

The Three Saints Academy Trust
(A Company Limited by Guarantee)
Annual Report and Consolidated Financial Statements
15 month period ended 31 August 2016

Company Registration Number:
09626002 (England and Wales)

The Three Saints Academy Trust

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The Three Saints Academy Trust

Reference and Administrative Details

Members

E Collins
A Bradley
S Harrison
G Almond
E Rose

Trustees

E Collins (Chair) (resigned 1 September 2016)
A Bradley (appointed Chair 1 September 2016)
K Haw (CEO, Accounting Officer)
R Wilkinson (COO)
J Godley
L Traves
N Butler
D Jarvis
S Schenck (resigned 7 July 2016)
M Greenland (resigned 7 July 2016)

Company Secretary

K Sawe

Senior Management Team:

- CEO/Executive Principal
- COO/Executive Principal
- Finance Director (CFO)
- Director of School Improvement
- Director of Wellbeing
- Headteacher
- Headteacher

K Haw
R Wilkinson
K Sawe
L Bradshaw
L Smith
L Lewis
L Rynn

Company Name

The Three Saints Academy Trust

Principal and Registered Office

St Mary & St Thomas' CE Primary School
Barton Close, St Helens, WA10 2HS

Company Registration Number

09626002 (England and Wales)

Independent Auditor

BDO LLP
3 Hardman Street
Spinningfields, Manchester, M3 3AT

Bankers

Lloyds Bank PLC
2-12 Lord Street
Liverpool, L2 1TS

Solicitors

Browne Jacobson LLP
5th Floor, Tower 12,
18-22 Bridge Street,
Spinningfields, Manchester, M3 3BZ

The Three Saints Academy Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 15 month period to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two primary academies in St Helens. Its academies have a combined FTE pupil capacity of 655 and had an FTE roll of 642 in the school census October 2016. Both academies converted and incorporated into the Trust on 1 August 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Three Saints Academy Trust Limited are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 3.

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

Qualifying third party indemnity provision has been obtained by the Trust for the benefit of trustees.

Method of Recruitment and Appointment or Election of Trustees

The articles stipulate that the members should appoint up to 12 Trustees which may include (at the members discretion):

- up to 2 staff trustees, who shall normally be the Principals of the founding academies (including any Chief Executive Officer (CEO), if appointed as a trustee); and
- the Chair of each founding academy's Local Governing Body.

The members must ensure that the number of trustees appointed to represent the interest of one founding academy is equal to the number of trustees appointed to represent the interest of the other founding academy.

In circumstances where the trustees have not appointed local governing bodies in respect of the academies there shall be a minimum of two parent trustees.

The CEO may, if so appointed by the members be a trustee for as long as they remain in office.

The trustees with the consent of the Diocesan Member may appoint up to two co-opted trustees for a term not exceeding four years. The trustees may not co-opt an employee of the company as a trustee.

Policies and Procedures Adopted for the Induction and Training of Trustees

On appointment all trustees have undertaken induction and training delivered by ECM consultants. The trustees and members of the local governing bodies have access to regular CPD courses provided by ECM and access to the National Governor Association online training platform GEL.

Trustees have been provided with copies of policies and procedures, minutes, accounts, budgets and other documents in order to fulfil their roles.

The Three Saints Academy Trust

Trustees' Report (continued)

Organisational Structure

The management structure of the Trust has 4 levels governed by a scheme of delegation:

- The Board of Trustees
- Local Governing Bodies of the Academies
- Trust Executive Management Team
- Academy Senior Leadership Teams

The role of the Board of Trustees is to support the Executive Management Team at a strategic level to achieve the Trust's stated objectives.

The Board of Trustees are responsible for agreeing the vision and aims of the Trust, and for agreeing the strategic plan and relevant trust wide policies and procedures. They are also responsible for reviewing and approving the Trust's budget and financial statements and for authorising decisions concerning major capital expenditure and staffing structure.

In addition to the Board of Trustees the Trust operates a Finance and Audit Committee.

