

Company registration number 08100344 (England and Wales)

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
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**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees

Nigel Taylor	(Chair of Trustees)
Jason Lowe	(Accounting Officer)
Judith Shorrock	
John Gow	
Daniel Thomas	
Sebastian Kramer	
Simon Lazarus	
Sarah Ford	(Resigned 18 October 2021)
Susan Walters	(Resigned 2 November 2021)

Members

Nigel Taylor
John Waddington
Dawn Joyce
Joanna McDonald
Gareth Burton

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
REFERENCE AND ADMINISTRATIVE DETAILS**

Trust Leadership Team

- Chief Executive	Jason Lowe
- Executive Headteacher Tarvin/Eaton Primary schools	Andrew Davies
- Director of Finance and Operations	Jonathan Hayes

Company secretary	Jonathan Hayes
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Company registration number	08100344 (England and Wales)
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Principal address	Eaton Road Tarpoley Cheshire CW6 0BL
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Independent auditor	Riverside Accountancy Lancaster Ltd Second Floor Riverside Offices Lancaster LA1 1RD
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Accountants	Hall Livesey Brown HLB House 68 High Street Tarpoley Cheshire CW6 0AT
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Bankers	Lloyds Bank plc 8 Foregate Street Chester Cheshire CH1 1XP
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SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates three academies for pupils aged 4 to 18. The academies are:

Academy	Published Pupil Net Capacity Pupil (source GAIS)	Pupils on Roll Autumn Census 2022
Eaton Primary School	210	150
Tarporley High School and Sixth Form College	1270	1211
Tarvin Primary School	315	267

Structure, governance and management

Constitution

The Multi Academy Trust (MAT) is a charitable company limited by guarantee and an exempt charity registered in England. The Memorandum and Articles of Association, dated 11 June 2012 and revised on 1 December 2020, are the primary governing documents of the MAT.

The charitable company is known as the Sandstone Trust. The Trustees are normally appointed on a four year rolling basis. The SAT and MAT had sixteen individuals, who acted as the Trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

For the period 1 September 2021 to 31 August 2022 five individuals acted as Members of the MAT. One Member was also a Trustee, the Chair of the Trust Board.

No Trustees or Members are also governors at any of the Trust's academies.

Details of the Trustees and Members who served during period from 1 September 2021 to 31 August 2022 are included in the Reference and Administrative Details on page 1.

Principle Activities

The principal activity is to advance education for the public benefit by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum for students of different abilities up to the age of 19.

As at 31 August 2022, those schools were Eaton Primary School(EPS), Tarporley High School and Sixth Form College (THS), and Tarvin Primary School(TPS). There were no other schools in the Trust during the year.

THS operates the Cheshire Vale Teaching Support Alliance (CVTSA). For operational purposes this is a separate business unit within that Academy. The principal activities of the Teaching Support alliance are to deliver (and assist partner schools with) initial teacher training/School Direct, CPD/leadership development, succession planning/talent management, school to school support, and research and development, primarily within the Cheshire West and Chester local authority area. The activity of this business unit has continued to focus on the development of the alliance amongst partner schools, facilitating support of schools in challenging circumstances and delivering School Direct initial teacher training for all Cheshire West Secondary Schools. Working with Cheshire West and Chester Council (CWaC), the Trust will continue to provide some of the services formally provided by the Trust's Teaching school to CWaC schools in 2021-22.

In addition, the Trust has had to contend with the continuing effects of the COVID-19 pandemic and its aftermath which had significant impact on its activities during 2021-22. During the first two quarters of the period as the UK emerged from the pandemic restrictions associated with the national measures to control the pandemic severely inhibited business activity as they did in all sectors of the economy.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

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, for the period 1 September 2021 to 31 August 2022 the school joined the UK Government's Risk Protection Arrangement (RPA) to protect Members, Trustees and Officers from claims arising negligent acts, errors or omissions occurring whilst on Academy business. The limit of this indemnity was unlimited.

Method of recruitment and appointment or election of Trustees

The Trust has the following Trustees as set out in its Articles of Association and Funding Agreement:

- 9 Trustees
- 8 appointed by Members
- The Chief Executive who is treated as an ex officio Trustee

Trustees are appointed for a four year period, except that the time limit does not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed.

When appointing new Trustees, the Members of the Academy Trust give consideration to the skills and experience mix of the existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the school's development.

Policies and procedures adopted for the induction and training of Trustees

There is a comprehensive Continuous Professional Development (CPD) and induction programme made available to Trustees by the Company Secretary and the Clerk to the Trust Board. Trustee development needs are identified on an individual basis and tailored to meet these needs and the needs of the Academy Trust.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

Sandstone Trust brings together expertise from across our schools with the purpose of ensuring the best possible outcomes for our students. The schools work in collaboration with a shared vision; The Trust fully believes in the strength that partnership brings and have a shared vision for and ethos in our schools.

The first full year of the trust was a continuation of the transition from a SAT to a MAT. During 2021-22 the Trust Board has continued to develop and build structures which are fit for purpose in a Multi-Academy Trust. The Governing Body of the SAT took a strategic decision when it applied to be a sponsor academy that it needed to restructure governance arrangements to ensure as far as reasonably possible the separation of the different tiers of governance (Member; Trustees; Local Governing Bodies(LGB)) was achieved.

It also took the decision to ensure that the new Trust Board was made up of individuals with the key skill sets to ensure effective governance of a MAT allowing Trustees to:

- constantly focus on what's best for the school and pupils by challenging in a constructive manner, asking probing questions and visualising the strategic picture, in terms of both the MAT and the academies within it
- understand and effectively carry out their roles, responsibilities and accountabilities, with the ability to take risks and consider dynamic and innovative options
- measure and lead school improvement and drive the necessary changes
- understand the financial and the business elements of leading a MAT, as well as the legal aspects of the role and how the trust and the business work
- work as part of a team and accept shared responsibility and accountability, as well as undertaking frequent self-evaluation in order to remain effective
- act with a strong moral purpose, integrity and honesty, and as an advocate for the MAT's values, ethos and philosophy
- express disagreement in a rational and professional manner
- adopt an entrepreneurial mind-set in order to see and make the most of opportunities that are outside the day-to-day practices of the MAT or academy
- be innovative, creative and open-minded by engaging in futures thinking and 'horizon scanning'
- ensure that they have the commitment and stamina to drive forward the MAT, as well as the will to abandon the 'good' in order to find the 'outstanding'

The Trust Board(TB) of the Sandstone Trust met 6 times during the period 1 September 2021 to 31 August 2022.

Sandstone Trust (ST) is a charitable company limited by guarantee. It has entered into Master Funding Agreements dated 1 December 2020 and various Supplemental Funding Agreements covering the funding of the academies within the Trust (together the "Funding Agreements").

The Trustees are the charity Trustees (within the terms of section 177(1) of the Charities Act 2011) and are responsible for the general control and management of the administration of the Trust in accordance with the provisions set out in the Memorandum and Articles of Association.

In the ST governance model, each academy is ultimately governed by the Trust Board. The Trustees establish for each academy, a Local Governing Body (LGB). Local governance is delivered through these Local Governing Bodies, who are made up of staff, parents, local community members and a trust representative, however the Local Governing Bodies are not legally responsible or accountable for statutory functions. Governance arrangements are set by the Trust Board and delivered through the Chief Executive and Executive Leadership Team, on behalf of the Board. Each LGB has been issued with a Terms of Reference and scheme of delegation by the Trust Board.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

The following decisions are reserved for Trustees:

- To consider all changes to the status of the Trust and its governance structures
- To appoint the Chair and Vice-Chair of the Trust Board and Local Governing Bodies
- To appoint the Chief Executive, Company Secretary and Clerk to the Trustees
- To approve the Trust's Strategic Development Plan and budget.

The Trustees are responsible for setting general policy, setting the strategic priorities/direction of the Trust, adopting a development plan and budget, approving the statutory accounts, monitoring the school by use of budgets and other data, and making major decisions about the direction of the school, capital expenditure, and staff appointments.

The Trust Board delegate authority to three key groups in order to ensure the effective leadership and governance of the Academy Trust.

The three key groups are:

- Finance, Audit and Risk Committee
- Executive Leadership Team
- Local Governing Bodies and Interim Advisory Boards

The Trust Board decided that from the 1 September 2022 an additional key group, the Standards Committee, would also be established. This group did not meet during the period.

The relationship between the Trust Board and the Trust Leadership Team, and the Local Governing Bodies is characterised as a partnership to realise a common vision and a common purpose. In the case of the three tiers of Accountability the relationship between the three tiers of governance is also based on the principles of:

- No duplication of governance
- Governance should be as close as possible to the point of impact of decision-making

The Scheme of Delegation and Terms of Reference for the LGBs provides clarity as to who the decision makers are for different levels of decisions. Effectiveness of both management and governance is supported through clarity over who holds the decision-making responsibility and accountability and who supports and advises the decision makers.

