

REGISTERED COMPANY NUMBER: 06486255 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE TRUSTEES AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2021
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 2021**

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SANDBACH SCHOOL

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

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 (Resigned 07/02/21)
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
C Bulman
S C Dodds
D A Evans

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
D Evans – Assistant Head

REGISTERED OFFICE

Sandbach School
Crewe Road
Sandbach
Cheshire
CW11 3NS

SANDBACH SCHOOL

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

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 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. 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 2020 there were 1,412 students on roll (1,168 Main School, 244 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 2021

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 2021

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 5 Assistant Head Teachers. Lead by the Head Teacher, this group is responsible for the strategic and operational day to day running of the school and delivery of education to the students. The Headteacher attends all Governing Body meetings and provide reports directly to Governors at these meetings and throughout the year.

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

SANDBACH SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

Arrangements for setting pay and remuneration of key management personnel

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

Trade Union Facility Time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent of facility time

Provide the total cost of facility time	£1,940
Provide the total pay bill	£6,750,143
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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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

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 2020/21 have been summarised within the four priorities listed below.

1. Quality of Education – ensuring an ambitious, well sequenced and planned curriculum which enables all groups of learners to achieve well and succeed in life.

2. Behaviour & Attitudes – ensuring that high expectations, coupled with a consistent and fair approach to behaviour and conduct permeates the school community developing positive relationships which are underpinned by mutual respect.

3. Personal Development – ensuring that the broader curriculum supports learners to develop their character, keep physically and mentally well and prepare them to take their place in modern Britain.

4. Leadership and Management – ensuring that leaders are unequivocal in their drive to safeguard students, provide for staff development and well-being and to maintain strong community links.

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.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

Achievement and Performance

Academic Performance for 2020/21

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

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

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 seasons in 2020 and 2021 were cancelled and replaced by Teacher Assessed Grades. Exam and assessment results for these years were not published as performance measures as they are not comparable with previous examination results.

Teacher Assessed Grades indicate that relative academic performance has been maintained or improved.

Going Concern

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

The Trustees are considering the possibility of the school joining an existing multi academy trust or forming a new multi academy trust with a number of other local schools. The school is currently undertaking due diligence procedures in respect of this. If the process is completed within the next 12 months the school would transfer to the new entity as a going concern. The Trustees have considered the effect of this on the balance sheet of Sandbach school as at 31 August 2021, with the conclusion that no adjustments to the carrying value of the assets and liabilities is required.

FINANCIAL REVIEW

Financial position

During the year ending 31 August 2021, the total expenditure excluding actuarial pension adjustments and depreciation was £7,773,288 (2020: £7,218,485). This expenditure was largely met by recurrent grant funding from the ESFA and the local authority as well as self-generated incoming resources. The surplus for the year on revenue funds was £86,761. This was after the academy incurred exceptional costs related to the Covid-19 pandemic in excess of £30k. In addition, the school estimates that it has lost revenue during the year in excess of £100k as a result of the ongoing pandemic.

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. £63,848 was received in relation to exceptional costs incurred (including exceptional costs included in the prior year). The academy also furloughed some of its leisure staff under the governments

SANDBACH SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

CJRS. The funding received of £22,316 relates to 11 staff. These costs are included within staff costs. The academy has furloughed staff during the current year under the CJRS.

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

The major source of funding for the academy is the Education and Skills Funding Agency in the form of recurrent grants provided for the delivery of education. For the year ended 31 August 2021 non-capital income received from the ESFA totalled £7,651,391 (2020: £6,913,959) and capital funding received was £937,235 (2020: £2,933,418). The academy also received £371,859 (2020: £168,203) funding from the Local Authority.

The academy generated £74,789 (2020: £85,934) of income from the provision of services for sport and room hire to the local and surrounding communities. Income generation was again adversely impacted by the ongoing Covid-19 pandemic.

