

Company Registration No. 08922806 (England and Wales)

THE SANDON TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Altrincham
Cheshire
WA14 2UT

THE SANDON TRUST

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THE SANDON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr I Bagnall
Mrs R Beckett (Accounting officer/Principal)
Miss K Dailey
Mr D Blundred
Miss L Gulley (appointed 08.07.2021)
Mr P Harbron
Mrs A Gill
Mrs K Brown
Mrs M Swift (appointed 30.06.2021)
Mr W Weston (appointed 30.06.2021)
Mrs N Hart (resigned 11.11.2020)

Members

Mrs N McIntyre
Mr I Bagnall
Mr R Ford

Senior management team

- Principal Mrs R Beckett
- Vice Principal Mrs G Beckett
- Vice Principal Mrs E Kiddle
- Assistant Principal Mrs K Procter
- Assistant Principal Mrs L Williams

Company registration number

08922806 (England and Wales)

Registered office

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

Independent auditor

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

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

Solicitors

Cook Lawyers, Barons Court, Manchester Road, Wilmslow, Cheshire, SK9 1BQ

THE SANDON TRUST

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 year 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.

The trust operates a primary academy for pupils aged 3 -11 serving a catchment area in Meir, Stoke on Trent. It has a pupil capacity of 480 and had a roll of 535 on the school census in May 2021

Structure, governance and management

Constitution

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

Details of the trustees who served during the year are included in the reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

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

- A minimum of 2 parent trustees who are elected by the trust (the trust was only successful in securing 1 parent trustee this academic year. The second parent trustee was due to start in March 2020 but did not due to the COVID 19 Pandemic).
- A minimum of 2 trustees elected by the trust who are representatives of the community.

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

Policies and procedures adopted for the induction and training of trustees

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

Organisational structure

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

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

THE SANDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

The academy currently employs 41 full time equivalent staff; therefore, there is no requirement for union facility time analysis.

Related parties and other connected charities and organisations

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

Objectives and activities

Objects and aims

Objects and aims of the academy as laid down in its articles of association are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Objectives, strategies and activities

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

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

A continuing strategy utilised by the trust to ensure that the academy's objectives are met is the employment of additional qualified teaching staff to reduce class sizes. This strategy has had a significant impact on progress and attainment levels across all year groups as teaching is precisely targeted to meet the needs of all learners. Measurable outcomes at the end of Key Stage 2 were predicted to demonstrate the impact of small classes as the percentage of pupils who achieved the expected standard in reading, writing and mathematics was predicted to be above national averages. Due to the Pandemic the academy has not been able to complete statutory testing for the year ending 2021 and the academy does not have validated data for this academic year.

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

Public benefit

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

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

- Providing free school uniform vouchers for all pupils.
- Holding a wide range of events for the benefit of the local community - Christmas and other seasonal experiences (these have been reduced this year due to the COVID 19 Pandemic).
- Supporting local community groups and events during the Summer Break.
- Subsidising school trips, visits and residential visits for all pupils.
- Taking part in the National Free School Voucher scheme (281 pupils took part in the scheme).
- Dropping off food parcels and craft packs for families in need during the COVID 19 Pandemic.
- Providing IT equipment for disadvantaged children during the COVID 19 Pandemic

THE SANDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Results shown are predictions based on teacher assessment. They are not validated or standardised but indicate how the academy would have performed if national testing and assessment had taken place. The academy recovery curriculum and strategic catch-up plan is in place and will continue throughout the next academic year to support lost learning through the pandemic.

Assessment point	2019 % Achieved	2020 % Predicted	2021% Predicted	
End of Foundation Stage - Good Level of Development	70%	76.6%	62%	
Year 1 Phonics Check	81%	88%%	70%	
End of Key Stage 1	Reading	70%	75%	62%
	Writing	70%	75%	62%
	Mathematics	71%	75%	65%
End of Key Stage 2	Reading	77%	78%	68%
	Writing	82%	78%	64%
	Mathematics	77%	81%	68%
	GPS	70%	70%	62%

Key performance indicators

Predicted outcomes for the school indicates that all attainment would have been above national for all key assessment points. Those pupils entitled to pupil premium grant were predicted to perform in line with national standards demonstrating the board's successful utilisation of its financial resources including the Pupil Premium Grant.

Going concern

After making appropriate enquiries and taking into account the recent COVID 19 crisis, 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 trust has ensured that financial matters have continued to be discussed and documented every 2 – 3 weeks during the Pandemic using online meeting services.