The aim of the leadership structure is to empower leaders at all levels within Trust to engage with the trust's aims and priorities and drive forward improvement.

The Trust Leadership Team operates at an executive level, implementing the policies and procedures agreed by the Trustees, and reporting back to them on progress against targets and objectives.

The Chief Executive, Director of Finance and Operations and Trust Board are responsible for the authorisation of spending within agreed budgets. The elements of the budget devolved to the individual academies' spending control is devolved to the head of establishment (LGB, Executive Headteacher, Headteacher, or Head of School). Final authorisation of all orders and payments is reviewed centrally and authorised by the Chief Executive or Director of Finance and Operations as a further check and balance.

The Chief Executive is responsible for the appointment of staff.

The Chief Executive is the Accounting Officer.

SANDSTONE TRUST
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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Arrangements for setting pay and remuneration of key management personnel

Performance targets and salaries for key Trust personnel are agreed annually by the Trust Board.

Remuneration for key management personnel is reviewed as roles change. Similar arrangements exist at each school level.

The Trustees consider the Chief Executive and Trust Leadership Team as comprising the key management personnel of the MAT in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

The Performance Management of the Headteachers/Principal and SLTs are delegated by Trustees to LGBs via the Terms of Reference.

All Trustees give their time freely and no Trustee remuneration was paid in the year for their role as Trustees.

Trade union facility time

Relevant union officials	Number of Employees
Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	3
Percentage of time spent on facility time	Number of Employees
0%	3
1%-50%	
51%-99%	
100%	
Percentage of pay bill spent on facility time	£000
Total cost of facility time	-
Total pay bill	£7,170
	%
Percentage of the total pay bill spent on facility time(%)	-
Paid trade union activities	%
Time spent on paid trade union activities as a percentage of total paid facility time hours(%)	-

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Related parties and other connected charities and organisations

With changes to the national provision of Teachings schools from 1 September 2021 the Cheshire Vale Teaching School Alliance (CVTSA) ceased to exist as a Teaching School and became instead the Cheshire Vale Teaching Support Alliance.

The following schools, colleges and universities are partners in the Cheshire Vale Teaching Support Alliance:

BISHOPS' BLUE COAT C OF E HIGH SCHOOL
BISHOP HEBER HIGH SCHOOL
BLACON HIGH SCHOOL
CHESHIRE WEST AND CHESTER LA
CHESTER CATHOLIC HIGH
CHRISTLETON HIGH SCHOOL
EATON PRIMARY SCHOOL
ELLESMERE PORT CATHOLIC HIGH SCHOOL
FRODSHAM MANOR HOUSE PRIMARY SCHOOL
HARTFORD C OF E HIGH SCHOOL
HELSBY HIGH SCHOOL
LIVERPOOL JOHN MOORES UNIVERSITY
NESTON HIGH SCHOOL
OAK VIEW ACADEMY
QUEEN'S PARK HIGH SCHOOL
SANDYMOOR SCHOOL
ST. NICHOLAS CATHOLIC HIGH SCHOOL
TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE
THE BRIDGE SHORT STAY SCHOOL
UNIVERSITY OF CHESTER
UPTON-BY-CHESTER HIGH SCHOOL
WEAVERHAM HIGH SCHOOL
WHITBY HIGH SCHOOL

The Alliance aims to:

- Develop an effective and sustainable alliance that helps deliver improved outcomes for young people
- Be part of system wide improvement that creates a better future for all
- Provide outstanding opportunities for staff within and beyond the Alliance to develop their leadership skills, experience and confidence including the delivery of licensed programmes from the National College for School Leadership
- Provide and broker outstanding training and development opportunities for staff within and beyond the Alliance that support the achievement and excellence in terms of learner outcomes
- Broker the supply of system leaders such as National Leaders in Education (NLEs), Local Leaders in Education (LLEs) and Specialist Leaders in Education (SLEs)
- Ensure the supply of outstanding new teachers in to the profession through effective ITE
- Provide school to school support that gives additional capacity to ensure that all schools can be strong and successful schools, meeting the needs within their own context
- Work together on succession planning to ensure that schools within and beyond the partnership can continue to be effectively led and managed
- Engage in research and development work that contributes to a more evidence based approach to school improvement.

During 2021-22 the Alliance's School Direct programme continued to build on the strong performance of the previous five years. As with all areas of the trust's operations the COVID-19 pandemic has had a significant impact on operations within the Teaching School.

The Alliance uses 1 National Leader of Education (NLEs), 7 Local Leaders of Education (LLEs), 1 National Leader of Governance (NLG), and 45 Specialist Leaders of Education (SLEs) to support other schools in challenging circumstances.

THS has strong collaborative links with its partner primary schools, which have formed the Sandstone Partnership, to further the development of educational and CPD opportunities for all members stakeholder groups.

**SANDSTONE TRUST
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TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

THS is a member of a Science Learning Partnership and has established a Cheshire West and Chester Science hub which is based at Tarporley High School and Sixth Form College.

THS is also the lead school for Cheshire West and Chester's Math's hub, working on "Teaching for Mastery in your school".

During 2020-21 the Trust formed a Multi-Academy Trust, Sandstone Trust, which brought together Tarporley High School, Eaton Primary School and Tarvin Primary School. The new trust has built on existing strong relationships with both schools to develop deeper synergies for the benefit of all constituent parts of the Trust.

There are no related parties with either control or significant influence on the decisions or operations of the Teaching School Alliance. There are no sponsors.

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

Sandstone Trust brings together expertise from across our schools with the purpose of ensuring the best possible outcomes for our students. The schools work in collaboration with a shared vision; The Trust fully believes in the strength that partnership brings and have a shared vision for and ethos in our schools.

The Trust currently comprises Tarporley High School and Sixth Form College, Tarvin Primary School and Eaton Primary School and aims to be a dynamic and forward-thinking Trust which works together whilst retaining the identity and uniqueness of each of the individual schools.

The Trust will achieve our vision through the highest quality teaching and learning as well as a range of opportunities to support the personal and social development of our students. Our aspirational culture ensures that the Trust works tirelessly to support and challenge everyone to be the very best that they can be.

Objectives, Strategies and Activities

Sandstone Trust is an incorporated company and charity that aims to establish and maintain a number of Academies in accordance with guidelines laid down in its funding agreement with the DfE.

Effective governance in our Trust is supported by the following:

- Trust Members – the guardians of the constitution
- Trust Board – the Directors / Trustees
- Trust sub-committees
- Executive Leadership Team - the Chief Executive Officer (the CEO), the Director of Finance and Operations,
- The Principals of the individual schools who are accountable to the Executive Leadership Team
- Local Governing Bodies – the Local Governors

The Trust Board has overall responsibility and ultimate decision-making authority for all the work of the Academy Trust, including the establishment and maintenance of the Academies.

The ST governing model sets out the fundamental principles of the organisation. The model consists of the principles set out here, the Academy Trust Articles of Association and the detail set out in the Terms of Reference for each of the LGBs.

The governance principles of ST recognise the importance of developing relationships with common purpose and they are about developing processes and structures in a changing educational landscape,

The Trust will continue to develop our governance arrangements to shape and take account of best practice in the sector.

The Trust will put in place systems to ensure that it is compliant with the principles and regulations set out in the Academies Financial Handbook. ST Trust Board intends to continue to develop its governance in an effort to ensure outstanding practice in governance.

The Trust's governance is underpinned by a common understanding about who is responsible for providing valuable input to decision making and who has the decision-making responsibility.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

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 the exercise of their duties.

The Trustees met 6 times during the year. In all their discussions and decision making the Trustees have been conscious of their duty to use public funds to deliver an excellent educational experience to our students. This principle is applied in all expenditure decisions whether it be employing highly qualified and inspiring staff or using the Trust's financial resources to improve the environment on campus for our students. Each committee's Terms of Reference provide a framework for information and challenge, for Trustees to enable effective decision making and monitoring of the impact of expenditure in each area of operations.

The Trust's Leadership Team uses benchmarking and other data to ensure that the advice provided to Trustees in their decision making is as robust as possible. The Trustees have created a culture of support and challenge within the Trust which promotes continuous improvement, and fosters innovation.

This is embodied in a culture within the Trust that celebrates student achievement.

Students on roll at each of its schools are the direct beneficiaries of the Trust. Students are drawn primarily from the catchment areas of Tarporley High School and Sixth Form College, Tarvin Primary School and Eaton Primary School. Students are admitted to each of the Trust's schools by applying the published admission criteria for each school which comply with the School Admissions Code 2021.