The Local Governing Bodies act as advisory bodies to the Board of Trustees on matters concerning the individual academies including health and safety and estates, staffing, curriculum and budgeting.

The Executive Management Team consists of the Executive Principals, the Headteachers of the member academies, the Finance Director, the Director of School Improvement and the Director of Wellbeing.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel, which includes all members of the Executive Management Team and the Academy Senior Leadership Teams is set by the Trustees. The Trust has adopted teacher's standard pay and conditions. Where required advice is sought by the Trustees from the Trust's HR advisors Browne Jacobson LLP.

Related Parties and other Connected Charities and Organisations

The Liverpool Diocesan Board of Education is considered to have significant control of the Trust.

Objectives and Activities

Objects and Aims

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trust's object is:

To advance for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balance curriculum and which shall include:

- Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issues by the Diocesan Board of Education; and
- Other academies whether with or without a designated religious character; but in relation to each of the academies to recognise and support their individual ethos, whether or not designated Church of England

The Three Saints Academy Trust

Trustees' Report (continued)

Objectives, Strategies and Activities

The key objectives of the Trust for the period to 31 August 2016 have been:

- To ensure that all groups of pupils make a sustained level of progress
- To ensure the highest quality of teaching, learning and assessment
- To ensure the financial health of the Trust and provide value for money
- To ensure effective links with parents and the local community
- To ensure that our Christian values permeate the work of the Trust
- Implement and evaluate a broad and balanced curriculum which impacts upon pupil outcomes and personal development
- To ensure the highest quality of staff recruitment, development and training
- To ensure that leadership and management creates a culture of excellence

Public Benefit

In exercising its powers and duties the Trust has complied with its duty to have due regards to the Charity Commission's guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality education to its students. This has been evidenced through the results achieved and the feedback from external assessments.

The Three Saints Academy Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance and Key Performance Indicators

St Ann's CE Primary School

St Ann's is an OFSTED outstanding primary school serving 420 pupils aged 4-11. 10% of all pupils are eligible for pupil premium, 12% of pupils have special educational needs and 1% have English as an additional language.

During the period it has achieved 97% attendance.

In 2015/16 the school achieved the following results:

| | St Ann's | National Average |
|--|----------|------------------|
| Pupils achieving a good level of development | 82% | 69.3% |
| Pupils meeting the expected standard in the phonics screening | 93% | 81% |
| KS1 pupils achieving expected standard in reading, writing and maths | 63% | 60.3% |
| KS2 pupils achieving expected standard in reading, writing and maths | 59% | 52% |

St Mary & St Thomas' CE Primary School

St Ann's is and OFSTED outstanding primary school serving 221 pupils aged 3-11. 52% of all pupils are eligible for pupil premium, 48% of pupils have special educational needs and 6.4% have English as an additional language.

During the period it has achieved 96% attendance.

In 2015/16 the school achieved the following results:

| | St Mary & St Thomas' | National Average |
|--|----------------------|------------------|
| Pupils achieving a good level of development | 57% | 69.3% |
| Pupils meeting the expected standard in the phonics screening | 71% | 81% |
| KS1 pupils achieving expected standard in reading, writing and maths | 55% | 60.3% |
| KS2 pupils achieving expected standard in reading, writing and maths | 58% | 52% |

The Three Saints Academy Trust

Trustees' Report (continued)

Going Concern

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

Financial Review

Most of the Trust's income is obtained from the EFA and DfE in the form of recurring grants, the use of which of which is restricted to particular purposes. The grants received from the EFA and DfE for the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

St Mary & St Thomas' is a designated Maths Hub and as such, during the period, received grant funding from the DfE of £192,000 which was used to run school based projects such as the Shanghai Maths program, excellent maths teacher, and to provide primary and secondary maths CPD to schools.

St Mary & St Thomas' is also a provider of the school direct program delivered by Liverpool Hope University. During the period the school received £63,000 from Liverpool Hope for this program, a proportion of which was distributed to the schools providing placements and mentoring for the school direct students.