Financial review

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

Impact of COVID 19: During the academic year, the academy has received £37,600 in COVID catch-up funding. This funding has been utilised to provide additional teaching and support staff hours to support children in in Reading and Phonics. The impact of the Pandemic upon pupils' reading progress, particularly in Key Stage 1 has been significant for many pupils. Additional reading interventions and an enhanced reading scheme was also purchased.

Total income for the year is £2,919,000 over total expenditure of £2,995,000.

At 31 August 2021 the net book value of fixed assets was £2,826,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The academy continues to account for the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the statement of financial activity with details in note 17 to the financial statements.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the usual appropriate level of free reserves should be equivalent to 1 month of the GAG, approximately £148,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

THE SANDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Restricted general funds excluding the pension reserve carried forward are £210,000 unspent ESFA grants. Unrestricted funds carried forward are £74,000. Total free funds carried forward for the academy are £284,000.

Investment policy

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

Principal risks and uncertainties

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

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

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

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

The board of trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, as the trustees consider that the academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. The academy trust has recognised its share of the Local Government Pension Scheme assets and liabilities in accordance with Financial Reporting Standard 102. A deficit has been recognised at 31 August 2021.

Fundraising

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

Plans for future periods

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

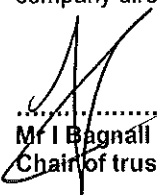
- Development of school library area.
- Further development of Early Years outdoor area.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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


.....
Mr I Bagnall
Chair of trustees

THE SANDON TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees was due to formally meet 4 times per year but this has not been possible due to the current COVID 19 Pandemic. To ensure financial regularity and transparency the trust has ensured that the Finance and Audit committee has met every 2 – 3 weeks during the Pandemic. Attendance during the year at these meetings are as follows:

Trustee	Meetings attended	Full Trustees	Audit and Finance
Mr I Bagnall (Chair)	9/9	3/3	6/6
Mrs R Beckett (Accounting officer)	9/9	3/3	6/6
Mr D Blundred (Vice Chair)	3/3	3/3	NA
Mr P Harbron	6/9	2/3	4/6
Mrs A Gill	8/9	3/3	5/6
Miss K Dailey	2/3	2/3	NA
Ms K Brown	8/9	3/3	5/6
Mr W Weston	1/1	1/1	NA
Mrs M Swift	1/1	1/1	NA
Ms Lisa Gulley	0/0	0/0	NA

As a result of a review of the trustees' skills audit in June 2020, the trust has stayed stable. The trust will carry out its next review before the spring term 2022, following the appointment of new trustees at the end of the year to 31 August 2021.

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Sandon Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

THE SANDON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 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.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

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

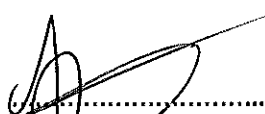
- testing and reviewing of payroll systems;
- reviewing expenditure and monitoring income;
- testing and reviewing of purchase systems; and
- refining procedures through termly internal assurance reports which are acted upon accordingly.

Review of effectiveness

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

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

Approved by order of the members of the board of trustees on1/12/21..... and signed on its behalf by:


.....
Mr I Bagnall
Chair of trustees


.....
Mrs R Beckett
Accounting officer

THE SANDON TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of The Sandon Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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


.....
Mrs R Beckett
Accounting officer

Date: 1/12/21.....

THE SANDON TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of The Sandon Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

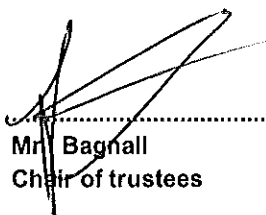
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 1/12/21 and signed on its behalf by:


.....
Mr Bagnall
Chair of trustees

THE SANDON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SANDON TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of The Sandon Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts 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.

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

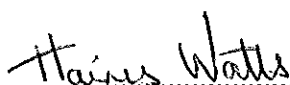
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

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

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

Use of our report

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



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham WA14 2UT

Date 11/2/21

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 20 September 2016 and further to the requirements of the Education and Skills 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 The Sandon Trust 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 The Sandon Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sandon Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Sandon Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Sandon Trust's funding agreement with the Secretary of State for Education dated 30 April 2014 and the 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE SANDON TRUST

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


FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

.....

Haines Watts
Reporting Accountant

Date: 1/12/21.....

