consolidated Financial Statements	29 to 52

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**SANDBACH SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**MEMBERS**

Clare Longden  
John Cargill  
Peter Sherratt  
Stephen Christopher Davies  
Sue Kennerley

Penny Kelly (Resigned 27/09/18)

**TRUSTEES**

Sue Kennerley (Chair)  
Clare Longden (Vice Chair)  
Adrian Mitchell  
Claire Reel  
Dominic Surry  
Gill Merry  
Jane Cowell  
Jennifer Wells  
John Cargill  
Kathryn Flavell  
Mike Roberts  
Peter Sherratt  
Robert England  
Sarah Irene Burns (Headteacher)  
Stephen Davies  
Stewart Brotherston

Stuart Dodds (Resigned 5/11/18)  
Penny Kelly (Resigned 27/09/18)  
David Evans (Resigned 5/11/18)  
Louise Austin (Resigned 1/10/18)  
Louise Lewis (Resigned 7/10/19)  
Geoff Mackey (Resigned 18/09/18)

**COMPANY SECRETARY**

D Osborne (Director of Finance & Resources)

**SENIOR MANAGEMENT TEAM**

S I Burns – Principal  
D Osborne – Director of Finance & Resources  
S Dodds – Deputy Head  
J Cosgrove – Deputy Head  
S Bielby - Assistant Head  
M Sanders – Assistant Head  
K Sykes – Assistant Head  
L Kane – Assistant Head

**REGISTERED OFFICE**

Crewe Road  
Sandbach  
Cheshire  
CW11 3NS

**SANDBACH SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**REGISTERED COMPANY  
NUMBER** 06486255 (England and Wales)

**SENIOR STATUTORY AUDITOR** Fran Johnson BSc FCA

**AUDITORS** Howard Worth  
Chartered Accountants and  
Statutory Auditors  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

**SOLICITORS** Slater Heelis LLP  
Oaklands House  
2<sup>nd</sup> Floor  
Suite 2  
34 Washway Road  
Sale  
M33 6FS

**BANKERS** Lloyds Bank plc  
1 Horsemarket Street  
Warrington  
WA1 1TP

## **SANDBACH SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. 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 2019 there were 1,350 students on roll (1,137 Main School, 213 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.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **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.

#### **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.

#### **Members' liability**

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

**SANDBACH SCHOOL**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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.

**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.

**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 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).

## SANDBACH SCHOOL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Method of Recruitment and Appointment or Election of Trustees - continued**

(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.

#### **Policies and 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.

#### **Organisational structure**

The school has a senior leadership team which comprises the Headteacher, the school's Director of Finance and Resources, 2 Deputy Headteachers, and 4 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.

**SANDBACH SCHOOL**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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.

**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.

**Trade Union Facility Time**

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	1
1% - 50%	1
51% - 99%	-
100%	-

**Percentage of pay bill spent of facility time**

Provide the total cost of facility time	£762
Provide the total pay bill	£5,542,042
Provide the % of total pay bill spent on facility time	< 1%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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## **SANDBACH SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **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)**

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 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.

## SANDBACH SCHOOL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2019

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#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives 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.

##### **Objectives, Strategies and Activities**

The main objectives for 2019/20 have been summarised within the five priorities listed below.

1. Securing outstanding levels of achievement and progress for all groups of students.
2. Consistent focus on the improvement of Learning and Teaching to ensure the highest quality experience in the classroom for all students.
3. All members of the school community model positive behaviours which enables students to develop as outstanding learners and people.
4. The community works together effectively to maximise use of resources to promote a great learning experience.
5. To embed an academic and dynamic culture within the Sixth Form that raises achievement and aspirations.

##### **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 a large programme of adult education as well as a 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.

## SANDBACH SCHOOL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2019

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#### STRATEGIC REPORT

##### Achievement and Performance

##### Academic Performance for 2018/19

In the summer of 2019, the school celebrated a strong set of GCSE examination results which demonstrated how well the challenges of the new GCSE examinations have been met by students, parents and teachers.

60% of students achieved the benchmark of a strong pass (Grade 5) in English and 66% in Maths with 79% getting a standard pass (Grade 4) in English and 83% in Maths. Geography (81%) and History (75%) continue to be a strength of the school but especially pleasing are the results from our broader curriculum areas of Physical Education (98%), Music (100%) and Drama (87%). Departments performing at the very highest level of GCSE, Grades 9-7, included Physics (53%), Biology (47%), Music (50%) and Maths (38%).

The cohort worked exceptionally hard and made good progress during their time at Sandbach School, with some students achieving a very high level of performance across the curriculum.

