

REGISTERED COMPANY NUMBER: 06486255 (England and Wales)

STRATEGIC REPORT, REPORT OF THE TRUSTEES AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020
FOR
SANDBACH SCHOOL
(A Company Limited by Guarantee)

WR Partners
Chartered Accountants and Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

SANDBACH SCHOOL

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FOR THE YEAR ENDED 31 AUGUST 2020**

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SANDBACH SCHOOL

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

MEMBERS

C E Longden
J Cargill
P Sherratt
S C Davies
S Kennerley

TRUSTEES

S Kennerley (Chair)
C E Longden (Vice Chair)
A P Mitchell
C L Reel
D Surry
G Merry
J Cowell
J Wells
J Cargill
M Roberts
P Sherratt
R D England
S I Burns (Headteacher)
S C Davies
S Brotherston
L Lewis (Resigned 7/10/19)
C Bulman (Appointed 9/12/19)
S C Dodds (Appointed 9/12/19)
D A Evans (Appointed 9/12/19)
Cllr K Flavell (Resigned 9/12/19)

COMPANY SECRETARY

D Osborne - Director of Finance & Resources

SENIOR MANAGEMENT TEAM

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

REGISTERED OFFICE

Sandbach School
Crewe Road
Sandbach
Cheshire
CW11 3NS

SANDBACH SCHOOL

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

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

SENIOR STATUTORY AUDITOR Fran Johnson BSc BFP FCA

AUDITORS WR Partners
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

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

BANKERS Lloyds Bank plc
1 Horsemarket Street
Warrington
WA1 1TP

SANDBACH SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. 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.

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

SANDBACH SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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	0.8

Percentage of time spent on facility time

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

Percentage of pay bill spent of facility time

Provide the total cost of facility time	£1,542
Provide the total pay bill	£6,345,973
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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other Connected Charities and Organisations

The Charitable company has two subsidiaries as detailed below:-

Sandbach School Property Trust (Registered Charity No. 1124293-1)

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

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

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

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

The Love Music Trust (Registered Company No. 1148615)

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

SANDBACH SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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 four 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.

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

Achievement and Performance

Academic Performance for 2019/20

In July 2019 the School was visited by OFSTED as part of its 3 year cycle. The school maintained its good OFSTED rating.

In the summer of 2019 (the prior year), 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.

64% of students achieved the new Grade 5 benchmark in English and 61% in Maths. History (68%), Geography (61%) and Science (60%) results continue to be a strength of the school but particularly pleasing is the success achieved the breadth of the school curriculum with strong performances from students in Drama 77%, Art 97% and Music 87%.

Departments performing strongly at the highest level of GCSE, 9-7 included; Physics (48%), Computer Science (40%) and Music (63%).

The Sixth Form also demonstrated strong performance across the board with 11% of students achieving the very top grade of an A* with 27% achieving a grade A or an A*.

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

As a result of the Covid-19 pandemic, the summer exam season was cancelled and the exam and assessment results for this year were not published as performance measures.

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 2020, the total expenditure excluding actuarial pension adjustments and depreciation was £7,218,485 (2019: £6,692,499). This expenditure was largely met by recurrent grant funding from the ESFA and the local authority as well as self-generated incoming resources. The deficit for the year on revenue funds was £58,019. This was after the academy incurred exceptional costs related to the Covid-19 pandemic, estimated to be in excess of £60,000. The academy is continuing to incur exceptional costs related to Covid-19, the final quantum of which is currently uncertain.

The academy has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown under funding for the academy trust's educational operations. £16,529 was received in relation to exceptional costs incurred. The academy also furloughed some of its leisure staff under the governments CJRS. The funding received of £8,790 relates to 11 staff. These costs are included within staff costs. The academy has furloughed staff during the current year under the CJRS.

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 2020 non capital income received from the ESFA totalled £6,913,959 (2019: £6,232,527) and capital funding received was £2,933,418 (2019: £2,123,927). The academy also received £168,203 (2019: £179,010) funding from the Local Authority.

SANDBACH SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The academy generated £29,173 (2019: £100,665) of income from the provision of services for sport and room hire to the local and surrounding communities. Income generation was significantly impacted by the Covid-19 pandemic as the academy was unable to hire its facilities due to lockdown restrictions. The full impact on lettings income in the current year is currently uncertain.