The Trust also operated a subsidiary company, St Helens Teaching School Alliance Ltd, through which the trading activity of the teaching school is carried out. The main activity of the subsidiary company is to provide training courses and school to school support for local teachers. For the period ended 31 August 2016 the subsidiary company made a profit of £48,000 which was gift aided to the Trust.

During the period the Trust has used surplus balances transferred on conversion of £89,000 to build a modular building at St Mary & St Thomas' to act as the training facility for the Trust and subsidiary company. The building is owned by the Trust but rented to the subsidiary company at an amount equivalent to its depreciation.

Reserves Policy

The Trustees consider it to be prudent to establish an adequate level of free reserves for the following reasons:

- The build up a contingency for unforeseen events
- To allow for delays in funding receipts

The Trustees have assessed that the desired level of free reserves would be an amount equivalent to 1 months operating expenses, £188,000. The Trust's current free reserves (total funds less those held in fixed assets and restricted reserves) are £36,000. The Trust will principally use its unrestricted trading activating to build its free reserves over the coming year.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching and the provision of facilities and finances. The key risks have been determined as:

- Risk that a pupil, staff member, volunteer, student or visitor is injured at an academy
- The risk of recruiting someone unsuitable to work with children
- The risk that legislative requirements are not complied with
- The uncertainty regarding future funding

The Trustees have put in place a risk register which is reviewed at least annually and have put in place systems and controls in all areas to minimise the potential risk. For example, a health and safety consultant is engaged to perform regular reviews at the academies, DBS records and safeguarding procedures are kept up to date, and regular reviews of budget and financial performance are reviewed. The Trustees are satisfied that where significant financial risk still exists there is adequate insurance cover.

The Three Saints Academy Trust

Trustees' Report (continued)

Investment Policy

Any investment or deposit must guarantee complete integrity of funds and be consistent with the ethos, aims and objectives of the Academy and within the terms and conditions of the Funding Agreement and the investment policy as agreed by the Board of Trustees.

Plans for Future Periods

The Trust plans to grow over the next 12 months welcoming both sponsored and convertor academies to join the Trust. It will continue to develop its offer to member academies, further developing the Trust school development and CPD programmes that are already in place.

The Trust aims to continue to provide the highest possible outcomes for all its existing and future pupils, and through its work with the teaching school to continue to produce and develop outstanding teachers and leaders.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2016 and signed on the board's behalf by:



K Haw
Trustee

14 December 2016

The Three Saints Academy Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Three Saints Academy 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 The Three Saints Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| E Collins (Chair) (resigned 1 September 2016) | 3 | 3 |
| A Bradley (appointed Chair 1 September 2016) | 3 | 3 |
| K Haw (CEO, Accounting Officer) | 3 | 3 |
| R Wilkinson (COO) | 3 | 3 |
| J Godley | 3 | 3 |
| L Traves | 2 | 3 |
| N Butler | 1 | 3 |
| D Jarvis | 3 | 3 |
| S Schenck (resigned 7 July 2016) | 1 | 2 |
| M Greenland (resigned 7 July 2016) | 0 | 2 |

During the period the Trustees have performed a self-evaluation exercise returned to the EFA. As a result of the self-evaluation the Trustees put in place a business continuity plan and a full risk register to strengthen the governance of the Trust.

In future periods the Trustees will continue to self-evaluate, but in addition our external auditors will be engaged to perform a program of review.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to review financial performance and budgets and report to the Trustees and to review and approve financial policies and procedures.

D Jarvis, who is a qualified accountant, is a member of the committee and during the period was appointed as the Trust's responsible officer to receive internal control reports from the auditors.