Strategic report

Achievements and performance

The Trust Board uses a number of key performance indicators (KPI's) to assess Trust performance and therefore the success of the MAT. These include, but are not limited to, Ofsted outcomes if available, exam results in comparison to Trust data and national averages, attendance percentages and total spend as a percentage of the overall academy budget. The board considered the following KPI's for the year ended 31 August 2022:

Academy	Maintained Status OfSTED Rating	Current OfSTED Rating
Eaton Primary School	Inadequate	No data available
Tarporley High School and Sixth Form College	N/A	Outstanding
Tarvin Primary School	Good	No data available

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Sandstone Trust Outcomes - Primary Phase

EYFS 2021-2022

School	GLD
Eaton Primary School	92%
Tarvin Primary School	65%

2021-2022 Phonics

School	Year 1	Year 2
Eaton Primary School	96%	92%
Tarvin Primary School	92%	87%

2021-2022 KS1 SATs % pupils at/above expected

School	Reading	Writing	Maths	GAPS
Eaton Primary School	72%	64%	84%	56%
Tarvin Primary School	68%	47%	58%	46%

2021-2022 KS1 SATs % above expected

School	Reading	Writing	Maths	GAPS
Eaton Primary School	20%	8%	8%	20%
Tarvin Primary School	18%	16%	13%	14%

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2021-2022 KS2 SATs % pupils at/above expected

School	Reading	Writing	Maths	GAPs
Eaton Primary School	100%	92%	92%	100%
Tarvin Primary School	74%	82%	79%	87%

2021-2022 KS2 SATs % above expected

School	Reading	Writing	Maths	GAPS
Eaton Primary School	35%	28%	42%	64%
Tarvin Primary School	23%	26%	23%	33%

Sandstone Trust Outcomes – Secondary Phase

Tarporley High School and Sixth Form College

GCSE and A level Results 2022

2022 was the first year, following the Covid-19 pandemic, in which students have sat formal public examinations, with the examination results being reported in the 2020-21 accounts being awarded as Centre Assessed Grades.

Tarporley High School and Sixth Form Colleges' results 2022 A Level and GCSE results are excellent, and in advance of local and national performance levels. When taken in the context of the Pandemic and its aftermath, with the significant disruption that it caused to the learning of students, the results are exceptional and demonstrate the validity of the strategies that the Trust put in place during the period to mitigate against the negative effects of the pandemic on student outcomes.

For comparison purposes both tables of results below have omitted the 2020 and 2021 results which were not based upon exam performance and instead compare the 2022 results against previous years when public examinations were taken in the normal way.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

For the 2022-23 CIF bidding round the Trust submitted a Phase Two Heating Infrastructure Bid, to complete the replacement of Tarporley campus time expired heating system. This bid was successful and works will commence during the Autumn Term 2022.

Key performance indicators

The main financial performance indicator for the Trust is the level of reserves held at 31 August 2022. It is the Trust's management policy that in general terms the income received in any one year is spent for the benefit of those children in school that year, with provision also made for a contingency for "unforeseen" events.

During the financial year 2021-22 expenditure has been within projected spending levels, and a positive cashflow has been maintained throughout the period.

The formula for funding academies is primarily based upon student numbers and this is also a key performance indicator.

The funding allocations for each School for 2021-22 were based upon the following numbers of students on roll:

<u>School</u>	<u>Students on Roll</u>
Eaton Primary School	157
Tarvin Primary School	274
Tarporley High School and Sixth Form College 11-16	1018
Tarporley High School and Sixth Form College 16-19	155

Sixth Form numbers are more susceptible to variation, due to the choice element and these numbers are kept under regular review. The number of funded Sixth Form places for 2021-22 was 155. However recruitment into Year 12 in September 2021 was 192, significantly in excess of the funded places. This increase met the threshold for increased in year funding for 16-19 places at Tarporley, which the Trust was notified about in February 2022.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Going concern

The Sandstone Trust has assessed itself to be a "going concern" in line with the requirements of ISA 570 which defines the term "going concern" assumption as:

"the defining assumption about the condition of an entity for which adoption of the going concern basis of accounting is appropriate."

With FRS102 defining the period over which the going concern assumption must be considered as at least, but not limited to: "twelve months from the date when the financial statements are authorised for issue."

In making this judgement the Trust has reviewed its ongoing healthy reserve levels, the liquidity of those reserves, the ongoing obligations, such as payroll, and trade creditors amongst other items, and the stability of the Trust's income streams (student roll information).

The Trust's management accounting reporting process reviews, income and expenditure reports, cashflow reports and a balance sheets for each of its schools. These reports provide Trustees with information throughout the year to enable an assessment to be made, on not only the progress against budget, but also the individual school's ability to meet its commitments during each accounting period and (from the cashflow projections) for coming periods.

Financial modelling is undertaken by the Trust's Finance Team, which takes into account student population data/projections, known changes to funding streams(DfE grant funding etc), staffing changes such as annual pay progression and establishment changes, and energy usage modelling. The Trust produces detailed financial models these it uses to supply 3 year budget forecast information to the DfE and maintains detailed models for a 5 year cycle. The Trust also uses these models to produce cashflow analysis for a three year cycle.

For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The largest proportion of the Trust's income is obtained from the DfE, via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for defined purposes. The grants received from the DfE during the period 1 September 2021 to 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

For the financial period which ended 31 August 2022, the total expenditure of the Trust did not exceed the recurrent grant funding from the DfE, together with incoming resources.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements for the financial period to 31 August 2022. These assets were used exclusively for providing education and the associated support services.

The land buildings and other assets were transferred to the Trust upon conversion. The land and buildings were professionally valued at that time. Other assets have been included in the financial statements as a best estimate, taking into account purchase price and remaining useful lives.

The balance of the predecessor schools' budget share was transferred to the Trust in the cycle following conversion and is shown as unrestricted funds.

As a part of the successful CIF grant application processes, the Trustees of the Academy gained permission from the Secretary of State to take out CIF and Salix Loans to support the Trust's condition infrastructure improvement programmes. Trustees have analysed the impact of the loan repayment schedules on revenue income and are confident that they are affordable.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Upon conversion the Trust has taken responsibility for the deficit in the Local Government Pension Scheme (LGPS) in respect of its Support Staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in the financial statements.

The Trust's Handbook of Internal Procedures sets out the framework for financial management, including the financial responsibilities of the Governors, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. This handbook is kept under review to ensure fitness of purpose.

The Trustees during 2019-20 reviewed the financial operation of the business, and decided to build in access to additional accountancy expertise and resilience in preparation for the conversion to a MAT. The finance team of the trust was relatively small and therefore vulnerable to disruption should staff leave, or be absent from work for extended periods due to, for example, illness. The trustees sought to mitigate these risks by out sourcing some elements of the routine financial operations of the Trust. This was achieved by integrating more fully the business support already in place from Hall Livesey Brown (HLB). On a monthly basis HLB work with the finance team to carryout month end procedures, and are working with the Trust to hone management accounts reporting for Trustees. This greater resilience has stood the Trust in good stead during the first two years of the Multi-Academy Trust's existence.

Trustees have appointed Hall Livesey Brown to undertake internal checks on financial controls. HLB have full access to the Trusts cloud based systems for asset management and the accounts package (SAGE Education), with supporting documentation being digitised and stored within the systems for ease of scrutiny. Extensive use was and continues to be made of Microsoft Teams. Internal checks were undertaken covering the following areas:

1. Banking Arrangements
2. Credit card
3. Income
4. Bank & Cash
5. The School Fund
6. VAT
7. Personnel
8. Teaching School – review of systems
9. Purchasing
10. Tendering
11. Insurance cover
12. Computer security
13. Pre Year End Health Check – prepayments/accruals/year end adjustments
14. Asset register
15. Segregation of duties

Any matters arising from the internal checks undertaken by Hall Livesey Brown were reported to the Trust's audit committee and appropriate remedial action has been taken.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy

The Trust currently holds the following levels of reserves:-

- £1,345,907 unrestricted reserves
- £15,193 restricted reserves
- (£434,000) pension reserve
- £21,011,276 fixed asset fund
- £21,938,376

The Trustees have decided that elements of the unrestricted reserves will be utilised to support over the coming period:

- Liquidity
- The Trust's Capital Programme including its ongoing bids for CIF funding
- Allow the Trust to manage the effects of known and unknown funding fluctuations

During the period 2016-22 £5 million was invested in the Trust's Estates, and Trustees determined to utilise reserves to support this programme. The Trust continues to seek new capital income streams, and is committed to replacing the current temporary classrooms on the campus. Given this, the Trustees have determined to utilise reserves to support this programme. This position will be reviewed annually.

Investment policy

The Trust's investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures adopted by the Trust Board and must always ensure the maximum integrity of such investments.

It is the policy of the Trust to have cash invested in liquid investments that bear minimal risk. The Trust is aware that it is not covered by the Financial Services Compensation Scheme as it does not meet any of the threshold measures for inclusion of a company in the protection arrangement.