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 £2,933,418 with associated capital expenditure of £2,555,014. The remaining capital funds are carried forward to be utilised in the forthcoming 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 incurred a revenue deficit for the year of £78,164 after transfers of £182,999 from revenue to capital. The academy has a carry forward deficit on revenue funds in the sum of £58,019.

The Trustees are working towards achieving surplus revenue funds by careful monitoring of costs against budgets and the implementation of cost saving measures. At 31 August 2020 the local government pension deficit was £2,077,000 (2019: £2,115,000) and the fixed asset restricted funds were £13,430,735 (2019: £10,598,161).

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 2020, 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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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.

Fundraising activities were restricted during the year as a result of the ongoing Covid-19 pandemic.

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, WR Partners, 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 14 December 2020 and signed on the board's behalf by:


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

SANDBACH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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

	Meetings Attended	Out of a possible (where less than nine – due to a member leaving or joining during the year)
Governor		
Mr M Roberts	2	9
Mr P Sherratt	8	9
Mr D Surry	8	9
Mr S C Davies	7	9
Mrs C L Reel	2	9
Mr R D England	8	9
Mrs G Merry	7	9
Mrs S Kennerley	9	9
Mr A P Mitchell	8	9
Mr S C Dodds	6	8
Mr D A Evans	3	8
Mrs S I Burns	9	9
Mr J Cargill	6	9
Mrs C E Longden	8	9
Dr J Wells	7	9
Mr S Brotherston	9	9
Mrs C Bulman	6	8
Mrs J Cowell	6	9
Cllr K A Flavell	1	1

SANDBACH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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:-

Governor	Meetings Attended	Out of a possible
Mr M Roberts	2	3
Mr S C Davies	2	3
Mr R D England	3	3
Cllr Mr G Merry	1	3
Mr A P Mitchell	3	3
Mrs S I Burns	3	3
Mr J Cargill	1	3
Mr P Sherratt	2	3
Mrs S Kennerley	3	3
Mr S Brotherston	3	3
Mrs J Cowell	2	3

The board of trustees has considered and reviewed the scope of its work and its effectiveness over the past 12 months and has not identified any issues requiring improvement. The board of trustees receives a comprehensive monthly financial pack which complies with the requirements of the academies financial handbook. In addition, the board of trustees receives up-to-date information on academic performance, behaviour, safeguarding and attendance.

The board of trustees would normally arrange a full day of self-evaluation and development. Due to the impact and restrictions of Covid-19 this has not been possible. The board of trustees has however continued to meet regularly and, in light of the challenges presented by Covid-19, has moved to an all FGB structure of meetings.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

SANDBACH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 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 2020

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.

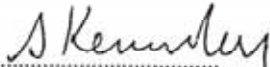
Review of Effectiveness

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 14 December 2020 and signed on its behalf by:



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



.....
S I Burns - Accounting Officer

SANDBACH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019.

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 2019.

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: 14 December 2020

...

SANDBACH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020;
- 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 ESFAD/IE 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 14 December 2020 and signed on its behalf by:


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

SANDBACH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDBACH SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020 which comprise the Statement of Financial Activities, the Consolidated 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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the ESFA.

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.

SANDBACH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDBACH SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the 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. This description forms part of our Report of the Independent Auditors.

SANDBACH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDBACH SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

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 BFP FCA (Senior Statutory Auditor)
for and on behalf of WR Partners
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 7 January 2021

SANDBACH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 8 February 2019 and further to the requirements of the Education Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

SANDBACH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

5. A competitive tendering process is in place for high value purchases
6. Any borrowing is in line with the Funding Agreement.
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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

WR Partners

Reporting Accountant

WR Partners
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: *7 January 2021*

SANDBACH SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £	£	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	8,128	-	2,933,418	2,941,546	2,125,982
Charitable activities:						
- Funding for educational operations	4	3,026	7,107,481	-	7,110,507	6,414,123
Other trading activities	5	204,092	-	-	204,092	291,587
Investments	6	593	-	-	593	848
Total		215,839	7,107,481	2,933,418	10,256,738	8,832,540
Expenditure on:						
Charitable activities:						
- Educational operations	8	235,984	7,356,501	283,843	7,876,328	7,167,491
- Trading						
Total	7	235,984	7,356,501	283,843	7,876,328	7,167,491
Net income/(expenditure)		(20,145)	(249,020)	2,649,575	2,380,410	1,665,049
Transfers between funds	18	-	(182,999)	182,999	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	412,000	-	412,000	(1,221,000)
Net movement in funds		(20,145)	(20,019)	2,832,574	2,792,410	444,049
Reconciliation of funds						
Total funds brought forward		20,154	(2,115,000)	10,598,161	8,503,306	8,059,257
Total funds carried forward		-	(2,135,019)	13,430,735	11,295,716	8,503,306