Sandbach School also celebrated impressive Sixth Form results in 2019 with several subjects having obtained outstanding levels of achievement, most notably Art with 100% of students achieving A\*/B grades. Music matched this result with 100% of students achieving A\*/B grades. The Graphics students' A\*/B achievement figure was 83%, closely followed by Politics achieving 79%. It is also worth highlighting that Computer Science, Design and Technology, English Literature, Law and Further Maths all recorded pass rates of 100% A\*-C.

Students studying Level 3 BTEC courses also performed extremely well, many securing A level grade equivalents allowing them to be accepted by their chosen universities. The Information Technology students achieved 1 Distinction \*, 1 Distinction, 2 Merits and 1 Pass grade, a 100% pass rate. A cohort of 12 students completed their BTEC Sport Level 3 with high levels of success, most of the students were awarded a Distinction grade, equivalent to A\* to C across all of the units that they studied.

Creative Media achieved 3 Distinction \*s, 2 Distinction awards (equivalent to an A level grade B), and 1 Distinction, another 100% pass rate. Music Technology also added to the BTEC success achieving 2 Merit grades. Sandbach School also had a record number of students sitting their Extended Project Qualification (EPQ), which is equivalent to half an A level qualification and recognised by all universities; 41% gaining A/A\* and 91% A\*/C.

##### Going Concern

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

#### FINANCIAL REVIEW

##### Financial position

During the year ending 31 August 2019, the total expenditure excluding actuarial pension adjustments and depreciation was £6,692,499 (2018: £6,476,911). This expenditure was met by recurrent grant funding from the ESFA and the local authority as well as self-generated incoming resources. In addition to the revenue expenditure, revenue funds of £101,433 were transferred from revenue to capital funds to repay capital loan. The deficit for the year on revenue funds was £85,319.

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 2019 non capital income received from the ESFA totalled £6,232,527 (2018: £6,094,253) and capital funding received was £2,123,927 (2018: £1,643,967). The academy also received £179,010 (2018: £178,125) funding from the Local Authority.

## **SANDBACH SCHOOL**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019**

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The academy generated £100,665 (2018: £97,984) of income from the provision of services for sport and room hire to the local and surrounding communities

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 £2,123,927 with associated capital expenditure of £2,159,818. The remaining capital funds are carried forward to be utilised in the forthcoming year.

#### **Investment performance**

The academy had no investments during the year.

#### **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 generated a revenue deficit for the year of £85,319 which reduced the revenue funds to £20,145 (2018: £105,464). The Trustees will continue to work towards maintaining surplus revenue funds by careful monitoring of costs against budgets and the implementation of cost saving measures. At 31 August 2019 the local government pension deficit was £2,115,000 (2018: £698,000) and the fixed asset restricted funds were £10,598,161 (2018: £8,651,793).

#### **Investment Policy and Objectives**

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 2019, Sandbach School did not make any additional longer term investments.

#### **Principal Risks and Uncertainties**

The principal risk to the academy relates to changes to future national changes to funding for all schools, and ensuring that admission numbers remain high and on an upward trajectory. Governors are aware of the potential implications of reforms to schools funding. Central Government changes to the curriculum will also be a challenge to the school; however necessary steps are being taken in preparation for this. The school will continue to ensure during the next academic year that the necessary improvement is made in advance of the next Ofsted inspection.

## SANDBACH SCHOOL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2019

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#### **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.

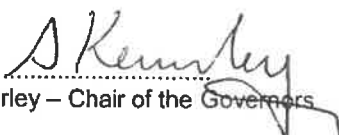
#### **AUDITORS**

So far as the trustees are aware,

- there is no relevant information of which the charitable company's auditors are unaware,
- the trustees have taken all the 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.

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2019 and signed on the board's behalf by:

  
.....  
S Kennerley – Chair of the Governors

## SANDBACH SCHOOL

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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 of loss.

The board of the 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.

#### Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 5 times during the year. In accordance with Part 2, paragraph 2.3 of the Academies Financial Handbook 2019 the trust, despite meeting less than 6 times, believes it has maintained effective oversight of funds.

In particular, management accounts are made available each month to all members of the trust board and the Business & Resources Committee met on 5 occasions during 2018/19. Further, the school was visited by an SRMA during the year who concluded that the school was amongst the most efficient they had visited.