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Trust Board reviews its financial risk assessment annually through the work of its internal auditors Hall Livesey Brown (HLB), and maintains a risk register covering its entire business and a business continuity plan to address different levels of potential disruption to the normal business operations of the Trust. The areas covered by this risk assessment are as follows:

- Governance
- Financial Planning and Budgetary Control
- Payroll
- Purchasing Arrangement
- Payment of Invoices
- Petty Cash Imprest
- Inventory/Trust Assets
- Income
- Data Security
- Insurance
- Cheshire Vale Teaching Support Alliance

The Trustees have implemented a number of systems to assess and minimise these risks as part of its processes for internal controls. Where significant financial risk still remains they have ensured that adequate insurance cover is in place.

Within the period the Trust was accountable for three schools. Eaton Primary School, Tarporley High School and Sixth Form College and Tarvin Primary School. Overall the roll at each of the school is stable:

Academy	Published Pupil Net Capacity Pupil (source GAIS)	Pupils on Roll Autumn Census 2022
Eaton Primary School	210	150
Tarporley High School and Sixth Form College	1270	1211
Tarvin Primary School	315	267

Tarvin and Eaton Primary Schools' rolls during the period are stable and forecast to remain so.

Tarporley High School and Sixth Form Colleges roll for Years 7 to 11 is stable, and analysis of student numbers from our partner primary schools indicates that the risks to revenue funding from a falling roll are slight. The Trustees have identified that variations in 6th Form recruitment are more difficult to predict, and projections for recruitment and retention are discussed regularly by the Trust Board and Senior Leadership Team.

Constraints imposed by the tightening of the public purse continue to affect the Trust. Changes to the formula for funding schools as the government move towards a national funding formula, the changes to special educational needs funding, and the increases in employment and premises costs due to pay awards, changes to employers superannuation contributions and inflation mean that revenue funding streams will be constrained for the foreseeable future. The Trust's normal operation in 2021-22 has been further impacted by the COVID-19 pandemic and its aftermath as all restrictions were lifted in the second and third quarters of the year. The Trust maintained its strong financial performance during the period despite the financial pressures caused by staff absence in the period November 2021 to April 2022 caused by the omicron wave.

The Trust has continued to develop the ways of working and services offered to its schools as the MAT entered its second full year. The focus during the year has been the embedding of systems and processes with the former maintained schools, and a review by the central team of operating practices with a view to establishing dedicated core central functions in the next period.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

The Trust as part of its management accounting reporting reviews, income and expenditure reports, cashflow reports and a balance sheet for each of its schools. Which provide Trustees with information throughout the year to enable a view to be taken on not only the progress against budget but also the individual school's ability to meet its commitments during each accounting period and (from the cashflow projections) for coming periods.. Liquidity for all areas of the Trust's operations was maintained throughout the period.

The Trust has continued to operate effectively, meeting its obligations under its funding agreement with the Department for Education (DfE). Challenges have presented themselves particularly in terms of procurement of supplies and services from an economy in and emerging from lockdown.

At the 31 August 2022, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Trust leads the Cheshire Vale Teaching Support Alliance, and ensures that as far as possible it is not exposed to any financial risks arising from the activity of this business unit. This element of the Trust's operations is controlled by the same rigorous systems of financial controls as other areas of the Trust. The Alliance is required to live within the available financial resources within its bank accounts and is not permitted to run programmes which are not self financing. No subsidy is made by the Trust to the Alliance's activities.

The most significant potential liability for the Trust is the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the Notes to the Financial Statements. Having assessed the risk, Governors consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Other risks and uncertainties which the Trust may face are:

Financial:- The Trust receives the majority of its funding from the Government via the EFSA. Whilst the expectation exists that this funding will continue, Government Policy or practice may change and public funding may not remain at the level or indeed be distributed by the same formula

Failures in governance or management:- Risk arise in this area from the potential failure to effectively manage the finances of the Trust, internal controls, compliance with regulations and legislation or statutory returns. Through the monitoring and review systems in place Trustees ensure appropriate measures are in place to mitigate risks.

Reputational:- The Trust's continued success is dependent on its ability to attract applicants in sufficient numbers by maintaining the highest of educational standards and through them the Outstanding Ofsted judgement. Trustees ensure that the quality of teaching and learning is at the core of everything the Trust does. Student success, achievement and progress are monitored closely, reviewed and celebrated.

Safeguarding and child protection:- The Trustees continue to ensure that safeguarding and child protection within the Trust are maintained to the highest standard. They do this through robust recruitment processes, and the monitoring and training of staff, ensuring that effective child protection, health and safety and pupil discipline policies and procedures are in place.

Staffing:- The Trust's reputation and success is built on the quality of its staff. Trustees have put in place policies and procedures to ensure the continued development and training of all staff, putting in place plans for succession.

Fraud and mismanagement of funds:- The Trust has appointed Auditors to undertake regular checks on financial systems and records as required by the Academy Trust Handbook. The Trust's Finance Team receive training specific to their roles to keep them up to date with financial practice requirements and develop the skills required to undertake their roles.

Litigation:- Many of the potential risks detailed above could result in litigation. Even if the Trust was successful in any such action, it would present a financial and reputational risk. As outlined Trustees have put in place robust systems and procedures, together with adequate insurance cover, to mitigate this risk.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Financial and risk management objectives and policies

The Trust incorporates an assessment of risk, both financial and otherwise, within its procedures for Financial Management. This incorporates a formal Financial Management Risk Assessment. In addition, the Trust recognises the need to make provision in the event of a major incident which may disrupt normal operations, and this is formalised in a Business Continuity Plan.

The Trustees continually assess the major risks to which the Trust may be exposed, focussing on those relating to its finances, teaching and learning, the safeguarding of children, capital infrastructure and other operational areas. The Trustees have put in place a robust system of internal controls to evaluate and reduce any risks which are identified. Where significant risk still remains, adequate insurance cover has been put in place.

The Trust's 4 – 18 roll remains stable, and analysis of student numbers within our partner schools indicates that the risks from a falling roll are small. Reception and Sixth Form numbers can however vary and this area of risk is kept under review by the Trustees and the Trust Leadership Team. Detailed analysis is also undertaken of other areas of pupil related funding where turbulence exists due to formula changes. These include Sixth Form Funding and funding provision for students with special educational needs. Increasing employment and facilities costs, aligned with the ongoing austerity measures, mean that budgets will be challenging for the foreseeable future.

The management accounting reporting of Trust, analyses, income and expenditure, cashflow and the balance sheets for each of its schools. This review provides Trustees with information throughout the period to enable Trustees to judge not only the progress against budget, but in addition the individual school's ability to meet its commitments during each accounting period and (from the cashflow projections) for coming periods. Liquidity for all areas of the Trust's operations was maintained throughout the period.

The key financial balances that the Trust deals with are largely bank balances and trade creditors with limited trade and other debtors and therefore its financial risk is minimal.

However, the Trust does have to carry the deficit on the local government defined pension scheme on its balance sheet which at 31 August 2022 stood at £434,000. The deficit is being addressed by the Pension Fund Administrators and is likely to result in increased costs to the Trust over time by way of increased employer contributions.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

Sandstone Trust brings together expertise from across our schools with the purpose of ensuring the best possible outcomes for our students. The schools work in collaboration with a shared vision; The Trust fully believes in the strength that partnership brings and has a shared vision for and ethos in our schools.

Sandstone Trust aims to be a dynamic and forward-thinking Trust which works together whilst retaining the identity and uniqueness of each of the individual schools.

The Trust will achieve its vision through the highest quality teaching and learning as well as a range of opportunities to support the personal and social development of our students. Our aspirational culture ensures that the Trust works tirelessly to support and challenge everyone to be the very best that they can be.

This vision drives developments and innovation within the Trust and is translated into the strategic and operational plans that the Trust implements.

The Trust's aim is to establish all its schools as centres of excellence and the destination of choice for all students within the localities that the Trust serves.

The Trust is developing a five year estate development plan, which encompasses ongoing refurbishment of our existing facilities and bids for capital funding to the EFSA to improve our facilities and increase the capacity of the school to meet demands within our locality.

Since 1 December 2020 the focus of work in this area has been on the evaluation of the trust's new building stock, to inform development priorities in coming periods.

The Trust is also working closely with Cheshire West and Chester Council to ensure sufficient school places are in place to meet the demands of our locality.

Funds held as custodian trustee on behalf of others

The Academy and its Governors do not act as the Custodian of any other Charity.

Auditor

In so far 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.

Riverside Accountancy Lancaster Limited has indicated its willingness to continue in office.

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 06 December 2022 and signed on its behalf by:

Nigel Taylor
Chair of Trustees

SANDSTONE TRUST

(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Sandstone 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 Chief Executive, 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 Sandstone Trust and the Secretary of State for Education. The Director of Finance and Operations is 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 Governing Body (Trust Board of the SAT) and Trust Board has formally met 7 times during the year.