SANDBACH SCHOOL

COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

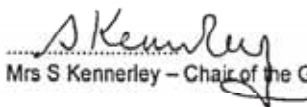
AS AT 31 AUGUST 2019

Comparative year information Year ended 31 August 2019	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	2,055	-	2,123,927	2,125,982
Charitable activities:					
- Funding for educational operations	4	2,586	6,411,537	-	6,414,123
Other trading activities	5	291,587	-	-	291,587
Investments	6	848	-	-	848
Total		<u>297,076</u>	<u>6,411,537</u>	<u>2,123,927</u>	<u>8,832,540</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	280,962	6,607,537	278,992	7,167,491
- Trading					
Total	7	<u>280,962</u>	<u>6,607,537</u>	<u>278,992</u>	<u>7,167,491</u>
Net income/(expenditure)		16,114	(196,000)	1,844,935	1,665,049
Transfers between funds	18	(101,433)	-	101,433	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,221,000)	-	(1,221,000)
Net movement in funds		(85,319)	(1,417,000)	1,946,368	444,049
Reconciliation of funds					
Total funds brought forward		<u>105,464</u>	<u>(698,000)</u>	<u>8,651,793</u>	<u>8,059,257</u>
Total funds carried forward		<u>20,145</u>	<u>(2,115,000)</u>	<u>10,598,161</u>	<u>8,503,306</u>

SANDBACH SCHOOL
COMPANY BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12	12,911,383		10,640,212	
Investments	13		1		1
			<u>12,911,384</u>		<u>10,640,213</u>
Current assets					
Debtors	14	295,511		295,145	
Cash at bank and in hand		1,418,568		685,046	
			<u>1,714,079</u>		<u>980,191</u>
Current liabilities					
Creditors: amounts falling due within one year	15	(906,724)		(615,003)	
Net current assets			<u>807,355</u>		<u>365,188</u>
Total assets less current liabilities			<u>13,718,739</u>		<u>11,005,401</u>
Creditors: amounts falling due after more than one year	16		(346,023)		(387,095)
Net assets before defined benefit pension scheme liability			<u>13,372,716</u>		<u>10,618,306</u>
Defined benefit pension scheme liability	20		(2,077,000)		(2,115,000)
Total net assets			<u>11,295,716</u>		<u>8,503,306</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			13,430,735		10,598,161
- Restricted income funds			(58,019)		-
- Pension reserve			(2,077,000)		(2,115,000)
Total restricted funds			<u>11,295,716</u>		<u>8,483,161</u>
Unrestricted income funds	18		-		20,145
Total funds			<u>11,295,716</u>		<u>8,503,306</u>

The accounts on pages 18 to 40 were approved by the trustees and authorised for issue on 14 December 2020 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 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		12,911,383		10,640,212
Current assets					
Debtors	14	264,001		205,888	
Cash at bank and in hand		1,450,079		774,304	
		<u>1,714,080</u>		<u>980,192</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	<u>(906,724)</u>		<u>(615,003)</u>	
Net current assets			<u>807,356</u>		<u>365,189</u>
Total assets less current liabilities			<u>13,718,739</u>		<u>11,005,401</u>
Creditors: amounts falling due after more than one year	16		<u>(346,023)</u>		<u>(387,095)</u>
Net assets before defined benefit pension scheme liability			<u>13,372,716</u>		<u>10,618,306</u>
Defined benefit pension scheme liability	20		<u>(2,077,000)</u>		<u>(2,115,000)</u>
Total net assets			<u>11,295,716</u>		<u>8,503,306</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			13,430,735		10,598,161
- Restricted income funds			(58,019)		-
- Pension reserve			<u>(2,077,000)</u>		<u>(2,115,000)</u>
Total restricted funds			<u>11,295,716</u>		<u>8,483,161</u>
Unrestricted income funds	18		-		<u>20,145</u>
Total funds			<u>11,295,716</u>		<u>8,503,306</u>

The accounts on pages 18 to 40 were approved by the trustees and authorised for issue on 14 December 2020 and are signed on their behalf by:


 Mrs S Kennerley – Chair of the Governors

SANDBACH SCHOOL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21		364,462		21,000
Cash flows from investing activities					
Dividends, interest and rents from investments		593		848	
Capital grants from DfE Group		2,933,418		2,103,927	
Capital funding received from sponsors and others		-		20,000	
Purchase of tangible fixed assets		(2,555,014)		(2,519,818)	
Net cash (used in)/provided by investing activities			378,997		(395,043)
Cash flows from financing activities					
Repayment of long term bank loan		(67,684)		(101,433)	
Net cash (used in)/provided by financing activities			(67,684)		(101,433)
Net (decrease)/increase in cash and cash equivalents in the reporting period			675,775		(475,476)
Cash and cash equivalents at beginning of the year			774,304		1,249,780
Cash and cash equivalents at end of the year			<u>1,450,079</u>		<u>774,304</u>

SANDBACH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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 2020

Accounting Policies (Continued)

Donations

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

Other income

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

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.

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 2020

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 or 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 2020

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 2020

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.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 £	Total 2019 £
Capital grants	-	2,933,418	2,933,418	2,123,927
Other donations	8,128	-	8,128	2,055
	<u>8,128</u>	<u>2,933,418</u>	<u>2,941,546</u>	<u>2,125,982</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,304,959	6,304,959	5,949,714
Other DfE group grants	-	609,000	609,000	282,813
	<u>-</u>	<u>6,913,959</u>	<u>6,913,959</u>	<u>6,232,527</u>
Other government grants				
Local authority grants	-	168,203	168,203	179,010
Exceptional government funding				
Covid exceptional support	-	16,529	16,529	-
Covid Job Retention Scheme funding	-	8,790	8,790	-
	<u>-</u>	<u>25,319</u>	<u>25,319</u>	<u>-</u>
Other funding				
Other incoming resources	3,026	-	3,026	2,586
	<u>3,026</u>	<u>-</u>	<u>3,026</u>	<u>2,586</u>
Total funding	<u>3,026</u>	<u>7,107,481</u>	<u>7,110,507</u>	<u>6,414,123</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support costs relates to cleaning, free school meals and other relevant costs. These costs are included in note 7 below.
- The academy furloughed some of the link staff under the government's CJRS. The funding received of £8,790 relates to staff costs in respect of 11 staff which are included in note 9 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	88,185	-	88,185	165,397
Teacher training income	9,305	-	9,305	10,801
Other income	106,602	-	115,389	115,389
	<u>204,092</u>	<u>-</u>	<u>204,092</u>	<u>291,587</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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:

	31/8/20	31/8/19
	£	£
Turnover	85,935	162,297
Cost of sales	(55,277)	(58,662)
Administrative expenses	(1,522)	(3,008)
Interest receivable and similar income	<u>37</u>	<u>38</u>
Net profit	29,173	100,665
Amount gift aided to the charity	<u>(29,173)</u>	<u>(100,665)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>
 The assets and liabilities of the subsidiary were:		
	31/8/20	31/8/19
	£	£
Current assets	33,234	103,599
Total liabilities	<u>(33,233)</u>	<u>(103,598)</u>
Net assets	<u>1</u>	<u>1</u>
Capital and reserves	<u>1</u>	<u>1</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6	Investment income	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
	Short term deposits	593	-	593	848
		<u>593</u>	<u>-</u>	<u>593</u>	<u>848</u>

7	Expenditure	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2020 £	Total 2019 £
	Academy's educational operations					
	- Direct costs	5,515,258	263,500	325,308	6,104,066	5,577,533
	- Allocated support costs	830,715	421,874	519,673	1,772,262	1,589,958
		<u>6,345,973</u>	<u>685,374</u>	<u>844,981</u>	<u>7,876,328</u>	<u>7,167,491</u>