Attendance during the year at meetings of the board of trustees was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible*</b>
Stewart Brotherston	4	5
Sarah Burns	5	5
John Cargill	3	5
Jane Cowell	2	2
Stephen Davies	3	5
Stuart Dodds	5	5
Robert England	5	5
David Evans	2	5
Sue Kennerley	5	5
Louise Lewis	3	4
Clare Longden	4	5
Gill Merry	5	5
Adrian Mitchell	3	5
Claire Reel	4	5
Mike Roberts	3	5
Peter Sherratt	4	5
Dominic Surry	4	5
Jennifer Wells	1	5

\* where less than five – due to a member leaving or joining during the year

## SANDBACH SCHOOL

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

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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 and Safety legislation is followed. Attendance at meetings in the year was as follows:-

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Stewart Brotherston	5	5
Sarah Burns	5	5
John Cargill	5	5
Jane Cowell	2	2
Stephen Davies	3	5
Robert England	4	5
Sue Kennerley	4	5
Louise Lewis	1	4
Gill Merry	3	5
Adrian Mitchell	3	5
Mike Roberts	2	5
Peter Sherratt	4	5

#### **Review of Value for Money**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust 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 charitable company 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

## SANDBACH SCHOOL

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, Governors have appointed Afford Bond to undertake the role of Responsible Officer (RO). Reports provided by Afford Bond are shared with the Finance Committee, and any actions required are agreed through this Committee. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

The RO function has been fully delivered in line with the ESFA's requirements. There has 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.



**SANDBACH SCHOOL**

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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On a termly basis, the RO reports to the board of trustees through the business and resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of Effectiveness**

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 9 December 2019 and signed on its behalf by:

  
.....  
S Kennerley – Chair of the Governors

  
.....  
S I Burns - Accounting Officer

**SANDBACH SCHOOL**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

As accounting officer of Sandbach School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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: 9 December 2019

## SANDBACH SCHOOL

### STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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The trustees (who act as governors of Sandbach School and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS102] 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 charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 9 December 2019 and signed on its behalf by:

  
.....  
S Kennerley – Chair of the Governors

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SANDBACH SCHOOL**

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### **Opinion**

We have audited the group's and parent company's financial statements of Sandbach School (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the EFA.

### **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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SANDBACH SCHOOL

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### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our 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 a Report of the Independent Auditors 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fran Johnson BSc FCA (Senior Statutory Auditor) 

for and on behalf of Howard Worth

Chartered Accountants and

Statutory Auditors

Drake House

Gadbrook Park

Northwich

Cheshire

CW9 7RA

Date: 9 December 2019

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

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In accordance with the terms of our engagement letter dated 19 July 2013 and further to the requirements of the Education Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sandbach School during the period 1 September 2018 to 31 August 2019 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sandbach School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Sandbach School and the 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 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes confirmation of the following:-

1. There is a policy for receiving hospitality gifts, awards & prizes and that this is communicated to all staff. Confirmation that any such transactions are in line with the policy.
2. Staff severance payments outside the contractual obligations are approved by the Secretary of State.
3. An up to date register of Trustees business interests is maintained.
4. Any payments to Trustees are in line with those in the Articles and funding agreement.
5. A competitive tendering process is in place for high value purchases
6. Any borrowing is in line with the Funding Agreement.

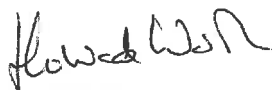
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
SANDBACH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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7. Purchasing is in line with the set levels of delegated authority. Obtained an up to date list of authorised departmental personnel with the limits of the expenditure for each person.
8. The nature of the expenditure is reasonable given the objects of the school to provide education.
9. The funds position is under control and that the Academy is not generating an unsustainable deficit.
10. There are sufficient controls over procedures for changing payment details to suppliers.
11. The nature of credit card and petty cash expenditure is reasonable and in line with the objects of the Academy.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Howard Worth  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

Date: 9 December 2019

**SANDBACH SCHOOL**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	2,055	-	2,123,927	2,125,982	1,649,341
Charitable activities:						
- Funding for educational operations	4	2,586	6,411,537	-	6,414,123	6,282,878
Other trading activities	5	291,587	-	-	291,587	202,287
Investments	6	848	-	-	848	6,360
<b>Total</b>		<b>297,076</b>	<b>6,411,537</b>	<b>2,123,927</b>	<b>8,832,540</b>	<b>8,140,866</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	280,962	6,607,537	278,992	7,167,491	6,926,748
- Trading						
<b>Total</b>	7	<b>280,962</b>	<b>6,607,537</b>	<b>278,992</b>	<b>7,167,491</b>	<b>6,926,748</b>
<b>Net income/(expenditure)</b>		<b>16,114</b>	<b>(196,000)</b>	<b>1,844,935</b>	<b>1,665,049</b>	<b>1,214,118</b>
Transfers between funds	18	(101,433)	-	101,433	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,221,000)	-	(1,221,000)	495,000
<b>Net movement in funds</b>		<b>(85,319)</b>	<b>(1,417,000)</b>	<b>1,946,368</b>	<b>444,049</b>	<b>1,709,118</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		105,464	(698,000)	8,651,793	8,059,257	6,350,139
Total funds carried forward		20,145	(2,115,000)	10,598,161	8,503,306	8,059,257