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and capital grants	3	-	9	9	18	36
Charitable activities:						
- Funding for educational operations	4	-	2,824	-	2,824	2,662
Other trading activities	5	74	3	-	77	93
Total		<u>74</u>	<u>2,836</u>	<u>9</u>	<u>2,919</u>	<u>2,791</u>
Expenditure on:						
Raising funds	6	2	-	-	2	2
Charitable activities:						
- Educational operations	7	-	2,845	148	2,993	2,847
Total	6	<u>2</u>	<u>2,845</u>	<u>148</u>	<u>2,995</u>	<u>2,849</u>
Net income/(expenditure)		72	(9)	(139)	(76)	(58)
Transfers between funds	15	-	(224)	224	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	17	-	(295)	-	(295)	107
Net movement in funds		72	(528)	85	(371)	49
Reconciliation of funds						
Total funds brought forward		<u>2</u>	<u>(623)</u>	<u>2,741</u>	<u>2,120</u>	<u>2,071</u>
Total funds carried forward		<u>74</u>	<u>(1,151)</u>	<u>2,826</u>	<u>1,749</u>	<u>2,120</u>

THE SANDON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted	Restricted funds:		Total
		funds £000	General £000	Fixed asset £000	2020 £000
Income and endowments from:					
Donations and capital grants	3	-	27	9	36
Charitable activities:					
- Funding for educational operations	4	-	2,662	-	2,662
Other trading activities	5	76	17	-	93
Total		<u>76</u>	<u>2,706</u>	<u>9</u>	<u>2,791</u>
Expenditure on:					
Raising funds	6	2	-	-	2
Charitable activities:					
- Educational operations	7	-	2,704	143	2,847
Total	6	<u>2</u>	<u>2,704</u>	<u>143</u>	<u>2,849</u>
Net income/(expenditure)		74	2	(134)	(58)
Transfers between funds	15	(328)	(14)	342	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	17	-	107	-	107
Net movement in funds		(254)	95	208	49
Reconciliation of funds					
Total funds brought forward		<u>256</u>	<u>(718)</u>	<u>2,533</u>	<u>2,071</u>
Total funds carried forward		<u>2</u>	<u>(623)</u>	<u>2,741</u>	<u>2,120</u>


THE SANDON TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £000	2020 £000	2020 £000
Fixed assets				
Tangible assets	11		2,826	2,741
Current assets				
Debtors	12	79		122
Cash at bank and in hand		337		312
		<u>416</u>		<u>434</u>
Current liabilities				
Creditors: amounts falling due within one year	13	(132)		(132)
Net current assets			<u>284</u>	<u>302</u>
Net assets excluding pension liability			3,110	3,043
Defined benefit pension scheme liability	17		(1,361)	(923)
Total net assets			<u>1,749</u>	<u>2,120</u>
Funds of the academy trust:				
Restricted funds	15			
- Fixed asset funds			2,826	2,741
- Restricted income funds			210	300
- Pension reserve			(1,361)	(923)
Total restricted funds			<u>1,675</u>	<u>2,118</u>
Unrestricted income funds	15		<u>74</u>	<u>2</u>
Total funds			<u>1,749</u>	<u>2,120</u>

The accounts were approved by the trustees and authorised for issue on ...1/12/21... and are signed on their behalf by:


.....
Mr I Baghall
Chair of trustees

Company Number 08922806

THE SANDON TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £000	£000	2020 £000	£000
Cash flows from operating activities					
Net cash provided by operating activities	18		249		200
Cash flows from investing activities					
Capital grants from DfE Group		9		9	
Purchase of tangible fixed assets		<u>(233)</u>		<u>(351)</u>	
Net cash used in investing activities			<u>(224)</u>		<u>(342)</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			25		(142)
Cash and cash equivalents at beginning of the year			<u>312</u>		<u>454</u>
Cash and cash equivalents at end of the year			<u><u>337</u></u>		<u><u>312</u></u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

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.

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'.

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

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

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

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

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 Leasing and hire purchase commitments

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

1.8 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.

1.9 Pensions benefits

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

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

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

1.10 Fund accounting

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

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

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

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1.11 PFI arrangements

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

1.12 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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 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.