Net income/(expenditure) for the year includes:		2020 £	2019 £
	Fees payable to auditor for:		
	- Audit	10,500	10,125
	- Other services	4,163	7,763
	Operating lease rentals	20,208	24,140
	Depreciation of tangible fixed assets	283,843	278,992
	Net interest on defined benefit pension liability	41,000	21,000
		<u>41,000</u>	<u>21,000</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	179,185	5,924,881	6,104,066	5,577,533
Support costs				
Educational operations	-	1,715,463	1,715,463	1,528,288
Hire of facilities	56,799	-	56,799	61,670
	<u>235,984</u>	<u>7,640,344</u>	<u>7,876,328</u>	<u>7,167,491</u>
Analysis of costs			2020	2019
			£	£
Direct costs				
Teaching and educational support staff costs			5,515,258	4,963,865
Staff development			14,957	5,198
Depreciation			263,500	259,000
Technology costs			91,873	72,258
Educational supplies and services			132,683	164,063
Examination fees			85,795	113,149
			<u>6,104,066</u>	<u>5,577,533</u>
Support costs				
Support staff costs			832,215	718,010
Depreciation			20,343	19,992
Technology costs			102,272	65,964
Maintenance of premises and equipment			106,279	113,265
Cleaning			28,824	35,254
Energy costs			135,917	151,939
Rent, rates and other occupancy costs			90,831	71,225
Insurance			24,138	25,580
Security and transport			58,855	72,905
Catering			30,183	44,511
Finance costs			41,000	21,000
Legal costs			16,508	8,136
Other support costs			214,935	169,044
Governance costs			13,163	11,463
			<u>1,715,463</u>	<u>1,528,288</u>

SANDBACH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****9 Staff****Staff costs**

Staff costs during the year were:

	2020	2019
	£	£
Wages and salaries	4,500,205	4,262,277
Social security costs	431,738	412,877
Pension costs	1,273,310	866,888
	<hr/>	<hr/>
Amounts paid to employees	6,205,253	5,542,042
Agency staff costs	140,720	136,843
Staff restructuring costs	-	-
	<hr/>	<hr/>
Amounts paid to staff	6,345,973	5,678,885
Staff development and other staff costs	16,457	8,188
	<hr/>	<hr/>
Total staff expenditure	6,362,430	5,687,073

Staff numbers

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

	2020	2019
	Number	Number
Teachers	112	107
Administration and support	43	42
Management	8	8
	<hr/>	<hr/>
	163	157

Higher paid staff

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

	2020	2019
	Number	Number
£60,001 - £70,000	3	3
£100,001- £110,000	1	1
	<hr/>	<hr/>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff (continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £411,894 (2019: £386,774).

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 £105,000 - £110,000 (2019: £100,000 - £105,000)

Employer's pension contributions paid £20,000 - £25,000 (2019: £15,000 - £20,000)

S Dodds (deputy head and trustee):

Remuneration £65,000 - £70,000 (2019: £65,000 - £70,000)

Employer's pension contributions paid £15,000 - £20,000 (2019: £10,000 - £15,000)

D Evans (teacher and trustee – Pro rata resigned 5 November 2018, reappointed 9 December 2019):

Remuneration £45,000 - £50,000 (2019: £45,000 - £50,000)

Employer's pension contributions paid £10,000 - £15,000 (2019: £5,000 - £10,000)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

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 2020

12 Tangible fixed assets

Group & Charitable Company	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2019	10,921,692	570,885	483,614	1,296,437	6,768	13,279,396
Additions	<u>220,615</u>	<u>2,307,978</u>	<u>12,349</u>	<u>13,322</u>	<u>750</u>	<u>2,555,014</u>
At 31 August 2020	<u>11,142,307</u>	<u>2,878,863</u>	<u>495,963</u>	<u>1,309,759</u>	<u>7,518</u>	<u>15,834,410</u>
Depreciation						
At 1 September 2019	1,593,971	-	466,405	572,040	6,768	2,639,184
Charge for the year	<u>195,405</u>	<u>-</u>	<u>6,343</u>	<u>82,082</u>	<u>13</u>	<u>283,843</u>
At 31 August 2020	<u>1,789,376</u>	<u>-</u>	<u>472,748</u>	<u>654,122</u>	<u>6,781</u>	<u>2,923,027</u>
Net book value						
At 31 August 2020	<u>9,352,931</u>	<u>2,878,863</u>	<u>23,215</u>	<u>655,637</u>	<u>737</u>	<u>12,911,383</u>
At 31 August 2019	<u>9,327,721</u>	<u>570,885</u>	<u>17,209</u>	<u>724,397</u>	<u>-</u>	<u>10,640,212</u>

Included in cost or valuation of land and buildings is freehold land of £1,370,000 (2019 - £1,370,000) which is not depreciated.