**SANDBACH SCHOOL**

**COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

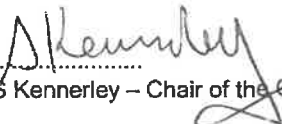
**AS AT 31 AUGUST 2018**

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £	£	Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	5,374	-	1,643,967	1,649,341
Charitable activities:					
- Funding for educational operations	4	7,628	6,275,250	-	6,282,878
Other trading activities	5	119,021	-	-	119,021
Investments	6	6,328	-	-	6,328
<b>Total</b>		<u>138,351</u>	<u>6,275,250</u>	<u>1,643,967</u>	<u>8,057,568</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	167,295	6,431,318	244,837	6,843,450
<b>Total</b>	7	<u>167,295</u>	<u>6,431,318</u>	<u>244,837</u>	<u>6,843,450</u>
<b>Net income/(expenditure)</b>		(28,944)	(156,068)	1,399,130	1,214,118
Transfers between funds	17	132,567	-	(132,567)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	495,000	-	495,000
<b>Net movement in funds</b>		103,623	338,932	1,266,563	1,709,118
<b>Reconciliation of funds</b>					
Total funds brought forward		1,841	(1,036,932)	7,385,230	6,350,139
Total funds carried forward		<u>105,464</u>	<u>(698,000)</u>	<u>8,651,793</u>	<u>8,059,257</u>

**SANDBACH SCHOOL**  
**COMPANY BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		10,640,212		8,399,386
Investments	13		1		1
			<u>10,640,213</u>		<u>8,399,387</u>
<b>Current assets</b>					
Debtors	14	295,145		263,545	
Cash at bank and in hand		685,046		1,166,289	
		<u>980,191</u>		<u>1,429,834</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(615,003)		(538,261)	
<b>Net current assets</b>			<u>365,188</u>		<u>891,573</u>
<b>Total assets less current liabilities</b>			<u>11,005,401</u>		<u>9,290,960</u>
Creditors: amounts falling due after more than one year	16		(387,095)		(533,703)
<b>Net assets before defined benefit pension scheme liability</b>			<u>10,618,306</u>		<u>8,757,257</u>
Defined benefit pension scheme liability	19		(2,115,000)		(698,000)
<b>Total net assets</b>			<u>8,503,306</u>		<u>8,059,257</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			10,598,161		8,651,793
- Pension reserve			(2,115,000)		(698,000)
<b>Total restricted funds</b>			<u>8,483,161</u>		<u>7,953,793</u>
<b>Unrestricted income funds</b>	17		20,145		105,464
<b>Total funds</b>			<u>8,503,306</u>		<u>8,059,257</u>

The accounts on pages 18 to 40 were approved by the trustees and authorised for issue on 9 December 2019 and are signed on their behalf by:

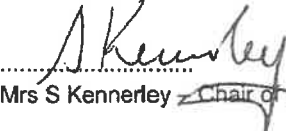
  
 .....  
 Mrs S Kennerley – Chair of the Governors

Company Number 06486255

**SANDBACH SCHOOL**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		10,640,212		8,399,386
<b>Current assets</b>					
Debtors	14	205,888		181,355	
Cash at bank and in hand		774,304		1,249,780	
		980,192		1,431,135	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(615,003)		(539,561)	
<b>Net current assets</b>			365,189		891,574
<b>Total assets less current liabilities</b>			11,005,401		9,290,960
Creditors: amounts falling due after more than one year	16		(387,095)		(533,703)
<b>Net assets before defined benefit pension scheme liability</b>			10,618,306		8,757,257
Defined benefit pension scheme liability	19		(2,115,000)		(698,000)
<b>Total net assets</b>			8,503,306		8,059,257
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset funds			10,598,161		8,651,793
- Pension reserve			(2,115,000)		(698,000)
<b>Total restricted funds</b>			8,483,161		7,953,793
<b>Unrestricted income funds</b>	17		20,145		105,464
<b>Total funds</b>			8,503,306		8,059,257

The accounts on pages 18 to 40 were approved by the trustees and authorised for issue on 9 December 2019 and are signed on their behalf by:

  
 Mrs S Kennerley - Chair of the Governors

Company Number 06486255

**SANDBACH SCHOOL**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash absorbed by operating activities	21		21,000		(23,023)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		848		2,877	
Capital grants from DfE Group		2,103,927		1,643,967	
Capital funding received from sponsors and others		20,000		-	
Purchase of tangible fixed assets		(2,519,818)		(955,123)	
<b>Net cash (used in)/provided by investing activities</b>			(395,043)		880,156
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		(101,433)		(10,216)	
New loan finance		-		102,166	
<b>Net cash (used in)/provided by financing activities</b>			(101,433)		91,950
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(475,476)		949,084
Cash and cash equivalents at beginning of the year			1,249,780		300,696
<b>Cash and cash equivalents at end of the year</b>			<u>774,304</u>		<u>1,249,780</u>

# SANDBACH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting Policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 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 Development Ltd on a line by line basis.