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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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 £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	9	9	9
Other donations	-	9	9	27
	<hr/>	<hr/>	<hr/>	<hr/>
	-	18	18	36
	<hr/>	<hr/>	<hr/>	<hr/>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
DfE / ESFA grants				
General annual grant (GAG)	-	1,881	1,881	1,787
Other DfE / ESFA grants:				
UIFSM	-	35	35	30
Pupil premium	-	325	325	308
Teachers pay and pension	-	90	90	84
Others DfE / ESFA grants	-	44	44	37
	<u>-</u>	<u>2,375</u>	<u>2,375</u>	<u>2,246</u>
Other government grants				
Local authority grants	-	411	411	416
	<u>-</u>	<u>411</u>	<u>411</u>	<u>416</u>
COVID-19 additional funding				
Catch-up premium	-	38	38	-
	<u>-</u>	<u>38</u>	<u>38</u>	<u>-</u>
Total funding	<u>-</u>	<u>2,824</u>	<u>2,824</u>	<u>2,662</u>

The academy trust received £411,000 from the local authority in the year, being £323,000 for the management of Grange Nursery School and Little Sandon, £10,000 pupil premium funding, £9,000 of other income and £69,000 High Needs funding. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	-	-	-	17
Catering income	14	-	14	10
School trips income	-	3	3	17
Other income	60	-	60	49
	<u>74</u>	<u>3</u>	<u>77</u>	<u>93</u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6	Expenditure	Staff costs	Premises & equipment	Other costs	Total 2021	Total 2020
		£000	£000	£000	£000	£000
	Academy's educational operations					
	- Direct costs	1,763	133	126	2,022	1,911
	- Allocated support costs	517	276	178	971	936
		<u>2,280</u>	<u>409</u>	<u>304</u>	<u>2,993</u>	<u>2,847</u>
	Other expenditure					
	Raising funds	-	-	2	2	2
		<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>2</u>
	Total expenditure	<u>2,280</u>	<u>409</u>	<u>306</u>	<u>2,995</u>	<u>2,849</u>
	Net income/(expenditure) for the year includes:				2021	2020
					£000	£000
	Fees payable to auditor for:					
	- Audit				6	6
	- Other services				7	7
	Operating lease rentals				3	4
	Depreciation of tangible fixed assets				148	143
					<u>164</u>	<u>160</u>
7	Charitable activities				2021	2020
					£000	£000
	All from restricted funds:					
	Direct costs - educational operations				2,022	1,911
	Support costs - educational operations				971	936
					<u>2,993</u>	<u>2,847</u>
	Analysis of costs				2021	2020
					£000	£000
	Direct costs					
	Teaching and educational support staff costs				1,752	1,620
	Staff development				11	3
	Depreciation and amortisation				133	129
	Technology costs				6	9
	Educational supplies and services				94	107
	Other direct costs				26	43
					<u>2,022</u>	<u>1,911</u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Charitable activities

Support costs

	2021	2020
	£000	£000
Support staff costs	517	496
Depreciation and amortisation	15	14
Technology costs	14	14
Maintenance of premises and equipment	261	266
Cleaning	5	4
Rent and rates	6	5
Insurance	13	14
Catering	46	35
Interest on defined benefit pension scheme	17	18
Other support costs	50	42
Governance costs	27	28
	<u>971</u>	<u>936</u>

Maintenance of premises includes PFI charges totalling £128,000 (2020: £118,000). These amounts are paid to the local authority, are index linked and the Academy is committed to these payments on a rolling contract basis to August 2025.

8 Staff

Staff costs

Staff costs during the year were:

	2021	2020
	£000	£000
Wages and salaries	1,557	1,475
Social security costs	142	130
Pension costs	494	482
	<u>2,193</u>	<u>2,087</u>
Staff costs - employees	2,193	2,087
Staff restructuring costs	73	27
	<u>2,266</u>	<u>2,114</u>
Staff development and other staff costs	14	5
	<u>2,280</u>	<u>2,119</u>
Total staff expenditure	<u>2,280</u>	<u>2,119</u>
Staff restructuring costs comprise:		
Redundancy payments	37	22
Severance payments	36	5
	<u>73</u>	<u>27</u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Staff

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £35,830 (2020: £5,000). Individually, the payments were: £5,000; £2,043; £3,766; £3,228; £10,600 and £11,193.

Staff numbers

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

	2021 Number	2020 Number
Teachers	22	20
Administration and support	43	41
Management	5	4
	<u>70</u>	<u>65</u>

Higher paid staff

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

	2021 Number	2020 Number
£80,001 - £90,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £312,000 (2020: £390,000).

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

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

R Beckett (Principal and trustee)

Remuneration £85,001 - £90,000 (2020: £80,001 - £85,000)

Employer's pension contributions £15,001 - £20,000 (2020: £15,001 - £20,000)

During the period ended 31 August 2021, no travel and subsistence expenses (2020: £nil) were reimbursed or paid directly to trustees (2020: 0 trustees).