Attendance during the year at meetings of the board of Trustees (who were also Governors) was as follows:

Trustees	Meetings attended	Out of possible
Nigel Taylor (Chair of Trustees)	7	7
Jason Lowe (Accounting Officer)	7	7
Judith Shorrocks	3	7
John Gow	5	7
Daniel Thomas	6	7
Sebastian Kramer	6	7
Simon Lazarus	6	7
Sarah Ford (Resigned 18 October 2021)	0	1
Susan Walters (Resigned 2 November 2021)	1	1

The Trust Board decided to establish a Finance Audit and Risk Committee to monitor all aspects of the financial management, audit systems and reporting, and risk management for the Trust Board. The first meeting of the Finance Audit and Risk Committee was held in November 2021

Finance Audit & Risk Committee Meetings

TRUSTEE	POSSIBLE	ATTENDED
Nigel Taylor	2	2
John Gow	2	1
Sebastian Kramer	1	1
Simon Lazarus	2	2
Judith Shorrocks	1	1
Dan Thomas	1	1

The Trust Board determined that a Standards Committee would be established to oversee educational standards and performance of the Trust's schools. This committee did not meet during the period.

The Trust Board has carried out extensive work on the development of schemes of delegation for the trust as a whole and the for the local governing bodies of each of its schools. This work was supported by Mills Reeve.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the 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 Trust Board where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by applying the four principles of best value as the main drivers of all the Trust's operations and Trustees:

- **Challenge** - Is the Trust's performance high enough? Why and how is a service provided? Is it still needed? Can it be delivered differently? What do parents want?
- **Compare** - How does the Trust's student performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare other Academy schools?
- **Consult** - How does the Trust seek the views of stakeholders about the services the Academy provides?
- **Compete** - How does the Trust secure efficient and effective services? Are services of an appropriate quality or economic benefit?

when making decisions about:

- the allocation of resources to best promote the aims and values of the Trust
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all students

This approach has underpinned the Trust's drive to improve educational outcomes for all its students.

Ensuring that the Academy gains good value for money, and effective and efficient use of resources

The Trust takes a prudent approach to expenditure. As the largest single expenditure item within the Trust's budget is staffing, the staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the trusts objectives.

Creative use of human resources demonstrates a commitment to using staff skills effectively, and staff are encouraged to use their particular areas of expertise to enhance pupil outcomes.

Purchasing follows best value principles. A scheme of delegation is in place. Trustees and the Trust's Leadership Team recognise that the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

The following thresholds and measures are applied to procurement decisions taken by the Academy:

- competitive tendering procedures (e.g. for goods and services above £50,000)
- minimum of 3 quotes for purchases greater than £5,000 but less than £50,000
- procedures which minimise office time by the purchase of goods or services under £5,000 direct from known, reliable suppliers (e.g. stationery, small equipment)

EU procurement regulations are complied with. Trustees and staff accept that best value quotes may not be the cheapest as other factors, including workmanship, reliability and quality of services, need to be considered.

The Trust's Finance, ICT and Estates Teams takes an active approach in reducing costs, whilst maintaining the Trust's infrastructure to be fit for purpose.

The Finance Team take a proactive approach to sourcing suitably high quality supplies and services at the most competitive price.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

The skills of the ICT Team are utilized to minimise the need for external consultants. For example, the Trust's ICT infrastructure is based upon a virtual server environment which was developed, implemented and is maintained by the Trust's Strategic ICT manager. The Academy uses a Voice Over Internet Protocols (VOIP) telecommunications system to reduce maintenance costs, and increase business resilience. In addition, the Trust has moved to a cloud based infrastructure for the majority of its core systems, relating to the curriculum and support functions (SAGE for Education, MS Office 365, Parago, SIMS.net, MS Teams and MS Sharepoint). This strategic decision has been taken to reduce the hardware costs for the Trust and remove a single point of failure, enhancing business resilience. This move stood the Trust in good stead during the first and second national lockdowns during the COVID 19 pandemic as it allowed full operation throughout the period via remote working by all members of the support Team. These systems have been extended to all three schools within the Trust during 2021 and will support the Trust's strategy to streamline ancillary functions across the trust, reducing duplication of function, and building in greater resilience for all areas of operation.

The Trust's buildings require continual maintenance as a result of their age and condition. The Trust has taken a decision to appoint a Trust Operations Manager(TOM) to centrally manage all estate functions in each of the trust's schools. The TOM assesses major maintenance works and where possible the Trust's skilled staff undertake repairs, maintenance and decoration to reduce the use of external contractors. Where external contractors are required the TOM and Director of Finance and Operations (DF&O) will seek Trustee approval prior to work being put out to tender.

Recent initiatives to reduce costs made by these teams are:

- The Trust's energy procurement for its secondary site is via Crown Commercial Services. This initiative has already seen a reduction in energy charges for the Academy's gas and electricity since the move to this service provider.
- The Trust seeks where possible to make use of Crown Commercial Services in the procurement of services.
- The successful 2020-21 Condition Improvement Fund bid will deliver energy efficiencies by boiler replacement, heating infrastructure replacement and replacement of defective hot and cold domestic hot water systems. The energy systems projects will reduce costs and carbon foot print.
- The Trust continues to use purchasing consortia frameworks to achieve improvements in service provision, for examples the use of the Crescent Purchasing Consortium to source cleaning and catering providers. Both these initiatives have delivered improved services and in the case of the Catering Service greater income. Scrutiny of service contracts to ensure providers are held to account for the quality and effectiveness of their service is ongoing. During 2021-22 the Midshire Signature Catering service was rolled out across all the Trust's schools to deliver an improved service at reduced cost to all the schools.

During 2022-23, the Trust will continue to review its services, seeking opportunities to procure services trust wide, which will offer better value for money for all three schools. The Trust has already put in place contracts to bulk purchase janitorial consumable items, to deliver savings and greater resilience to all of its schools.

Maximising income generation

The Trust has a Lettings policy in place and explores opportunities to generate income through the hire of the site. A proactive approach is taken towards preparing funding bids and generating revenue streams in order to maximise income generation. In order to enhance its chances of success of obtaining funding for refurbishment and / or replacement of buildings, the Trust is working closely with a range of suitably qualified and experienced consultants to prepare Condition Improvement Fund bids to the Education and Skills Funding Agency (ESFA).

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

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 at Sandstone Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. 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 Trust Board.
- regular reviews by the Trust Board 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Hall Livesey Brown to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The reviewer reports to the Trust Board on the operation of the systems of control and on the discharge of the Trust Boards financial responsibilities.

This is achieved by agreeing an annual programme of audit tests on the systems of internal controls; reporting to the Trustees the results of the tests; and attending Local Governing Body, Finance, Audit and Risk Committee, and Trust Board meetings as required.

Reviewing controls and managing risks

As detailed in the Risk Management section of the Trustees Report the Governing Body takes a proactive approach to the managing of risks, implementation of control measures and putting in place adequate insurance to provide cover where risk still remains.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Review of effectiveness

As Accounting Officer the Chief Executive 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 Hall Livesey Brown;
- the work of the external auditor, Riverside Accountancy Lancaster Limited;
- the financial management and governance self-assessment process
- the work of the executive managers within the 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Lessons Learned

2021-22 has been a year in which provision of services have been reviewed to establish fitness for purpose, with a view to informing service development to deliver cost reduction, and improvement of outcomes.

The Trustees and Trust Leadership Team have continued to review and develop the academy's systems for the delivery and procurement of services to ensure that service levels are maintained and enhanced, by building on the work undertaken in previous periods.

The landscape of service provision to schools continues to be fluid as traditional sources of services, such as the Local Authority, have continued to reduce their capacity to deliver support services to academies. This affects a number of services traditionally provided by the Local Authority, but has particularly been felt in areas such as catering services and cleaning. The Trust has extended its outsourcing of catering services to all its schools from 1 August 2021. Forecasts for all schools show a positive financial contribution from this service to the Trust.

During 2022 the Trust worked with a School Resource Management Advisor who was commissioned by the ESFA to review the Trust's systems and make recommendations to the Trustees on possible savings and efficiencies. This piece of work was extremely useful, as it helped the Trust to crystalize its thinking with regard to central service development and also suggested some potential cost savings.

The national financial climate remains uncertain, with the ongoing effects of the aftermath of COVID-19 pandemic on the public purse, and the inflationary pressures caused by the war in Ukraine. It is anticipated that this will translate into a continuance of stringent public sector financial settlements. Inevitably this will require the trust to identify further financial efficiencies, to address inflationary pressures relating to employer related employee costs, energy costs, and supplies and services which it will face. The Trust will endeavour to make savings through, proactively managing its human resources, effective purchasing, increased use of Crown Commercial Services for procurement where applicable, and in addition working with purchasing consortia (such as the Crescent Purchasing Consortia) and other academies to gain economies of scale and take every opportunity to obtain value for money in order to improve outcomes for pupils.