##### 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

##### Grants

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

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

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

## SANDBACH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2019

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##### Accounting Policies (Continued)

###### Sponsorship income

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

###### Donations

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

###### Other income

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

###### Donated goods, facilities and services

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

###### Donated fixed assets

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

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

###### Expenditure on raising funds

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

###### Charitable activities

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

## SANDBACH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2019

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##### Accounting Policies (Continued)

##### 1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. 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:

Freehold property	2% on cost
Assets under construction	None
Computer equipment	20% on cost
Fixtures, fittings & equipment	10% reducing balance
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 statement of financial activities.

##### 1.6 Liabilities

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

##### 1.7 Leased assets

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

##### 1.8 Investments

There are currently no investments held by the Academy.

##### 1.9 Financial instruments

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

## SANDBACH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2019

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##### Accounting Policies (Continued)

###### Financial assets

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

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

###### Financial liabilities

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

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

##### 1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.11 Pensions benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 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.



# SANDBACH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 judgement

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

##### Critical accounting estimates and assumptions

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

#### 2 Critical accounting estimates and areas of judgement

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.]

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	2,123,927	2,123,927	1,643,967
Other donations	2,055	-	2,055	5,374
	<u>2,055</u>	<u>2,123,927</u>	<u>2,125,982</u>	<u>1,649,341</u>

**SANDBACH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**4 Funding for the academy trust's educational operations**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,949,714	5,949,714	5,903,348
Other DfE group grants	-	282,813	282,813	190,905
	<u>-</u>	<u>6,232,527</u>	<u>6,232,527</u>	<u>6,094,253</u>
<b>Other government grants</b>				
Local authority grants	-	179,010	179,010	178,215
Other grant	-	-	-	10,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,500</u>
<b>Other funding</b>				
Other incoming resources	2,586	-	2,586	-
	<u>2,586</u>	<u>-</u>	<u>2,586</u>	<u>-</u>
<b>Total funding</b>	<u>2,586</u>	<u>6,411,537</u>	<u>6,414,123</u>	<u>6,282,878</u>

**5 Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	165,397	-	165,397	184,250
Teacher training income	10,801	-	10,801	-
Other income	115,389	-	115,389	18,037
	<u>291,587</u>	<u>-</u>	<u>291,587</u>	<u>202,287</u>

**SANDBACH SCHOOL****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****5 Other trading activities (continued)**

The wholly owned trading subsidiary; Sandbach School Developments Limited, which is incorporated in England and Wales, has gift aided 100% of its profits to the charity. Sandbach School Developments Limited operates the hire of sporting facilities on behalf of Sandbach School. A summary of the trading results is set out below:

	<b>31/8/19</b>	<b>31/8/18</b>
	£	£
Turnover	162,297	181,250
Cost of sales	(58,662)	(80,352)
Administrative expenses	(3,008)	(2,946)
Interest receivable and similar income	<u>38</u>	<u>32</u>
Net profit	100,665	97,984
Amount gift aided to the charity	<u>(100,665)</u>	<u>(97,984)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
	31/8/19	31/8/18
	£	£
Current assets	103,599	99,285
Total liabilities	<u>(103,598)</u>	<u>(99,284)</u>
<b>Net assets</b>	<u>1</u>	<u>1</u>
<b>Capital and reserves</b>	<u>1</u>	<u>1</u>

**SANDBACH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>6 Investment income</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Short term deposits	848	-	848	337
Other investment income	-	-	-	6,023
	<u>848</u>	<u>-</u>	<u>848</u>	<u>6,360</u>

<b>7 Expenditure</b>	<b>Staff costs £</b>	<b>Non Pay Expenditure</b>		<b>Total 2019 £</b>	<b>Total 2018 £</b>
		<b>Premises £</b>	<b>Other £</b>		
Academy's educational operations					
- Direct costs	4,963,865	259,000	354,668	5,577,533	5,456,031
- Allocated support costs	715,020	438,615	436,323	1,589,958	1,470,717
	<u>5,678,885</u>	<u>697,615</u>	<u>790,991</u>	<u>7,167,491</u>	<u>6,926,748</u>

<b>Net income/(expenditure) for the year includes:</b>	<b>2019 £</b>	<b>2018 £</b>
Fees payable to auditor for:		
- Audit	10,125	10,125
- Other services	7,763	2,600
Operating lease rentals	24,140	11,177
Depreciation of tangible fixed assets	278,992	244,837
Net interest on defined benefit pension liability	<u>21,000</u>	<u>26,000</u>

**SANDBACH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**8 Charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	219,292	5,358,241	5,577,533	5,375,192
<b>Support costs</b>				
Educational operations	-	1,528,288	1,528,288	1,468,258
Hire of facilities	61,670	-	61,670	83,298
	<u>280,962</u>	<u>6,886,529</u>	<u>7,167,491</u>	<u>6,926,748</u>