13 Fixed asset investments

Sandbach School Developments Ltd
Nature of business: Hire of school sporting facilities

Class of share:	% holding	31/8/20	31/8/19
Ordinary	100	£	£
Aggregate capital and reserves		1	1

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors: Amounts falling due within one year

	Group 31/8/20	Group 31/8/19	Charity 31/8/20	Charity 31/8/19
	£	£	£	£
Amounts owed by group undertakings	-	-	33,233	103,598
Other debtors	156,939	115,783	155,216	101,442
Prepayments & accrued income	107,062	90,105	107,062	90,105
	<u>264,001</u>	<u>205,888</u>	<u>295,511</u>	<u>295,145</u>

15. Creditors: Amounts falling due within one year

	Group 31/8/20	Group 31/8/19	Charity 31/8/20	Charity 31/8/19
	£	£	£	£
Government loans	43,674	70,285	43,674	70,285
Other loans	21,958	21,959	21,958	21,959
Trade creditors	378,189	123,855	378,189	123,855
Other taxation and social security	109,301	103,558	109,301	103,558
Other creditors	127,489	89,463	127,489	89,463
Accruals and deferred income	226,113	205,883	226,113	205,883
	<u>906,724</u>	<u>615,003</u>	<u>906,724</u>	<u>615,003</u>

Deferred Income

	2020 £
Deferred income at 1 September 2019	31,439
Resources deferred in the year	27,093
Amounts released from previous years	<u>(31,439)</u>
Deferred income at 31 August 2020	<u>27,093</u>

The principal element of deferred income is £26,781 in respect of capital funding.

SANDBACH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020**

16. Creditors: amounts falling due after more than one year	2020	2019
	£	£
Government loans	305,447	328,086
Other loans	40,576	59,009
	<u>346,023</u>	<u>387,095</u>
Analysis of loans		
Wholly repayable within five years	411,655	479,339
Less: included in current liabilities	(65,632)	(92,244)
	<u>346,023</u>	<u>387,095</u>
Loan maturity		
Debt due in one year or less	65,632	92,244
Due in more than one year but not more than two years	111,482	94,058
Due in more than two years but not more than five years	234,541	293,037
	<u>411,655</u>	<u>479,339</u>

The loan balance comprises £349,121 from the ESFA received for the purpose of refinancing existing borrowing. The rate of interest is 2.55% over the 10 year term. The other loans are Salix loans totalling £62,534.

SANDBACH SCHOOL
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 AUGUST 2020

17 Commitments under operating leases

Operating leases

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

	Other operating leases	
	31/8/20 £	31/8/19 £
Within one year	54,414	51,814
Between one and five years	939,654	76,215
	<u>994,069</u>	<u>128,393</u>

18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	6,304,959	(6,196,508)	(182,999)	(74,548)
Other DfE / ESFA grants	-	609,000	(592,471)	-	16,529
Other government grants	-	193,522	(193,522)	-	-
Pension reserve	(2,115,000)	-	(374,000)	412,000	(2,077,000)
	<u>(2,115,000)</u>	<u>7,107,481</u>	<u>(7,356,501)</u>	<u>229,001</u>	<u>(2,135,019)</u>
Restricted fixed asset funds					
DfE group capital grants	10,598,161	2,933,418	(283,843)	182,999	13,430,735
	<u>10,598,161</u>	<u>2,933,418</u>	<u>(283,843)</u>	<u>182,999</u>	<u>13,430,735</u>
Total restricted funds	<u>8,483,161</u>	<u>10,040,899</u>	<u>(7,640,344)</u>	<u>412,000</u>	<u>11,295,716</u>
Unrestricted funds					
General funds	20,145	215,839	(235,984)	-	-
	<u>20,145</u>	<u>215,839</u>	<u>(235,984)</u>	<u>-</u>	<u>-</u>
Total funds	<u>8,503,306</u>	<u>10,256,738</u>	<u>(7,876,328)</u>	<u>412,000</u>	<u>11,295,716</u>

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

Transfers between funds

During the year the following transfers between funds have taken place.

£182,999 (2019: £101,433) has been transferred from the revenue funds to capital funds to meet the loan repayments on the ESFA and Salix loans and capital expenditure in excess of capital grants received.

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds (continued)

Nature of material funds

General fund

Represents amounts derived from the trading activity of the school, from fees receivable from adult education, investment income and donations.

General Annual Grant

This represents the balance remaining from core funding provided by the ESFA for the school's core educational activities.

Pension Reserve

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the report of the actuary produced as at 31st August 2020.