The Three Saints Academy Trust

Governance Statement (continued)

Attendance at meetings in the period was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------------------------|-------------------|-------------------|
| A Bradley (Chair) | 4 | 4 |
| K Haw (CEO) | 3 | 4 |
| R Wilkinson (COO) | 4 | 4 |
| D Jarvis | 4 | 4 |
| J Godley | 4 | 4 |
| E Collins (resigned 1 September 2016) | 4 | 4 |
| K Sawe (CFO – non-voting) | 4 | 4 |

Review of Value for Money

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

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

- Using the teaching school's network of SLEs, LLEs, NLEs and educational consultants to deliver the best quality CPD to our teaching staff to ensure all our teachers are good or outstanding
- Worked collaboratively within the Trust and with school in the wider teaching school alliance to share teaching best practice
- Continuing to roll out the Maths Mastery programme to both academies and increasing the number of Math Masters year on year
- Reviewing and re-negotiating service level agreements we have been able to make significant cost savings and increase the quality of the services in areas such as school meals, HR and equipment leasing releasing income to be spent on teaching and learning
- Organising OFSTED style reviews by educational consultants to identify areas for continuous improvement which have informed the Trust objectives and the academies school improvement plans

The Three Saints Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Three Saints Academy Trust for the period 5 June 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 5 June 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks to be carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The Three Saints Academy Trust

Governance Statement (continued)

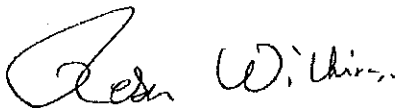
Review of Effectiveness

As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 December 2016 and signed on its behalf by:



Rebecca Wilkinson
Trustee



Kirsty Haw
Accounting Officer

The Three Saints Academy Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of The Three Saints Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



K Haw

Accounting Officer

14 Deember 2016

The Three Saints Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as directors of The Three Saints Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the consolidated financial statements in accordance with the Annual Accounts Direction published 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 financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments 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 financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 14 December 2016 and signed on its behalf by:



K Haw

Trustee

The Three Saints Academy Trust

Independent Auditor's Report to the Members and Trustees of the Three Saints Academy Trust

We have audited the financial statements of The Three Saints Academy Trust ("the Academy") for the period ended 31 August 2016 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 (SORP 2015) issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2015 to 2016 (SORP 2015). Our audit work has been undertaken so that we might state to the Academy's members and trustees 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 Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who act as governors of The Three Saints Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016 (SORP 2015) issued by the EFA.

The Three Saints Academy Trust

Independent Auditor's Report to the Members and Trustees of the Three Saints Academy Trust (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

BDO LLP

Hamid Ghafoor (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom

Date 16/12/2016.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Three Saints Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Three Saints Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 7 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Three Saints Academy Trust during the period to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Three Saints Academy Trust and to the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Three Saints Academy Trust and to the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Three Saints Academy Trust and to the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Three Saints Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Three Saints Academy Trust's funding agreement with the Secretary of State for Education dated 30 July 2015 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016 (SORP 2015). 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 to 31 August 2016 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 work in accordance with the Academies Accounts Direction 2015 to 2016 (SORP 2015) issued by the EFA. 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's income and expenditure.

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

The Three Saints Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Three Saints Academy Trust and the Education Funding Agency (continued)

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 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

BDO LLP

Reporting Accountant

Liverpool

United Kingdom

Date 16/12/2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Three Saints Academy Trust

Consolidated Statement of Financial Activities for the period ended 31 August 2016

(including Income and Expenditure Account)

| | Note | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2016 £000 |
|---|-------|-------------------------------|--|---|-----------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 2 | 4 | 287 | 22 | 313 |
| Charitable activities: | | | | | |
| Funding for the academy trust's educational operations | 3 | 180 | 3,234 | - | 3,414 |
| Other trading activities | 4 | 271 | - | - | 271 |
| Total | | 455 | 3,521 | 22 | 3,998 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| Academy trust educational operations | 5 | 272 | 3,692 | 16 | 3,980 |
| Other | | 129 | - | - | 129 |
| Transfer from the local authority on conversion | | (346) | 1,050 | (38) | 666 |
| Total | | 55 | 4,742 | (22) | 4,775 |
| Net income / (expenditure) | | 400 | (1,221) | 44 | (777) |
| Transfers between funds | 13 | (364) | 276 | 88 | - |
| Other recognised gains / (losses): | | | | | |
| Actuarial (losses) on defined benefit pension schemes | 13,20 | - | (653) | - | (653) |
| Net movement in funds | | 36 | (1,598) | 132 | (1,430) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | - | - | - | - |
| Total funds carried forward | | 36 | (1,598) | 132 | (1,430) |