**Analysis of costs**

	2019 £	2018 £
<b>Direct costs</b>		
Teaching and educational support staff costs	4,963,865	4,798,162
Staff development	5,198	8,568
Depreciation	259,000	227,698
Technology costs	72,258	65,497
Educational supplies and services	164,063	159,485
Examination fees	113,149	115,782
	<u>5,577,533</u>	<u>5,375,192</u>
<b>Support costs</b>		
Support staff costs	718,010	719,491
Depreciation	19,992	17,139
Technology costs	65,964	62,174
Maintenance of premises and equipment	113,265	179,041
Cleaning	35,254	27,469
Energy costs	151,939	123,963
Rent, rates and other occupancy costs	71,225	72,603
Insurance	25,580	19,545
Security and transport	72,905	51,959
Catering	44,511	16,725
Finance costs	21,000	26,000
Other support costs	169,044	124,983
Governance costs	19,599	27,166
	<u>1,528,288</u>	<u>1,468,258</u>

**SANDBACH SCHOOL****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****9 Staff****Staff costs**

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	4,262,277	4,138,146
Social security costs	412,877	407,576
Pension costs	866,888	863,881
Amounts paid to employees	5,542,042	5,409,603
Agency staff costs	136,843	93,050
Staff restructuring costs	-	15,000
Amounts paid to staff	5,678,885	5,517,653
Staff development and other staff costs	8,188	-
Total staff expenditure	5,687,073	5,517,653
Staff restructuring costs comprise:		
Severance payments	-	15,000

**Staff numbers**

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

	2019 Number	2018 Number
Teachers	107	103
Administration and support	42	42
Management	8	8
	157	153

**Higher paid staff**

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

	2019 Number	2018 Number
£60,001 - £70,000	3	2
£100,001- £110,000	1	1

## SANDBACH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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#### 9 Staff

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £386,774 (2018: £375,497).

#### 10 Trustees' remuneration and expenses

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

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

##### S I Burns (headteacher and trustee):

Remuneration £100,000 - £105,000 (2018: £100,000 - £105,000)

Employer's pension contributions paid £15,000 - £20,000 (2018: £15,000 - £20,000)

##### S Dodds (deputy head and trustee):

Remuneration £65,000 - £70,000 (2017: £65,000 - £70,000)

Employer's pension contributions paid £10,000 - £15,000 (2018: £10,000 - £15,000)

##### D Evans (teacher and trustee – Pro rata resigned 5 November 2018):

Remuneration £45,000 - £50,000 (2018: £45,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

#### 11 Trustees and officers insurance

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

**SANDBACH SCHOOL****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****12 Tangible fixed assets**

<b>Group &amp; Charitable Company</b>	<b>Land and buildings</b>	<b>Assets under construction</b>	<b>Computer equipment</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
At 1 September 2018	8,846,037	200,741	464,999	1,241,033	6,768	10,759,57
Transfer	55,486	(55,486)	-	-	-	-
Additions	<u>2,020,169</u>	<u>425,630</u>	<u>18,615</u>	<u>55,404</u>	<u>-</u>	<u>2,519,818</u>
At 31 August 2019	<u>10,921,692</u>	<u>570,885</u>	<u>483,614</u>	<u>1,296,437</u>	<u>6,768</u>	<u>13,279,39</u>
<b>Depreciation</b>						
At 1 September 2018	1,402,875	-	464,793	485,756	6,768	2,360,192
Charge for the year	<u>191,096</u>	<u>-</u>	<u>1,612</u>	<u>86,284</u>	<u>-</u>	<u>278,992</u>
At 31 August 2019	<u>1,593,971</u>	<u>-</u>	<u>466,405</u>	<u>572,040</u>	<u>6,768</u>	<u>2,639,184</u>
<b>Net book value</b>						
At 31 August 2019	<u>9,327,721</u>	<u>570,885</u>	<u>17,209</u>	<u>724,397</u>	<u>-</u>	<u>10,640,21</u>
At 31 August 2018	<u>7,443,162</u>	<u>200,741</u>	<u>206</u>	<u>755,277</u>	<u>-</u>	<u>8,399,386</u>

Included in cost or valuation of land and buildings is freehold land of £1,370,000 (2018 - £1,370,000) which is not depreciated.

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

- Purchase of Sandbach House and land for £481,160.