Fixed Asset Restricted Funds

This represents the value of fixed assets purchased from specific capital grants. The assets underlying the fund are the school's furniture, fixtures & fittings and computer equipment, and any capital cash carried forward, less the outstanding loan balances.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
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>
Restricted fixed asset funds					
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>
Total restricted funds	<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>
Unrestricted funds					
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>
Total funds	<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>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	12,911,383	12,811,383
Current assets	-	440,772	1,273,308	1,714,080
Creditors falling due within one year	-	(498,791)	(407,933)	(906,724)
Creditors falling due after one year	-	-	(346,023)	(346,023)
Defined benefit pension liability	-	(2,077,000)	-	(2,077,000)
Total net assets	-	(2,135,019)	13,430,735	11,295,716

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

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
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)
Total net assets	20,145	(2,115,000)	10,598,161	8,503,306

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £109,687 were payable to the schemes at 31 August 2020 (2019: £88,222) 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation based on April 2016 data has resulted in an increase of the employer contribution rate from 16.48% to 23.68% payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £737,875 (2019: £501,418).

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 25.3% 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	2020	2019
	£	£
Employer's contributions	218,000	217,000
Employees' contributions	67,000	61,000
Total contributions	285,000	278,000

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.90	2.60
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.20	2.30
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:

	2020 Years	2019 Years
Retiring today		
- Males	21.2	22.3
- Females	23.6	24.5
Retiring in 20 years		
- Males	21.9	23.9
- Females	25.0	26.5

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

	2020 £000	2019 £000
Discount rate + 0.1%	(212)	(213)
Discount rate - 0.1%	212	213
Mortality assumption + 1 year	341	325
Mortality assumption - 1 year	(341)	(325)
CPI rate + 0.1%	195	175
CPI rate - 0.1%	(195)	(175)

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

	2020 Fair value £	2019 Fair value £
Equities	2,904,000	2,581,000
Bonds	2,646,000	2,821,000
Property	645,000	480,000
Other assets	259,000	121,000
Total market value of assets	6,454,000	6,003,000

The actual return on scheme assets was £290,000 (2019: £517,000).

SANDBACH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****20 Pension and similar obligations**

Amount recognised in the Statement of Financial Activities	2020	2019
	£	£
Current service cost	551,000	368,000
Past service cost	-	24,000
Interest income	(110,000)	(151,000)
Interest cost	151,000	172,000
Total operating charge	592,000	413,000

Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	8,118,000	5,993,000
Current service cost	551,000	368,000
Interest cost	151,000	172,000
Employee contributions	67,000	61,000
Actuarial (gain)/loss	(254,000)	1,587,000
Benefits paid	(102,000)	(87,000)
Past service cost	-	24,000
At 31 August 2020	8,531,000	8,118,000

Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	6,003,000	5,295,000
Interest income	110,000	151,000
Actuarial gain	158,000	366,000
Employer contributions	218,000	217,000
Employee contributions	67,000	61,000
Benefits paid	(102,000)	(87,000)
At 31 August 2020	6,454,000	6,003,000

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Reconciliation of net income to net cash flow from operating activities	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	2,380,410	1,665,049
Adjusted for:		
Capital grants from DfE and other capital income	(2,933,418)	(2,123,927)
Investment income receivable	(593)	(848)
Defined benefit pension costs less contributions payable	333,000	175,000
Defined benefit pension scheme finance cost	41,000	21,000
Depreciation of tangible fixed assets	283,843	278,992
(Increase)/decrease in debtors	(68,113)	(24,533)
Increase/(decrease) in creditors	318,333	30,267
Net cash provided by operating activities	364,462	21,000

22 Analysis of changes in net funds	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	774,304	675,775	1,450,079
Loans falling due within one year	(92,244)	26,612	(65,632)
Loans falling due after more than one year	(387,095)	41,072	(346,023)
	294,965	743,459	1,038,424

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 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 in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 £78,026 (2019: £90,605) were made to Love Music Trust. No amounts were outstanding at 31 August 2020 (2019 £Nil).

Mr S Davies is a governor of the academy and has close family members employed as teachers in the school. In the year to 31 August 2020 they received remuneration in line with the normal teachers' pay scale.

Mr D Evans is a governor of the academy. In the year to 31 August 2020 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 £1,160 (2019: £1,630) were paid to CHTSF for membership fees and training. No amounts were outstanding at 31 August 2020 (2019 £Nil).

24 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.

25 Capital commitments

At 31 August 2020 the company capital expenditure contracted for but not provided in the accounts of £1,300,000 (2019: £3,820,000).