The Three Saints Academy Trust

Consolidated Balance Sheet as at 31 August 2016

Company Number 09626002

| | Notes | 2016 £000 | 2016 £000 |
|--|-------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 10 | | 115 |
| Current assets | | | |
| Debtors | 11 | 202 | |
| Cash at bank and in hand | | <u>238</u> | |
| | | 440 | |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 12 | <u>(238)</u> | |
| Net current assets | | | <u>202</u> |
| Total assets less current liabilities | | | <u>317</u> |
| Net assets excluding pension liability | | | <u>317</u> |
| Defined benefit pension scheme liability | 20 | | <u>(1,747)</u> |
| Total net liabilities | | | <u>(1,430)</u> |
| Funds of the academy trust: | | | |
| Restricted funds | | | |
| . Fixed asset fund | 13 | 132 | |
| . Restricted income fund | 13 | 149 | |
| . Pension reserve | 13 | <u>(1,747)</u> | |
| Total restricted funds | | | <u>(1,466)</u> |
| Unrestricted income funds | 13 | | <u>36</u> |
| Total funds | | | <u>(1,430)</u> |

The financial statements on pages 20-42 were approved by the trustees and authorised for issue on 14 December 2016 and are signed on their behalf by



Kirsty Haw
Trustee

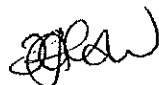
The Three Saints Academy Trust

Company Balance Sheet as at 31 August 2016

Company Number 09626002

| | Notes | 2016 £000 | 2016 £000 |
|--|-------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 10 | | 115 |
| Current assets | | | |
| Debtors | 11 | 187 | |
| Cash at bank and in hand | | <u>211</u> | |
| | | 398 | |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 12 | <u>(200)</u> | |
| Net current assets | | | <u>198</u> |
| Total assets less current liabilities | | | <u>313</u> |
| Net assets excluding pension liability | | | <u>313</u> |
| Defined benefit pension scheme liability | 20 | | <u>(1,747)</u> |
| Total net liabilities | | | <u>(1,434)</u> |
| Funds of the academy trust: | | | |
| Restricted funds | | | |
| . Fixed asset fund | 13 | 132 | |
| . Restricted income fund | 13 | 149 | |
| . Pension reserve | 13 | <u>(1,747)</u> | |
| Total restricted funds | | | <u>(1,466)</u> |
| Unrestricted income funds | 13 | | <u>32</u> |
| Total funds | | | <u>(1,434)</u> |

The financial statements on pages 20-42 were approved by the trustees and authorised for issue on 14 December 2016 and are signed on their behalf by



Kirsty Haw
Trustee

The Three Saints Academy Trust

Statement of Cash Flows for the period ended 31 August 2016

| | Notes | 2016 £000 |
|--|-------|--------------|
| Cash flows from operating activities | | |
| Net cash provided by (used in) operating activities | 16 | 307 |
| Cash flows from investing activities | 17 | (69) |
| Cash flows from financing activities | | - |
| Change in cash and cash equivalents in the reporting period | | <u>238</u> |
| Cash and cash equivalents at 5 June 2015 | | - |
| Cash and cash equivalents at 31 August 2016 | 18 | <u>238</u> |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016

1 Statement of 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.

Basis of Preparation

The financial statements 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 2015 to 2016 Issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Three Saints Academy Trust meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis. The subsidiary company, St Helens Teaching School Alliance, has prepared its financial statements under FRS 102.

No separate statement of financial activities has been presented for The Three Saints Academy Trust alone, as permitted by section 408 of the Companies Act 2006.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

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 allocated on the portion of the asset's use.

- **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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- | | |
|------------------------------------|----------|
| • Freehold buildings | 50 years |
| • Fixtures, fittings and equipment | 5 years |
| • Computer hardware | 3 years |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Leased Assets

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

Investments

The academy's shareholding in the wholly owned subsidiary, St Helens Teaching School Alliance Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

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 part 11, chapter 3 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.