**SANDBACH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**Sandbach School Developments Ltd**

Nature of business: Hire of school sporting facilities

Class of share:	%		
Ordinary	holding		
	100		
		31/8/19	31/8/18
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

**14 DEBTORS: Amounts falling due within one year**

	Group 31/8/19	Group 31/8/18	Charity 31/8/19	Charity 31/8/18
	£	£	£	£
Amounts owed by group undertakings	-	-	103,598	97,984
Other debtors	115,783	121,342	101,442	105,548
Prepayments & accrued income	<u>90,105</u>	<u>60,013</u>	<u>90,105</u>	<u>60,013</u>
	<u>205,888</u>	<u>181,355</u>	<u>295,145</u>	<u>263,545</u>

**15. CREDITORS: Amounts falling due within one year**

	Group 31/8/19	Group 31/8/18	Charity 31/8/19	Charity 31/8/18
	£	£	£	£
Government loans	70,285	25,109	70,285	25,109
Other loans	21,959	21,960	21,959	21,960
Trade creditors	123,855	25,565	123,855	25,565
Other taxation and social security	103,558	101,488	103,558	101,488
Other creditors	89,463	86,563	89,463	86,563
Accruals and deferred income	<u>205,883</u>	<u>278,876</u>	<u>205,883</u>	<u>278,876</u>
	<u>615,003</u>	<u>539,561</u>	<u>615,003</u>	<u>539,561</u>

**SANDBACH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**15. CREDITORS: Amounts falling due within one year (continued)**

**Deferred Income**

	<b>2018</b>
	<b>£</b>
Deferred income at 1 September 2017	67,839
Resources deferred in the year	31,439
Amounts released from previous years	<u>(67,839)</u>
Deferred income at 31 August 2019	<u>31,439</u>

The principal element of deferred income is £26,579 in respect of capital funding.

<b>16 Creditors: amounts falling due after more than one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Government loans	328,086	452,262
Other loans	59,009	81,441
	<u>387,095</u>	<u>533,703</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	479,339	580,772
Less: included in current liabilities	<u>(92,244)</u>	<u>(47,069)</u>
Amounts included above	<u>387,095</u>	<u>533,703</u>
<b>Loan maturity</b>		
Debt due in one year or less	92,245	47,069
Due in more than one year but not more than two years	94,058	92,246
Due in more than two years but not more than five years	293,037	441,457
	<u>479,340</u>	<u>580,772</u>

The loan balance comprises £398,372 from the ESFA received for the purpose of refinancing existing borrowing. This loan has a 3 year repayment holiday and will be repaid commencing in the academic year beginning September 2018. The rate of interest is 2.55% over the 10 year term. The other loans are Salix loans totalling £80,968.

**SANDBACH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Commitments under operating leases**

**Operating leases**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Other operating leases	
	31/8/19	31/8/18
	£	£
Within one year	51,814	51,396
Between one and five years	76,215	66,393
	<u>128,393</u>	<u>117,789</u>

**18 Funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,949,714	(5,949,714)	-	-
Other DfE / ESFA grants	-	282,813	(282,813)	-	-
Other government grants	-	179,010	(179,010)	-	-
Pension reserve	(698,000)	-	(196,000)	(1,221,000)	(2,115,000)
	<u>(698,000)</u>	<u>6,411,537</u>	<u>(6,607,537)</u>	<u>(1,221,000)</u>	<u>(2,115,000)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	8,651,793	2,123,927	(278,992)	101,433	10,598,161
	<u>8,651,793</u>	<u>2,123,927</u>	<u>(278,992)</u>	<u>101,433</u>	<u>10,598,161</u>
<b>Total restricted funds</b>	<u>7,953,793</u>	<u>8,535,464</u>	<u>(6,886,529)</u>	<u>(1,119,567)</u>	<u>8,483,161</u>
<b>Unrestricted funds</b>					
General funds	105,464	235,406	(219,292)	(101,433)	20,145
	<u>105,464</u>	<u>235,406</u>	<u>(219,292)</u>	<u>(101,433)</u>	<u>20,145</u>
<b>Total funds</b>	<u>8,059,257</u>	<u>8,770,870</u>	<u>(7,105,821)</u>	<u>(1,221,000)</u>	<u>8,503,306</u>

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

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(51,584)	5,903,348	(5,851,764)	-	-
Other DfE / ESFA grants	-	144,717	(144,717)	-	-
Other restricted funds	2,652	227,185	(229,837)	-	-
Pension reserve	(988,000)	-	(205,000)	495,000	(698,000)
	<u>(1,036,932)</u>	<u>6,275,250</u>	<u>(6,431,318)</u>	<u>495,000</u>	<u>(698,000)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	<u>7,385,230</u>	<u>1,643,967</u>	<u>(244,837)</u>	<u>(132,567)</u>	<u>8,651,793</u>
<b>Total restricted funds</b>	<u>6,348,298</u>	<u>7,919,217</u>	<u>(6,676,155)</u>	<u>362,433</u>	<u>7,953,793</u>
<b>Unrestricted funds</b>					
General funds	<u>1,841</u>	<u>138,351</u>	<u>(167,295)</u>	<u>132,567</u>	<u>105,464</u>
<b>Total funds</b>	<u>6,350,139</u>	<u>8,057,568</u>	<u>(6,843,450)</u>	<u>495,000</u>	<u>8,059,257</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	10,640,212	10,640,212
Fixed asset investments	-	-	1	1
Current assets	20,145	437,369	522,677	980,191
Creditors falling due within one year	-	(437,369)	(177,634)	(615,003)
Creditors falling due after one year	-	-	(387,095)	(387,095)
Defined benefit pension liability	-	(2,115,000)	-	(2,115,000)
<b>Total net assets</b>	<u>20,145</u>	<u>(2,115,000)</u>	<u>10,598,161</u>	<u>8,503,306</u>