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 £937,235 with associated capital expenditure of £2,223,247. 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 generated a revenue surplus for the year of £86,761 after transfers of £549,126 from revenue to capital. The academy has a carry forward surplus on revenue funds in the sum of £28,742.

The Trustees are working towards maintaining surplus revenue funds by careful monitoring of costs against budgets and the implementation of cost saving measures. At 31 August 2021 the local government pension deficit was £3,474,000 (2020: £2,077,000) and the fixed asset restricted funds were £14,632,871 (2020: £13,430,735).

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 2021, 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. In addition, discussions with the ESFA and HM Treasury remain ongoing in relation to the schools outstanding disputed CiF loan.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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 6 December 2021 and signed on the board's behalf by:


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

SANDBACH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 12 times during the year. During 2020/21 all meetings were conducted as full trustees meetings and therefore included all matters normally delegated to the Business & Resources subcommittee.

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

Governor	Meetings Attended	Out of a possible (where less than 12– due to a member leaving or joining during the year)
S Brotherston	10	12
C Bulman	12	12
S Burns	12	12
J Cargill	10	12
J Cowell	11	12
S Davies	12	12
S Dodds	9	12
R England	9	12
D Evans	10	12
S Kennerley	11	12
C Longden	12	12
G Merry	10	12
A Mitchell	10	12
C Reel	2	6
M Roberts	1	12
P Sherratt	11	12
D Surry	11	12
J Wells	9	12

SANDBACH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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, 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.

During the year the school was required to pay exam board fees despite the cancellation of the summer exam season. HM Treasury has granted consent for such payments to be made.

As a consequence of the on-going Covid-19 pandemic the schools catering provider terminated its contract with the school during 2020/21 and a number of catering staff subsequently transferred to the school pursuant to the Transfer of Undertakings (Protection of Employment) Regulations. As a result of the termination the school was required to repay a proportion of the catering contractors initial capital investment in the school kitchen/dining facilities.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

SANDBACH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 have been no material control issues identified arising from the RO's work.

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

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

SANDBACH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 6 December 2021 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 2021

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 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



.....
S I Burns - Accounting Officer

Date: 6 December 2021

...

SANDBACH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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

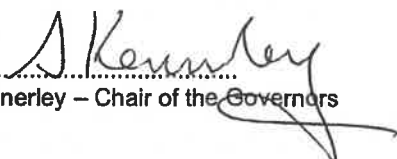
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 6 December 2021 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 2021

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 2021 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2020 to 2021 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 2021

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.

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the group is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

SANDBACH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDBACH SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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: 16.12.21

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 2021

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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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 2021

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

WR Partners
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 16.12.21

SANDBACH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	2,833	-	943,532	946,365	2,941,546
Charitable activities:						
- Funding for educational operations	4	-	8,023,250	-	8,023,250	7,110,507
Other trading activities	5	382,967	-	-	382,967	204,092
Investments	6	125	-	-	125	593
Total		385,925	8,023,250	943,532	9,352,707	10,256,738
Expenditure on:						
Charitable activities:						
- Educational operations	8	357,183	7,772,105	290,522	8,419,810	7,876,328
Total	7	357,183	7,772,105	290,522	8,419,810	7,876,328
Net income/(expenditure)		28,742	251,145	653,010	932,897	2,380,410
Transfers between funds	18	-	(549,126)	549,126	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,041,000)	-	(1,041,000)	412,000
Net movement in funds		28,742	(1,338,981)	1,202,136	(108,103)	2,792,410
Reconciliation of funds						
Total funds brought forward		-	(2,135,019)	13,430,735	11,295,716	8,503,306
Total funds carried forward		28,742	(3,474,000)	14,632,871	11,187,613	11,295,716