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

The Trust's land and buildings are occupied by agreement with the Site Trustees under the terms of the Church Supplemental Agreement including a 2 year period of notice. The Directors believe the 2 year notice period to be indicative of an operating lease and therefore do not recognise the land and buildings in the balance sheet.

The nominal rent value for the use of the Land & Building is calculated using yield percentages. The yield value is taken from independent RICS reports and is applied to the value of the Land & Building. Yields taken are based on the school fitting the category 'Industrial' within the Merseyside area.

A notional rent charge is shown as an expense in the SOFA. An equivalent donation back to the Trust is recognised at the same time. The Directors believe the rent expense and therefore the related donation is only accrued on a daily basis and that this arrangement has no impact on the balance sheet.

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

The assets and liabilities transferred on conversion from St Mary & St Thomas' CE Primary School and St Ann's CE Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Assets and liabilities transferred were fixtures and fittings and ICT equipment (which have been included in fixed assets), cash balances and pension liabilities. Further details of the transaction are set out in note 24.

2 Donations and capital grants

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2016 £000 |
|----------------|-------------------------------|-----------------------------|-----------------------|
| Capital grants | - | 22 | 22 |
| Donations | 4 | 287 | 291 |
| | <u>4</u> | <u>309</u> | <u>313</u> |

3 Funding for the Academy Trust's educational operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2016 £000 |
|--|-------------------------------|-----------------------------|-----------------------|
| DfE / EFA grants | | | |
| General Annual Grant (GAG) | - | 2,543 | 2,543 |
| Other DfE/EFA grants | - | 632 | 632 |
| | <u>-</u> | <u>3,175</u> | <u>3,175</u> |
| Other Government grants | | | |
| Local authority grants | - | 59 | 59 |
| | <u>-</u> | <u>59</u> | <u>59</u> |
| Other income from the academy trust's educational operations | 180 | - | 180 |
| | <u>180</u> | <u>3,234</u> | <u>3,414</u> |

4 Other trading activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2016 £000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|
| Trading subsidiary | 194 | - | 194 |
| Staff consultancy | 36 | - | 36 |
| Catering | 27 | - | 27 |
| Hire of facilities | 7 | - | 7 |
| Other | 7 | - | 7 |
| | <u>271</u> | <u>-</u> | <u>271</u> |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

5 Expenditure

| | Staff Costs £000 | Non Pay Expenditure | | Total 2016 £000 |
|-----------------------------------|------------------------|---------------------|---------------|-----------------------|
| | | Premises £000 | Other £000 | |
| Academy's educational operations: | | | | |
| Direct costs | 2,405 | 389 | 571 | 3,365 |
| Allocated support costs | 262 | 13 | 340 | 615 |
| | <u>2,667</u> | <u>402</u> | <u>911</u> | <u>3,980</u> |

Net income/(expenditure) for the period includes:

| | |
|------------------------------|--------------|
| | 2016 £000 |
| Operating lease rentals | 294 |
| Depreciation | 13 |
| Fees payable to auditor for: | |
| - audit | 14 |
| - other services | <u>3</u> |

6 Charitable activities

| | |
|--|-----------------------|
| | Total 2016 £000 |
| Direct costs – educational operations | 3,365 |
| Support costs – educational operations | <u>615</u> |
| | <u>3,980</u> |

| Analysis of support costs | Educational operations £000 | Total 2016 £000 |
|----------------------------|-----------------------------------|-----------------------|
| Support staff costs | 262 | 262 |
| Technology costs | 15 | 15 |
| Premises costs | 13 | 13 |
| Other support costs | 309 | 309 |
| Governance costs | 16 | 16 |
| Total support costs | <u>615</u> | <u>615</u> |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

7 Staff

a. Staff costs

Staff costs during the period were:

| | Total 2016 £000 |
|--|-----------------------|
| Wages and salaries | 2,024 |
| Social security costs | 147 |
| Operating costs of defined benefit pension schemes | 305 |
| | <hr/> 2,476 |
| Supply staff costs | 90 |
| | <hr/> 2,566 |

b. Non statutory/non-contractual staff severance payments

There have been no non-statutory/non-contractual severance payments in the period.