Other related party transactions involving the trustees are set out in note 21.

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost for this is included in the total insurance costs, but forms part of a combined premium for which there are no further details.

11 Tangible fixed assets

	Long leasehold property £000	Leasehold improvements £000	Computer equipment £000	Fixtures, fittings & equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2020	1,278	1,399	328	371	21	3,397
Additions	-	197	14	22	-	233
At 31 August 2021	1,278	1,596	342	393	21	3,630
Depreciation						
At 1 September 2020	152	58	178	253	15	656
Charge for the year	24	32	55	36	1	148
At 31 August 2021	176	90	233	289	16	804
Net book value						
At 31 August 2021	1,102	1,506	109	104	5	2,826
At 31 August 2020	1,126	1,341	150	118	6	2,741

The net book value of land and buildings comprises:

	2021 £000	2020 £000
Long leaseholds (over 50 years)	1,102	1,126

12 Debtors

	2021 £000	2020 £000
VAT recoverable	8	36
Prepayments and accrued income	71	86
	79	122

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Other taxation and social security	40	38
Other creditors	37	38
Accruals and deferred income	55	56
	<u>132</u>	<u>132</u>

14 Deferred income

	2021	2020
	£000	£000
Deferred income is included within:		
Creditors due within one year	<u>20</u>	<u>18</u>
Deferred income at 1 September 2020	18	20
Released from previous years	(18)	(20)
Resources deferred in the year	<u>20</u>	<u>18</u>
Deferred income at 31 August 2021	<u>20</u>	<u>18</u>

At the balance sheet date, the academy trust was holding £20,000 (2020: £18,000) received in advance for Universal Infant Free School Meals grant.

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant	90	1,881	(1,747)	(224)	-
UIFSM	-	35	(35)	-	-
Pupil premium	-	325	(325)	-	-
Teachers pay and pension	-	90	(90)	-	-
Other DfE / ESFA grants	-	44	(44)	-	-
Other government grants	-	411	(411)	-	-
Covid catch up premium	-	38	(38)	-	-
Other restricted funds	210	12	(12)	-	210
Pension reserve	(923)	-	(143)	(295)	(1,361)
	<u>(623)</u>	<u>2,836</u>	<u>(2,845)</u>	<u>(519)</u>	<u>(1,151)</u>
Restricted fixed asset funds					
Inherited on conversion	1,870	-	(24)	-	1,846
DfE group capital grants	9	9	(3)	-	15
Capital expenditure from GAG	564	-	(91)	224	697
Private sector capital sponsorship	298	-	(30)	-	268
	<u>2,741</u>	<u>9</u>	<u>(148)</u>	<u>224</u>	<u>2,826</u>
Total restricted funds	<u>2,118</u>	<u>2,845</u>	<u>(2,993)</u>	<u>(295)</u>	<u>1,675</u>
Unrestricted funds					
General funds	<u>2</u>	<u>74</u>	<u>(2)</u>	<u>-</u>	<u>74</u>
Total funds	<u>2,120</u>	<u>2,919</u>	<u>(2,995)</u>	<u>(295)</u>	<u>1,749</u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Funds

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

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

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

£224,000 was transferred from GAG funds to fixed asset funds to cover the cost of additions in the year not covered by grants.

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	-	1,787	(1,683)	(14)	90
Pupil premium	-	308	(308)	-	-
Other DfE / ESFA grants	-	151	(151)	-	-
Other government grants	-	416	(416)	-	-
Other restricted funds	166	44	-	-	210
Pension reserve	(884)	-	(146)	107	(923)
	<u>(718)</u>	<u>2,706</u>	<u>(2,704)</u>	<u>93</u>	<u>(623)</u>
Restricted fixed asset funds					
Transfer on conversion	1,894	-	(24)	-	1,870
DfE group capital grants	-	9	-	-	9
Capital expenditure from GAG	639	-	(89)	14	564
Private sector capital sponsorship	-	-	(30)	328	298
	<u>2,533</u>	<u>9</u>	<u>(143)</u>	<u>342</u>	<u>2,741</u>
Total restricted funds	<u>1,815</u>	<u>2,715</u>	<u>(2,847)</u>	<u>435</u>	<u>2,118</u>
Unrestricted funds					
General funds	<u>256</u>	<u>76</u>	<u>(2)</u>	<u>(328)</u>	<u>2</u>
Total funds	<u>2,071</u>	<u>2,791</u>	<u>(2,849)</u>	<u>107</u>	<u>2,120</u>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	2,826	2,826
Current assets	206	210	-	416
Creditors falling due within one year	(132)	-	-	(132)
Defined benefit pension liability	-	(1,361)	-	(1,361)
Total net assets	74	(1,151)	2,826	1,749