SANDBACH SCHOOL

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

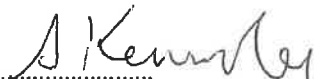
AS AT 31 AUGUST 2020

Comparative year information Year ended 31 August 2020	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	8,128	-	2,933,418	2,941,546
Charitable activities:					
- Funding for educational operations	4	3,026	7,107,481	-	7,110,507
Other trading activities	5	204,092	-	-	204,092
Investments	6	593	-	-	593
Total		<u>215,839</u>	<u>7,107,481</u>	<u>2,933,418</u>	<u>10,256,738</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8				
- Trading		<u>235,984</u>	<u>7,356,501</u>	<u>283,843</u>	<u>7,876,328</u>
Total	7	<u>235,984</u>	<u>7,356,501</u>	<u>283,843</u>	<u>7,876,328</u>
Net income/(expenditure)		(20,145)	(249,020)	2,649,575	2,380,410
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
Net movement in funds		(20,145)	(20,019)	2,832,574	2,792,410
Reconciliation of funds					
Total funds brought forward		<u>20,154</u>	<u>(2,115,000)</u>	<u>(10,598,161)</u>	<u>8,503,306</u>
Total funds carried forward		<u>-</u>	<u>(2,135,019)</u>	<u>13,430,735</u>	<u>11,295,716</u>

SANDBACH SCHOOL
COMPANY BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		14,844,108		12,911,383
Investments	13		1		1
			<u>14,844,109</u>		<u>12,911,384</u>
Current assets					
Debtors	14	317,313		295,511	
Cash at bank and in hand		780,200		1,418,568	
		<u>1,097,513</u>		<u>1,714,079</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(979,726)		(906,724)	
Net current assets			<u>117,787</u>		<u>807,355</u>
Total assets less current liabilities			<u>14,961,896</u>		<u>13,718,739</u>
Creditors: amounts falling due after more than one year	16		(289,039)		(346,023)
Net assets before defined benefit pension scheme liability			<u>14,672,857</u>		<u>13,372,716</u>
Defined benefit pension scheme liability	20		(3,474,000)		(2,077,000)
Total net assets			<u>11,198,857</u>		<u>11,295,716</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			14,632,871		13,430,735
- Restricted income funds			-		(58,019)
- Pension reserve	o		(3,474,000)		(2,077,000)
Total restricted funds			<u>11,158,871</u>		<u>11,295,716</u>
Unrestricted income funds	18		39,986		-
Total funds			<u>11,198,857</u>		<u>11,295,716</u>

The accounts on pages 18 to 40 were approved by the trustees and authorised for issue on 6 December 2021 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 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		14,844,108		12,911,383
Current assets					
Debtors	14	267,288		264,001	
Cash at bank and in hand		818,982		1,450,079	
		1,086,270		1,714,080	
Current liabilities					
Creditors: amounts falling due within one year	15	(979,726)		(906,724)	
Net current assets			106,544		807,356
Total assets less current liabilities			14,950,652		13,718,739
Creditors: amounts falling due after more than one year	16		(289,039)		(346,023)
Net assets before defined benefit pension scheme liability			14,661,613		13,372,716
Defined benefit pension scheme liability	20		(3,474,000)		(2,077,000)
Total net assets			11,187,613		11,295,716
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			14,632,871		13,430,735
- Restricted income funds			-		(58,019)
- Pension reserve			(3,474,000)		(2,077,000)
Total restricted funds			11,158,871		11,295,716
Unrestricted Income funds	18		28,742		-
Total funds			11,187,613		11,295,716

The accounts on pages 18 to 40 were approved by the trustees and authorised for issue on 6 December 2021 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 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21		675,671		364,462
Cash flows from investing activities					
Dividends, interest and rents from investments		125		593	
Capital grants from DfE Group		937,235		2,933,418	
Capital funding received from sponsors and others		6,297		-	
Purchase of tangible fixed assets		(2,223,247)		(2,555,014)	
Net cash (used in)/provided by investing activities			(1,279,590)		378,997
Cash flows from financing activities					
Repayment of long term bank loan		(27,178)		(67,684)	
Net cash (used in)/provided by financing activities			(27,178)		(67,684)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(631,097)		675,775
Cash and cash equivalents at beginning of the year			1,450,079		774,304
Cash and cash equivalents at end of the year			818,982		1,450,079