Approved by order of the board of trustees on 06 December 2022 and signed on its behalf by:

Nigel Taylor
Chair of Trustees

Jason Lowe
Accounting Officer

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2022

As Accounting Officer of Sandstone Trust, 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 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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

Jason Lowe
Accounting Officer

06 December 2022

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who act as governors for Sandstone Trust and are also the directors of Sandstone Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education 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 2019 and the Academies Accounts Direction 2021 to 2022;
- 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 the EFSA/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 06 December 2022 and signed on its behalf by:

Nigel Taylor
Chair of Trustees

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDSTONE TRUST
FOR THE YEAR ENDED 31 AUGUST 2022**

Opinion

We have audited the accounts of Sandstone Trust for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022.

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 other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDSTONE TRUST
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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:

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We considered fraud risk to be low with the academy handling little cash; we enquired with management of any instances of fraud, which it was confirmed there were none.
- The financial statements have been reviewed in accordance with an FRS 102 checklist and the Academies Accounts Direction 2021-22 to ensure all disclosures are included and that the entity is complying with legal and regulatory framework.
- All legal fees and correspondence were reviewed to ensure that the entity abided with all laws and regulations.
- During the audit we speak to management, test the systems and speak to various members of the finance function to understand the academy trust, its processes and the nature of trade to assist in concluding that the financial statements are true and fair.
- We assessed and tested the controls that the academy trust has; it has good segregation of duties and effective controls in place.
- We reviewed the notes of academy trust meeting minutes
- We reviewed and scrutinised the academy trust's forecasts and assumptions

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

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANDSTONE TRUST
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

Lyndsay Nicholson ACA (Senior Statutory Auditor)
for and on behalf of Riverside Accountancy Lancaster Ltd

8 December 2022

Chartered Accountants
Statutory Auditor

Second Floor
Riverside Offices
Lancaster

LA1 1RD

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SANDSTONE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 27 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sandstone Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sandstone Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sandstone 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 Sandstone Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Sandstone Trust's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- A review of the internal control handbook ensuring that the necessary controls are implemented and are working as stated.
- Confirming that guidance set by the ESFA, within the Accounts Direction 2021 to 2022 and the Academies Financial Handbook 2021, has been adhered to.
- Ensuring expenditure does not contravene the funding agreement.
- Ensuring public funds have been spent for the purposes intended.
- Ensuring any connected party transactions are highlighted and the not for profit principles have been adhered to.
- Reviewing relevant Governing Body and committee meeting minutes.
- Reviewing the financial transactions for any unusual transactions which may be improper.
- Ensuring key staff and governors have declared their interests in related parties.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SANDSTONE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Riverside Accountancy Lancaster Ltd

Dated: 08 December 2022

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	32,966	94,584	1,267,596	1,395,146	829,993
Donations - transfer from local authority on conversion		-	-	-	-	8,750,143
Charitable activities:						
- Funding for educational operations	4	-	8,925,687	-	8,925,687	8,095,016
Other trading activities	5	243,507	57,614	-	301,121	81,540
Investments	6	315	-	-	315	124
Total		276,788	9,077,885	1,267,596	10,622,269	17,756,816
Expenditure on:						
Raising funds	7	-	2,483	-	2,483	202
Charitable activities:						
- Educational operations	9	-	9,641,631	485,976	10,127,607	8,851,666
Charitable expenditure - transfer from local authority on conversion		-	-	-	-	393,000
Total	7	-	9,644,114	485,976	10,130,090	9,244,868
Net income/(expenditure)		276,788	(566,229)	781,620	492,179	8,511,948
Transfers between funds	18	(278,606)	99,007	179,599	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	3,563,000	-	3,563,000	(916,000)
Net movement in funds		(1,818)	3,095,778	961,219	4,055,179	7,595,948
Reconciliation of funds						
Total funds brought forward		1,347,725	(3,514,585)	20,050,057	17,883,197	10,287,249
Total funds carried forward		1,345,907	(418,807)	21,011,276	21,938,376	17,883,197

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2021		funds	General	Fixed asset	2021
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	13,043	142,032	674,918	829,993
Donations - transfer from local authority on conversion		150,143	-	8,600,000	8,750,143
Charitable activities:					
- Funding for educational operations	4	-	8,095,016	-	8,095,016
Other trading activities	5	24,510	57,030	-	81,540
Investments	6	124	-	-	124
Total		187,820	8,294,078	9,274,918	17,756,816
Expenditure on:					
Raising funds	7	-	202	-	202
Charitable activities:					
- Educational operations	9	-	8,473,074	378,592	8,851,666
Charitable expenditure - transfer from local authority on conversion		-	393,000	-	393,000
Total	7	-	8,866,276	378,592	9,244,868
Net income/(expenditure)		187,820	(572,198)	8,896,326	8,511,948
Transfers between funds	18	50,757	(160,067)	109,310	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(916,000)	-	(916,000)
Net movement in funds		238,577	(1,648,265)	9,005,636	7,595,948
Reconciliation of funds					
Total funds brought forward		1,109,148	(1,866,320)	11,044,421	10,287,249
Total funds carried forward		1,347,725	(3,514,585)	20,050,057	17,883,197

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
BALANCE SHEET
AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		21,015,326		20,687,226
Current assets					
Debtors	14	238,648		172,613	
Cash at bank and in hand		1,745,125		1,510,982	
		<u>1,983,773</u>		<u>1,683,595</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(534,045)		(800,951)	
Net current assets			<u>1,449,728</u>		<u>882,644</u>
Total assets less current liabilities			<u>22,465,054</u>		<u>21,569,870</u>
Creditors: amounts falling due after more than one year	16		(92,678)		(123,673)
Net assets before defined benefit pension scheme liability			<u>22,372,376</u>		<u>21,446,197</u>
Defined benefit pension scheme liability	20		(434,000)		(3,563,000)
Total net assets			<u><u>21,938,376</u></u>		<u><u>17,883,197</u></u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			21,011,276		20,050,057
- Restricted income funds			15,193		48,415
- Pension reserve			(434,000)		(3,563,000)
Total restricted funds			<u>20,592,469</u>		<u>16,535,472</u>
Unrestricted income funds	18		<u>1,345,907</u>		<u>1,347,725</u>
Total funds			<u><u>21,938,376</u></u>		<u><u>17,883,197</u></u>

The accounts on pages 35 to 58 were approved by the Trustees and authorised for issue on 06 December 2022 and are signed on their behalf by:

Nigel Taylor
Chair of Trustees

Company registration number 08100344

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	21		(188,361)		694,582
Cash flows from investing activities					
Dividends, interest and rents from investments		315		124	
Capital grants from DfE Group		1,267,596		674,918	
Purchase of tangible fixed assets		(814,077)		(709,085)	
Net cash provided by/(used in) investing activities			453,834		(34,043)
Cash flows from financing activities					
Repayment of long term bank loan		(22,869)		(22,869)	
Repayment of other loan		(8,126)		(3,109)	
Finance costs		(336)		(2,871)	
Net cash used in financing activities			(31,331)		(28,849)
Net increase in cash and cash equivalents in the reporting period			234,142		631,690
Cash and cash equivalents at beginning of the year			1,510,982		879,292
Cash and cash equivalents at end of the year			<u>1,745,124</u>		<u>1,510,982</u>

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2021 to 2022 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, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

The Governors have reviewed and approved budgets and cash flow forecasts for 2021/22 and future years which are regularly updated to reflect the latest information and assumptions, and consider in light of this review that it is appropriate to prepare the financial statements on a going concern basis.

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.

Sponsorship income

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

Donations

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

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

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 economic life. 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 such assets is charged 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.

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Freehold and leasehold buildings	2% Straight line
Assets in the course of construction	Not to be depreciated until the work is completed
Leasehold land	125 years
Freehold land	Not depreciated
Computer equipment	25% Straight line
Fixtures, fittings & equipment	15-20% Straight line
Motor vehicles	25% Straight line

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 under operating leases are charged on a straight-line basis over the lease term.

1.8 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.

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.

1.9 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.

**SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.10 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.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education, sponsor, other funders 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 Funding Agency.

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.