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	2,741	2,741
Current assets	2	432	-	434
Creditors falling due within one year	-	(132)	-	(132)
Defined benefit pension liability	-	(923)	-	(923)
Total net assets	2	(623)	2,741	2,120

17 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £37,000 were payable to the schemes at 31 August 2021 (2020: £38,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Pension and similar obligations

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to the TPS in the period amounted to £214,000 (2020: £207,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.2% for employers and between 5 and 12% 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
	£000	£000
Employer's contributions	155	147
Employees' contributions	35	33
	<hr/>	<hr/>
Total contributions	190	180
	<hr/>	<hr/>
Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7
	<hr/>	<hr/>

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Pension and similar obligations

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

	2021 Years	2020 Years
Retiring today		
- Males	21.4	21.2
- Females	24.0	23.6
Retiring in 20 years		
- Males	22.5	22.1
- Females	25.7	25.0

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

Changes in assumptions at 31 August 2021	Approximate % Increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	83
1 year increase in member life expectancy	4%	124
0.1% increase in the Pension Increase Rate	3%	78
0.1% increase in the Salary Increase Rate	0%	3

The academy trust's share of the assets in the scheme	2021 Fair value £000	2020 Fair value £000
Equities	1,233	879
Bonds	330	258
Property	122	103
Other assets	51	52
Total market value of assets	1,736	1,292

The actual return on scheme assets was £280,000 (2020: £133,000).

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2021 £000	2020 £000
Current service cost	281	275
Interest income	(23)	(18)
Interest cost	40	33
	<u>298</u>	<u>290</u>
Changes in the present value of defined benefit obligations	2021 £000	2020 £000
At 1 September 2020	2,215	1,880
Current service cost	281	275
Interest cost	40	37
Employee contributions	35	33
Actuarial loss	552	7
Benefits paid	(26)	(17)
	<u>3,097</u>	<u>2,215</u>
Changes in the fair value of the academy trust's share of scheme assets	2021 £000	2020 £000
At 1 September 2020	1,292	996
Interest income	23	19
Actuarial gain	257	114
Employer contributions	155	147
Employee contributions	35	33
Benefits paid	(26)	(17)
	<u>1,736</u>	<u>1,292</u>
18 Reconciliation of net expenditure to net cash flow from operating activities	2021 £000	2020 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(76)	(58)
Adjusted for:		
Capital grants from DfE and other capital income	(9)	(9)
Defined benefit pension costs less contributions payable	126	128
Defined benefit pension scheme finance cost	17	18
Depreciation of tangible fixed assets	148	143
Decrease/(increase) in debtors	43	(17)
(Decrease) in creditors	-	(5)
	<u>249</u>	<u>200</u>
Net cash provided by operating activities	249	200

THE SANDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of changes in net funds

	1 September 2020 £000	Cash flows £000	31 August 2021 £000
Cash	312	25	337

20 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	13	13
Amounts due in two and five years	22	35
	<u>35</u>	<u>48</u>

The academy buildings are provided on a PFI contract which is now on a rolling contract basis until August 2025. No financial commitment has been included for this contract in the above note because of a shortfall in available information to calculate the cost over the life of the contract. The basic annual payment and affordability gap paid for the 12 months to 31 August 2021 was £128,000 (2020: £118,000) and the cost for the year to 31 August 2022 is expected to be around £135,000.

21 Related party transactions

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

During the period, a non contractual redundancy payment was made to Mrs G Bagnall of £2,043 (2020: £nil). Mrs G Bagnall is the wife of the Chair of Governors to The Sandon Trust. Mr I Bagnall was not involved in the decision-making process.

Due to the nature of the academy, some of its employees are close family members of the trustees. During the period, remuneration paid to 4 close family members of the trustees totalled £115,000 (2020: £132,000). All 4 employees are employed under normal employment conditions and no favourable terms were given.

22 Members' liability

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