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting Policies

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

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 2020 to 2021 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 2021

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 2021

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 2021

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 2021

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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	937,235	937,235	2,933,418
Other donations	2,833	6,297	9,130	8,128
	<u>2,833</u>	<u>943,532</u>	<u>946,365</u>	<u>2,941,546</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,948,709	6,948,709	6,304,959
Pupil Premium	-	208,548	208,548	150,403
Other DfE group grants	-	337,166	337,166	458,597
	-	7,494,423	7,494,423	6,913,959
Other government grants				
Local authority grants	-	349,543	349,543	184,732
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	93,120	93,120	-
Other DfE/ESFA COVID-19 funding	-	63,848	63,848	-
COVID-19 additional funding (non-DfE/ESFA)				
Covid Job Retention Scheme funding	-	22,316	22,316	8,790
Other funding				
Other incoming resources	-	-	-	3,026
Total funding	-	8,023,250	8,023,250	7,110,507

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The academy furloughed some of the link staff under the government's CJRS. The funding received of £22,316 relates to staff costs in respect of 12 staff which are included in note 9 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	77,789	-	77,789	88,185
Catering income	59,880	-	59,880	-
Teacher training income	1,918	-	1,918	9,305
Other income	243,380	-	243,380	115,389
	382,967	-	382,967	204,092

SANDBACH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021**

5 Other trading activities (continued)

The wholly owned trading subsidiary; Sandbach School Developments Limited, which is incorporated in England and Wales. 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:

	31/8/21	31/8/20
	£	£
Turnover	74,789	85,935
Cost of sales	(84,772)	(55,277)
Administrative expenses	(1,263)	(1,522)
Interest receivable and similar income	<u>2</u>	<u>37</u>
Net profit/(loss)	(11,244)	29,173
Amount gift aided to the charity	<u>-</u>	<u>(29,173)</u>
Retained in subsidiary	<u>(11,244)</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
	31/8/21	31/8/20
	£	£
Current assets	49,559	33,234
Total liabilities	<u>(60,802)</u>	<u>(33,233)</u>
Net assets	<u>(11,243)</u>	<u>1</u>
Capital and reserves		
Called up share capital	1	1
Profit and loss reserves	<u>(11,244)</u>	<u>-</u>
	<u>(11,243)</u>	<u>1</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6	Investment income		Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
	Short term deposits		125	-	125	593
			<u>123</u>	<u>-</u>	<u>123</u>	<u>593</u>
7	Expenditure			Non Pay Expenditure	Total 2021 £	Total 2020 £
		Staff costs £	Premises £	Other £		
	Academy's educational operations					
	- Direct costs	5,817,068	270,000	395,493	6,279,091	6,104,066
	- Allocated support costs	933,075	499,518	504,656	2,140,719	1,772,262
		<u>6,750,143</u>	<u>769,518</u>	<u>900,149</u>	<u>8,419,810</u>	<u>7,876,328</u>
	Net income/(expenditure) for the year includes:				2021 £	2020 £
	Fees payable to auditor for:					
	- Audit				10,500	10,500
	- Other services				2,383	4,163
	Operating lease rentals				80,691	20,208
	Depreciation of tangible fixed assets				290,522	283,843
	Net interest on defined benefit pension liability				38,000	41,000

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	271,148	6,211,413	6,482,561	6,104,066
Support costs				
Educational operations	-	1,851,214	1,851,214	1,715,463
Hire of facilities	-	86,035	86,035	56,799
	<u>271,148</u>	<u>8,148,662</u>	<u>8,419,810</u>	<u>7,876,328</u>