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The most significant judgement which the Governors have established as critical in the preparation of the academy trust's financial statements is the assessment of the Local Government Pension Scheme (LGPS) deficit. This assessment is undertaken on behalf of the academy by Hymans Robertson, the pension fund's actuary, and makes assumptions about future fund performance, membership and members' life expectancy. This report is prepared in line with FRS 102.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Private sponsorship	-	92,584	92,584	119,524
Capital grants	-	1,267,596	1,267,596	674,918
Other donations	32,966	2,000	34,966	35,551
	<u>32,966</u>	<u>1,362,180</u>	<u>1,395,146</u>	<u>829,993</u>

4 Funding for the Academy Trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	8,064,621	8,064,621	7,065,596
Other DfE/ESFA grants:				
- Pupil premium	-	256,472	256,472	178,092
- Others	-	313,389	313,389	651,004
	<u>-</u>	<u>8,634,482</u>	<u>8,634,482</u>	<u>7,894,692</u>
Other government grants				
Local authority grants	-	291,205	291,205	200,324
	<u>-</u>	<u>291,205</u>	<u>291,205</u>	<u>200,324</u>
Total funding	<u>-</u>	<u>8,925,687</u>	<u>8,925,687</u>	<u>8,095,016</u>

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FOR THE YEAR ENDED 31 AUGUST 2022

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	9,457	-	9,457	4,593
Catering income	25,107	-	25,107	19,119
Transport contributions	-	57,614	57,614	57,030
Other income	208,943	-	208,943	798
	<u>243,507</u>	<u>57,614</u>	<u>301,121</u>	<u>81,540</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	315	-	315	124
	<u>315</u>	<u>-</u>	<u>315</u>	<u>124</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Expenditure on raising funds					
- Direct costs	-	-	2,483	2,483	202
Academy's educational operations					
- Direct costs	5,780,025	-	634,221	6,414,246	5,791,965
- Allocated support costs	1,688,219	1,336,828	688,314	3,713,361	3,059,701
	<u>7,468,244</u>	<u>1,336,828</u>	<u>1,325,018</u>	<u>10,130,090</u>	<u>8,851,868</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for audit services	3,950	3,000
Operating lease rentals	123,199	135,759
Depreciation of tangible fixed assets	485,976	378,061
Loss on disposal of fixed assets	-	531
Bank and loan interest	336	2,871
Net interest on defined benefit pension liability	62,000	41,000
	<u>672,461</u>	<u>661,122</u>

8 Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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9 Charitable activities

	2022	2021
	£	£
All from restricted funds:		
Direct costs		
Educational operations	6,414,246	5,791,965
Support costs		
Educational operations	3,713,361	3,059,701
	<u>10,127,607</u>	<u>8,851,666</u>
	2022	2021
	£	£
Analysis of support costs		
Support staff costs	1,737,992	1,302,759
Depreciation	485,976	378,592
Technology costs	7,051	5,207
Premises costs	850,852	785,424
Legal costs	74,024	130,143
Other support costs	521,190	434,621
Governance costs	36,276	22,955
	<u>3,713,361</u>	<u>3,059,701</u>

10 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£	£
Wages and salaries	5,095,633	4,683,460
Social security costs	521,948	461,590
Pension costs	1,552,700	1,315,377
Staff costs - employees	<u>7,170,281</u>	<u>6,460,427</u>
Agency staff costs	297,963	162,566
	<u>7,468,244</u>	<u>6,622,993</u>
Staff development and other staff costs	98,226	81,672
Total staff expenditure	<u>7,566,470</u>	<u>6,704,665</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

Staff numbers

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

	2022	2021
	Number	Number
Teachers	106	102
Administration and support	58	76
	<u>164</u>	<u>178</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2022	2021
	Number	Number
Teachers	92	89
Administration and support	50	45
	<u>142</u>	<u>134</u>

Higher paid staff

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

	2022	2021
	Number	Number
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£95,000 - £100,000	-	1
£100,000 - £105,000	1	-
	<u>8</u>	<u>7</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) received by key management personnel for their services to the Academy Trust was £837,071 (2021 £765,314).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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11 Trustees' remuneration and expenses

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

Jason Lowe (Headteacher and Governor)

Remuneration £100,000 - £105,000 (2021 - £95,000 - £100,000)

Employer's pension contributions £20,000 - £25,000 (2021 - £20,000 - £25,000)

During the period ended 31 August 2022, travel and subsistence expenses were also paid to the staff governors which has been included in the remuneration figures reported above.

Other related party transactions are set out in note 23.

12 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 Trust 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.

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13	Tangible fixed assets								
		Land and buildings	Assets in the course of construction	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total	
		£	£	£	£	£	£	£	£
Cost									
At 1 September 2021		13,044,532	588,719	8,600,000	147,841	404,403	70,980	22,856,475	
Transfer on conversion		322,414	(322,414)	-	-	-	-	-	
Additions		-	749,599	-	5,695	58,783	-	814,077	
Disposals		-	-	-	(16,245)	(3,500)	-	(19,745)	
At 31 August 2022		13,366,946	1,015,904	8,600,000	137,291	459,686	70,980	23,650,807	
Depreciation									
At 1 September 2021		1,609,358	-	118,200	132,885	237,826	70,980	2,169,249	
On disposals		-	-	-	(16,245)	(3,500)	-	(19,745)	
Charge for the year		272,958	-	157,600	9,732	45,687	-	485,977	
At 31 August 2022		1,882,316	-	275,800	126,372	280,013	70,980	2,635,481	
Net book value									
At 31 August 2022		11,484,630	1,015,904	8,324,200	10,919	179,673	-	21,015,326	
At 31 August 2021		11,435,175	588,718	8,481,800	14,956	166,577	-	20,687,226	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

(Continued)

The land and buildings transferred on conversion were independently professionally valued by Mason Owen, Chartered Surveyors and were included in the financial statements at their depreciated replacement valuation as at 1 August 2012. The Governors are of the opinion that the value of the land and buildings has not changed materially since this date and no further revaluations are considered necessary in the financial statements for the year ended 31 August 2022 as a result.

Included within freehold land and buildings is land valued at £800,000.

The leasehold land and building transferred on conversion relates to the leasehold land and buildings brought in at valuation from Eaton Primary School and Tarvin Primary School which transferred to the Trust on 1 December 2020. The valuation was carried out by N Eckersley of Wright Marshall in accordance with the RICS Valuation Global Standards 2017. Eaton was valued at £3,700,000 including land of £500,000 and Tarvin was valued at £4,900,000 including £700,000 for the land.

14 Debtors

	2022	2021
	£	£
Trade debtors	15,709	9,267
VAT recoverable	52,542	53,516
Other debtors	9,513	-
Prepayments and accrued income	160,884	109,830
	<u>238,648</u>	<u>172,613</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Government loans	22,869	22,869
Other loans	3,109	3,109
Trade creditors	100,728	233,152
Other taxation and social security	153,956	144,344
Other creditors	112,664	108,239
Accruals and deferred income	140,719	289,238
	<u>534,045</u>	<u>800,951</u>

16 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Government loans	91,477	114,346
Other loans	1,201	9,327
	<u>92,678</u>	<u>123,673</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

16 Creditors: amounts falling due after more than one year **(Continued)**

	2022	2021
	£	£
Analysis of loans		
Wholly repayable within five years	118,656	149,651
Less: included in current liabilities	(25,978)	(25,978)
	<u>118,656</u>	<u>149,651</u>
Amounts included above	<u>92,678</u>	<u>123,673</u>
	<u><u>92,678</u></u>	<u><u>123,673</u></u>
Loan maturity		
Debt due in one year or less	25,978	25,978
Due in more than one year but not more than two years	24,070	25,978
Due in more than two years but not more than five years	68,608	74,826
Due in more than five years	-	22,869
	<u>118,656</u>	<u>149,651</u>
	<u><u>118,656</u></u>	<u><u>149,651</u></u>

Included within other creditors is a loan of £4,310 from Salix, which is provided on the terms that the loan is repayable by annual instalments of £3,109 and is repaid in full by 2023. This loan is interest free and unsecured.

17 Deferred income	2022	2021
	£	£
Deferred income is included within:		
Creditors due within one year	21,862	36,818
	<u>21,862</u>	<u>36,818</u>
Deferred income at 1 September 2021	36,818	14,428
Released from previous years	(36,818)	(14,428)
Resources deferred in the year	21,862	36,818
	<u>21,862</u>	<u>36,818</u>
Deferred income at 31 August 2022	<u><u>21,862</u></u>	<u><u>36,818</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	8,064,621	(8,163,628)	99,007	-
Pupil premium	-	256,472	(256,472)	-	-
Other DfE/ESFA grants	48,415	313,389	(346,611)	-	15,193
Other government grants	-	291,205	(291,205)	-	-
Other restricted funds	-	152,198	(152,198)	-	-
Pension reserve	(3,563,000)	-	(434,000)	3,563,000	(434,000)
	<u>(3,514,585)</u>	<u>9,077,885</u>	<u>(9,644,114)</u>	<u>3,662,007</u>	<u>(418,807)</u>
Restricted fixed asset funds					
Inherited on conversion	16,521,006	-	-	-	16,521,006
DfE group capital grants	257,367	1,267,596	(485,976)	(538,556)	500,431
Capital expenditure from GAG	3,271,684	-	-	718,155	3,989,839
	<u>20,050,057</u>	<u>1,267,596</u>	<u>(485,976)</u>	<u>179,599</u>	<u>21,011,276</u>
Total restricted funds	<u>16,535,472</u>	<u>10,345,481</u>	<u>(10,130,090)</u>	<u>3,841,606</u>	<u>20,592,469</u>
Unrestricted funds					
General funds	1,347,725	276,788	-	(278,606)	1,345,907
Total funds	<u>17,883,197</u>	<u>10,622,269</u>	<u>(10,130,090)</u>	<u>3,563,000</u>	<u>21,938,376</u>

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 2022.