## SANDBACH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	8,399,386	8,399,386
Fixed asset investments	-	-	1	1
Current assets	105,464	491,192	833,178	1,429,834
Creditors falling due within one year	-	(491,192)	(47,069)	(538,261)
Creditors falling due after one year	-	-	(533,703)	(533,703)
Defined benefit pension liability	-	(698,000)	-	(698,000)
<b>Total net assets</b>	<b>105,464</b>	<b>(698,000)</b>	<b>8,651,793</b>	<b>8,059,257</b>

#### 20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The Cheshire Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £88,222 were payable to the schemes at 31 August 2019 (2018: £86,563) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

## SANDBACH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 20 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £501,418 (2018: £501,000).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.3% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2019	2018
	£	£
Employer's contributions	217,000	203,000
Employees' contributions	61,000	60,000
Total contributions	<u>278,000</u>	<u>263,000</u>

**SANDBACH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**20 Pension and similar obligations**

<b>Principal actuarial assumptions</b>	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.30	2.40
Commutation of pensions to lump sums	50.00	50.00

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.5	26.5

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

	<b>2019</b>	<b>2018</b>
Discount rate + 0.1%	(213)	(149)
Discount rate - 0.1%	213	149
Mortality assumption + 1 year	325	40
Mortality assumption - 1 year	(325)	(40)
CPI rate + 0.1%	175	121
CPI rate - 0.1%	(175)	(121)

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

	<b>2019</b>	<b>2018</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	2,581,000	2,623,000
Bonds	2,821,000	2,350,000
Property	480,000	437,000
Other assets	121,000	55,000
<b>Total market value of assets</b>	<b>6,003,000</b>	<b>5,465,000</b>

The actual return on scheme assets was £517,000 (2018: £181,000).

**SANDBACH SCHOOL****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****20 Pension and similar obligations**

<b>Amount recognised in the Statement of Financial Activities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	368,000	179,000
Past service cost	24,000	-
Interest income	(151,000)	(126,000)
Interest cost	172,000	152,000
	<hr/>	<hr/>
Total operating charge	413,000	205,000

<b>Changes in the present value of defined benefit obligations</b>	<b>2019</b>
	<b>£</b>
At 1 September 2018	5,993,000
Current service cost	368,000
Interest cost	172,000
Employee contributions	61,000
Actuarial loss/(gain)	1,587,000
Benefits paid	(87,000)
Past service cost	24,000
	<hr/>
At 31 August 2019	8,118,000

<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2019</b>
	<b>£</b>
At 1 September 2018	5,295,000
Interest income	151,000
Actuarial gain	366,000
Employer contributions	217,000
Employee contributions	61,000
Benefits paid	(87,000)
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At 31 August 2019	6,003,000



## SANDBACH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2019

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21 Reconciliation of net income to net cash flow from operating activities	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,665,049	1,214,118
Adjusted for:		
Capital grants from DfE and other capital income	(2,123,927)	(1,643,967)
Investment income receivable	(848)	(6,360)
Defined benefit pension costs less contributions payable	175,000	179,000
Defined benefit pension scheme finance cost	21,000	26,000
Depreciation of tangible fixed assets	278,992	244,837
Increase in debtors	(24,533)	(26,674)
Increase/(decrease) in creditors	30,267	(9,977)
<b>Net cash provided by operating activities</b>	<b>21,000</b>	<b>23,023</b>

#### 22 Related party transactions

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

The following related party transaction 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 £90,605 (2018: £70,935) were made to Love Music Trust.

Mr D Surry is a governor of the academy and a director of Skill Supply Limited. During the year, Skill Supply Limited hired rooms from the academy for fees of £1,024 (2018: £660).

Mr R England is a governor of the academy and has close family members employed as teachers in the school. In the year to 31 August 2019 they received remuneration in line with the normal teachers' pay scale.

S I Burns, a Trustee of the Academy, is also a director of The Chimney House Teaching School Foundation (CHTSF). During the year costs of £1,630 (2018 £3,145) were paid to CHTSF for membership fees and training. Sandbach school received income of £3,010 from CHTSF during the year.

#### 23 Members' liability

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