Analysis of costs

	2021 £	2020 £
Direct costs		
Teaching and educational support staff costs	5,817,068	5,515,258
Staff development	11,887	14,957
Depreciation	270,000	263,500
Technology costs	92,256	91,873
Educational supplies and services	134,177	119,413
Examination fees	124,055	85,795
Other direct costs	33,118	13,270
	<u>6,482,561</u>	<u>6,104,066</u>
Support costs		
Support staff costs	933,075	832,215
Depreciation	20,522	20,343
Technology costs	58,977	102,272
Maintenance of premises and equipment	196,526	106,279
Cleaning	30,974	28,824
Energy costs	143,227	135,917
Rent, rates and other occupancy costs	69,350	90,831
Insurance	25,470	24,138
Security and transport	52,777	58,855
Catering	83,762	30,183
Finance costs	38,000	41,000
Legal costs	8,095	16,508
Other support costs	177,576	214,935
Governance costs	12,883	13,163
	<u>1,851,214</u>	<u>1,715,463</u>

SANDBACH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021****9 Staff****Staff costs**

Staff costs during the year were:

	2021	2020
	£	£
Wages and salaries	4,879,370	4,500,205
Social security costs	482,811	431,738
Pension costs	1,331,830	1,273,310
Amounts paid to employees	6,694,011	6,205,253
Agency staff costs	56,132	140,720
Amounts paid to staff	6,750,143	6,345,973
Staff development and other staff costs	16,439	16,457
Total staff expenditure	6,766,582	6,362,430

Staff numbers

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

	2021	2020
	Number	Number
Teachers	115	112
Administration and support	45	43
Management	8	8
	168	163

Higher paid staff

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

	2021	2020
	Number	Number
£60,001 - £70,000	2	3
£70,001 - £80,000	2	-
£100,001- £110,000	1	1

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 £426,656 (2020: £411,894).

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 (2020: £105,000 - £110,000)

Employer's pension contributions paid £25,000 - £30,000 (2020: £20,000 - £25,000)

S Dodds (deputy head and trustee):

Remuneration £70,000 - £75,000 (2020: £65,000 - £70,000)

Employer's pension contributions paid £15,000 - £20,000 (2020: £15,000 - £20,000)

D Evans (teacher and trustee):

Remuneration £50,000 - £55,000 (2020: £45,000 - £50,000)

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

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

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 2021

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 2020	11,142,307	2,878,863	495,963	1,309,759	7,518	15,834,410
Additions	543,584	1,557,004	55,292	67,367	-	2,223,247
Disposals	(569,610)	-	-	-	-	(569,610)
At 31 August 2021	<u>11,116,281</u>	<u>4,435,867</u>	<u>551,255</u>	<u>1,377,126</u>	<u>7,518</u>	<u>17,488,047</u>
Depreciation						
At 1 September 2020	1,789,376	-	472,748	654,122	6,781	2,923,027
Charge for the year	206,327	-	9,468	74,715	12	290,522
Disposals	(569,610)	-	-	-	-	(569,610)
At 31 August 2021	<u>1,426,093</u>	<u>-</u>	<u>482,216</u>	<u>728,837</u>	<u>6,793</u>	<u>2,643,939</u>
Net book value						
At 31 August 2021	<u>9,690,188</u>	<u>4,435,867</u>	<u>69,039</u>	<u>648,289</u>	<u>725</u>	<u>14,844,108</u>
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>

Included in cost or valuation of land and buildings is freehold land of £1,370,000 (2020 - £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	31/8/21	31/8/20
Ordinary	100	£	£
Aggregate capital and reserves		(11,243)	1

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Debtors: Amounts falling due within one year

	Group 31/8/21	Group 31/8/20	Charity 31/8/21	Charity 31/8/20
	£	£	£	£
Amounts owed by group undertakings	-	-	60,802	33,233
Other debtors	164,671	156,939	153,894	155,216
Prepayments & accrued income	<u>102,617</u>	<u>107,062</u>	<u>102,617</u>	<u>107,062</u>
	<u>267,288</u>	<u>264,001</u>	<u>317,313</u>	<u>295,511</u>