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18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	7,065,596	(6,905,529)	(160,067)	-
Pupil premium	-	178,092	(178,092)	-	-
Other DfE/ESFA grants	118,180	651,004	(720,769)	-	48,415
Other government grants	-	200,324	(200,324)	-	-
Other restricted funds	4,500	199,062	(203,562)	-	-
Pension reserve	(1,989,000)	-	(658,000)	(916,000)	(3,563,000)
	<u>(1,866,320)</u>	<u>8,294,078</u>	<u>(8,866,276)</u>	<u>(1,076,067)</u>	<u>(3,514,585)</u>
Restricted fixed asset funds					
Inherited on conversion	7,921,006	8,600,000	-	-	16,521,006
DfE group capital grants	3,985	674,918	(378,592)	(42,944)	257,367
Capital expenditure from GAG	3,119,430	-	-	152,254	3,271,684
	<u>11,044,421</u>	<u>9,274,918</u>	<u>(378,592)</u>	<u>109,310</u>	<u>20,050,057</u>
Total restricted funds	<u>9,178,101</u>	<u>17,568,996</u>	<u>(9,244,868)</u>	<u>(966,757)</u>	<u>16,535,472</u>
Unrestricted funds					
General funds	<u>1,109,148</u>	<u>187,820</u>	<u>-</u>	<u>50,757</u>	<u>1,347,725</u>
Total funds	<u>10,287,249</u>	<u>17,756,816</u>	<u>(9,244,868)</u>	<u>(916,000)</u>	<u>17,883,197</u>

Total funds analysis by academy

	2022 £	2021 £
Fund balances at 31 August 2022 were allocated as follows:		
Eaton Primary School	36,916	(30,406)
Tarvin Primary School	38,561	71,211
Tarporley High School	1,285,623	1,355,335
Total before fixed assets fund and pension reserve	<u>1,361,100</u>	<u>1,396,140</u>
Restricted fixed asset fund	21,011,276	20,050,057
Pension reserve	<u>(434,000)</u>	<u>(3,563,000)</u>
Total funds	<u>21,938,376</u>	<u>17,883,197</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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18 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£	£	£	£	£	£
Eaton Primary School	595,781	84,253	17,514	70,202	767,750	662,670
Tarvin Primary School	884,768	129,702	15,860	356,273	1,386,603	1,022,518
Tarporley High School	4,256,695	1,517,045	89,208	1,626,813	7,489,761	6,788,619
	<u>5,737,244</u>	<u>1,731,000</u>	<u>122,582</u>	<u>2,053,288</u>	<u>9,644,114</u>	<u>1,685,188</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	21,015,326	21,015,326
Current assets	1,968,580	15,193	-	1,983,773
Current liabilities	(529,995)	-	(4,050)	(534,045)
Non-current liabilities	(92,678)	-	-	(92,678)
Pension scheme liability	-	(434,000)	-	(434,000)
Total net assets	<u>1,345,907</u>	<u>(418,807)</u>	<u>21,011,276</u>	<u>21,938,376</u>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	20,687,226	20,687,226
Current assets	1,635,180	48,415	-	1,683,595
Current liabilities	(291,505)	-	(509,446)	(800,951)
Non-current liabilities	4,050	-	(127,723)	(123,673)
Pension scheme liability	-	(3,563,000)	-	(3,563,000)
Total net assets	<u>1,347,725</u>	<u>(3,514,585)</u>	<u>20,050,057</u>	<u>17,883,197</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 Cheshire Pension Fund. Both are multi-employer defined benefit pension 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 of the LGPS, 31 March 2016.

Contributions amounting to £138,063 (2020: £133,808) were payable to the schemes at 31 August 2022 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 academy trusts. 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.

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)
- 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 next valuation result is due to be implemented from 1 April 2024.

The pension costs paid to the TPS in the period amounted to £931,406 (2021: £705,921).

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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20 Pension and similar obligations

(Continued)

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 24.15% for employers and between 5.5% and 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	2022	2021
	£	£
Employer's contributions	261,000	233,000
Employees' contributions	68,000	62,000
Total contributions	329,000	295,000

Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	3.75	3.6
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
Retiring today		
- Males	21.2	21.4
- Females	23.8	24
Retiring in 20 years		
- Males	22.1	22.4
- Females	25.5	25.7

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

	2022	2021
0.1% decrease in the Real Discount Rate	119,000	196,000
0.1% increase in the Salary Increase Rate	203,000	332,000
0.1% increase in the Pension Increase Rate (CPI)	104,000	165,000
0.1% increase in the Salary Increase Rate	16,000	27,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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20 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2022	2021
	Fair value	Fair value
	£	£
Equities	2,273,110	2,175,340
Bonds	1,484,480	1,986,180
Property	603,070	472,900
Other assets	278,340	94,580
	<hr/>	<hr/>
Total market value of assets	4,639,000	4,729,000
	<hr/>	<hr/>

The actual return on scheme assets was £(369,000) (2021: £493,000).

Amount recognised in the statement of financial activities	2022	2021
	£	£
Current service cost	633,000	457,000
Interest income	(80,000)	(65,000)
Interest cost	142,000	106,000
	<hr/>	<hr/>
Total operating charge	695,000	498,000
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations	2022
	£
At 1 September 2021	8,292,000
Current service cost	633,000
Interest cost	142,000
Employee contributions	68,000
Actuarial (gain)/loss	(4,012,000)
Benefits paid	(50,000)
	<hr/>
At 31 August 2022	5,073,000
	<hr/>

Changes in the fair value of the Academy Trust's share of scheme assets	2022
	£
At 1 September 2021	4,729,000
Interest income	80,000
Actuarial loss/(gain)	(449,000)
Employer contributions	261,000
Employee contributions	68,000
Benefits paid	(50,000)
	<hr/>
At 31 August 2022	4,639,000
	<hr/>

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

21 Reconciliation of net income to net cash flow from operating activities

	Notes	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)		492,179	8,511,948
Adjusted for:			
Net surplus on conversion to academy		-	(8,357,143)
Capital grants from DfE and other capital income		(1,267,596)	(674,918)
Investment income receivable	6	(315)	(124)
Finance costs payable		336	2,871
Defined benefit pension costs less contributions payable	20	372,000	224,000
Defined benefit pension scheme finance cost	20	62,000	41,000
Depreciation of tangible fixed assets		485,976	378,061
Loss on disposal of fixed assets		-	531
(Increase)/decrease in debtors		(66,035)	43,502
(Decrease)/increase in creditors		(266,906)	374,711
Stocks, debtors and creditors transferred on conversion		-	150,143
Net cash (used in)/provided by operating activities		(188,361)	694,582

22 Analysis of changes in net funds

	1 September 2021 £	Cash flows 31 August 2022 £	
Cash	1,510,982	234,143	1,745,125
Loans falling due within one year	(25,978)	-	(25,978)
Loans falling due after more than one year	(123,673)	30,995	(92,678)
	1,361,331	265,138	1,626,469

23 Long-term commitments

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	19,858	24,880
Amounts due in two and five years	-	19,335
	19,858	44,215

SANDSTONE TRUST
(FORMERLY TARPORLEY HIGH SCHOOL & SIXTH FORM COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

24 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 Trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions for the year under review.

25 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.

26 Teaching Support Hub	2022		2021	
	£	£	£	£
Direct income				
External funding		92,701		129,949
Other direct income		-		28,680
		<u>92,701</u>		<u>158,629</u>
Other income				
Investment income		-		6
		<u>92,701</u>		<u>158,635</u>
Direct costs				
Direct staff costs	30,560		66,814	
Staff development	46,620		56,320	
Educational supplies and services	58		150	
University student placements & professional fees	-		23,793	
	<u>77,238</u>		<u>147,077</u>	
Other costs				
Support staff costs	15,321		32,662	
Technology costs	357		6,086	
Other support costs	1,870		533	
Share of governance costs	-		1,980	
	<u>17,548</u>		<u>41,261</u>	
Total expenditure		(94,786)		(188,338)
Surplus/(deficit) from all sources		(2,085)		(29,703)
balances at 1 September 2021		<u>281,725</u>		<u>311,428</u>
balances at 31 August 2022		<u><u>279,640</u></u>		<u><u>281,725</u></u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.