15. Creditors: Amounts falling due within one year

	Group 31/8/21	Group 31/8/20	Charity 31/8/21	Charity 31/8/20
	£	£	£	£
Government loans	73,479	43,674	73,479	43,674
Other loans	21,959	21,958	21,959	21,958
Trade creditors	318,878	378,189	318,878	378,189
Other taxation and social security	119,049	109,301	119,049	109,301
Other creditors	120,143	127,489	120,143	127,489
Accruals and deferred income	<u>326,218</u>	<u>226,113</u>	<u>326,218</u>	<u>226,113</u>
	<u>979,726</u>	<u>906,724</u>	<u>979,726</u>	<u>906,724</u>

Deferred Income

	2020
	£
Deferred income at 1 September 2020	27,093
Resources deferred in the year	39,952
Amounts released from previous years	<u>(27,093)</u>
Deferred income at 31 August 2021	<u>39,952</u>

The principal element of deferred income is £27,816 in respect of capital funding.

SANDBACH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021**

16. Creditors: amounts falling due after more than one year	2021	2020
	£	£
Government loans	268,892	305,447
Other loans	20,147	40,576
	<u>289,039</u>	<u>346,023</u>
Analysis of loans		
Wholly repayable within five years	384,477	411,655
Less: included in current liabilities	(95,438)	(65,632)
	<u>289,039</u>	<u>346,023</u>
Loan maturity		
Debt due in one year or less	95,438	65,632
Due in more than one year but not more than two years	109,720	111,482
Due in more than two years but not more than five years	179,319	234,541
	<u>384,477</u>	<u>411,655</u>

The loan balance comprises £342,371 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 £42,108.

17. Commitments under operating leases**Operating leases**

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

	31/8/21	31/8/20
	£	£
Within one year	176,452	54,414
Between one and five years	517,255	565,624
	<u>693,707</u>	<u>620,039</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	(74,548)	6,948,709	(6,325,035)	(549,126)	-
Pupil Premium	-	208,548	(208,548)	-	-
Other DfE / ESFA grants	16,529	494,134	(510,663)	-	-
Other government grants	-	371,859	(371,859)	-	-
Pension reserve	(2,077,000)	-	(356,000)	(1,041,000)	(3,474,000)
	<u>(2,135,019)</u>	<u>8,023,250</u>	<u>(7,772,105)</u>	<u>(1,590,126)</u>	<u>(3,474,000)</u>
Restricted fixed asset funds					
DfE group capital grants	13,430,735	937,235	(290,522)	549,126	14,626,574
Private sector capital sponsorship	-	6,297	-	-	6,297
	<u>-</u>	<u>6,297</u>	<u>-</u>	<u>-</u>	<u>6,297</u>
Total restricted funds	<u>11,295,716</u>	<u>8,966,782</u>	<u>(8,062,627)</u>	<u>(1,041,000)</u>	<u>11,158,871</u>
Unrestricted funds					
General funds	-	385,925	(357,183)	-	28,742
	<u>-</u>	<u>385,925</u>	<u>(357,183)</u>	<u>-</u>	<u>28,742</u>
Total funds	<u>11,295,716</u>	<u>9,352,707</u>	<u>(8,419,810)</u>	<u>(1,041,000)</u>	<u>11,187,613</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.

£549,126 (2020: £182,999) 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 2021

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 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>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	14,844,108	14,844,108
Current assets	774,886	-	311,384	1,086,270
Creditors falling due within one year	(746,144)	-	(233,582)	(979,726)
Creditors falling due after one year	-	-	(289,039)	(289,039)
Defined benefit pension liability	-	(3,474,000)	-	(3,474,000)
Total net assets	28,742	(3,474,000)	14,632,871	11,187,613

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

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 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

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 £119,627 were payable to the schemes at 31 August 2021 (2020: £109,687) 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 2021

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 2020.

The employer's pension costs paid to the TPS in the period amounted to £906,279 (2020: £737,875).

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	2021 £	2020 £
Employer's contributions	210,000	218,000
Employees' contributions	71,000	67,000
Total contributions	<u>281,000</u>	<u>285,000</u>

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.60	2.90
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.90	2.20
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:

	2021	2020
	Years	Years
Retiring today		
- Males	21.4	21.2
- Females	24.0	23.6
Retiring in 20 years		
- Males	22.4	21.9
- Females	25.7	25.0

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

	2021	2020
	£000	£000
Discount rate + 0.1%	(267)	(212)
Discount rate - 0.1%	267	212
Mortality assumption + 1 year	439	341
Mortality assumption - 1 year	(439)	(341)
CPI rate + 0.1%	248	195
CPI rate - 0.1%	(248)	(195)

The academy trust's share of the assets in the scheme	2021	2020
	Fair value	Fair value
	£	£
Equities	3,446,780	2,904,000
Bonds	3,147,060	2,646,000
Property	749,300	645,000
Other assets	149,860	259,000
	<u>7,493,000</u>	<u>6,454,000</u>

The actual return on scheme assets was £859,000 (2020: £268,000).

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2021	2020
	£	£
Current service cost	528,000	551,000
Interest income	(111,000)	(110,000)
Interest cost	149,000	151,000
	<u>566,000</u>	<u>592,000</u>

Changes in the present value of defined benefit obligations	2021	2020
	£	£
At 1 September 2019	8,531,000	8,118,000
Current service cost	528,000	551,000
Interest cost	149,000	151,000
Employee contributions	71,000	67,000
Actuarial (gain)/loss	1,789,000	(254,000)
Benefits paid	(101,000)	(102,000)
	<u>10,967,000</u>	<u>8,531,000</u>
At 31 August 2020	10,967,000	8,531,000

Changes in the fair value of the academy trust's share of scheme assets	2021	2020
	£	£
At 1 September 2019	6,454,000	6,003,000
Interest income	111,000	110,000
Actuarial gain	748,000	158,000
Employer contributions	210,000	218,000
Employee contributions	71,000	67,000
Benefits paid	(101,000)	(102,000)
	<u>7,493,000</u>	<u>6,454,000</u>
At 31 August 2020	7,493,000	6,454,000

SANDBACH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2021****21 Reconciliation of net income to net cash flow from operating activities**

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	932,897	2,380,410
Adjusted for:		
Capital grants from DfE and other capital income	(943,532)	(2,933,418)
Investment income receivable	(125)	(593)
Defined benefit pension costs less contributions payable	318,000	333,000
Defined benefit pension scheme finance cost	38,000	41,000
Depreciation of tangible fixed assets	290,522	283,843
(Increase)/decrease in debtors	(30,587)	(58,113)
Increase/(decrease) in creditors	70,766	318,333
Net cash provided by operating activities	675,671	364,462

22 Analysis of changes in net funds

	1 September 2020	Cash flows	31 August 2021
	£	£	£
Cash	1,450,079	(631,097)	818,982
Loans falling due within one year	(65,632)	(29,806)	(95,438)
Loans falling due after more than one year	(346,023)	56,984	(289,039)
	1,006,913	(611,190)	395,723

SANDBACH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 £82,062 (2020: £78,026) were made to Love Music Trust. No amounts were outstanding at 31 August 2021 (2020 £Nil).

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

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

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 £875 (2020: £1,160) were paid to CHTSF for membership fees and training. No amounts were outstanding at 31 August 2021 (2020 £Nil).

M Roberts is a trustee of Sandbach School and a director of Roberts Bakery. Roberts Bakery have supplied the school with bread during the year to the sum of £840. The product has been supplied at or below cost.

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 2021 the company capital expenditure contracted for but not provided in the accounts of £102,926 (2020: £1,300,000).