c. Staff numbers

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

| | 2016 No. |
|----------------------------|-------------|
| Teachers | 30 |
| Administration and support | 62 |
| Management | 5 |
| | <hr/> 97 |

d. Higher paid staff

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

| | 2016 No. |
|-------------------|-------------|
| £70,001 -£80,000 | 1 |
| £90,001 -£100,000 | 1 |

e. 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 £450,000.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

8 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

K Haw (executive principal and trustee):

Remuneration £90,000 - £100,000

Employer's pension contributions paid £10,000 - £15,000

R Wilkinson (executive principal and trustee):

Remuneration £70,000 - £80,000

Employer's pension contributions paid £10,000 - £15,000

During the period ended 31 August 2016, travel and subsistence expenses totalling £900 were reimbursed or paid directly to 2 trustees.

9 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one. The cost of this insurance is included in the total insurance cost.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

10 Tangible fixed assets – Group and Company

| | Freehold Land and Buildings £000 | Furniture and Equipment £000 | Computer Hardware £000 | Total £000 |
|---------------------------|---|---------------------------------------|------------------------------|---------------|
| Cost | | | | |
| At 5 June 2015 | - | - | - | - |
| Transferred on conversion | - | 2 | 35 | 37 |
| Additions | 89 | - | 2 | 91 |
| Disposals | - | - | - | - |
| At 31 August 2016 | 89 | 2 | 37 | 128 |
| Depreciation | | | | |
| At 5 June 2015 | - | - | - | - |
| Charged in period | 1 | - | 12 | 13 |
| Disposals | - | - | - | - |
| At 31 August 2016 | 1 | - | 12 | 13 |
| Net book values | | | | |
| At 5 June 2015 | - | - | - | - |
| At 31 August 2016 | 88 | 2 | 25 | 115 |

11 Debtors

| | Group 2016 £000 | Company 2016 £000 |
|--------------------------------|-----------------------|-------------------------|
| Trade debtors | 81 | 41 |
| VAT recoverable | 35 | 32 |
| Other debtors | 1 | 1 |
| Intercompany debtors | - | 28 |
| Prepayments and accrued income | 85 | 85 |
| | 202 | 187 |

12 Creditors: amounts falling due within one year

| | Group 2016 £000 | Company 2016 £000 |
|------------------------------------|-----------------------|-------------------------|
| Trade creditors | 160 | 140 |
| Other taxation and social security | 40 | 40 |
| Accruals and deferred income | 38 | 20 |
| | 238 | 200 |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

13 Funds Funds - Group

| | Balance at 5 June 2015 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2016 £000 |
|-------------------------------------|-----------------------------------|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 2,543 | (2,819) | 276 | - |
| Pupil Premium | - | 167 | (167) | - | - |
| Other grants and donations | - | 811 | (662) | - | 149 |
| Pension reserve | - | - | (1,094) | (653) | (1,747) |
| | - | 3,521 | (4,742) | (377) | (1,598) |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | - | - | 26 | 88 | 114 |
| DfE/EFA capital grants | - | 22 | (4) | - | 18 |
| | - | 22 | 22 | 88 | 132 |
| Total restricted funds | - | 3,543 | (4,720) | (289) | (1,466) |
| Total unrestricted funds | - | 455 | (55) | (364) | 36 |
| Total funds | - | 3,998 | (4,775) | (653) | (1,430) |

Funds - Company

| | Balance at 5 June 2015 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2016 £000 |
|-------------------------------------|-----------------------------------|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 2,543 | (2,819) | 276 | - |
| Pupil Premium | - | 167 | (167) | - | - |
| Other grants and donations | - | 811 | (662) | - | 149 |
| Pension reserve | - | - | (1,094) | (653) | (1,747) |
| | - | 3,521 | (4,742) | (377) | (1,598) |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | - | - | 26 | 88 | 114 |
| DfE/EFA capital grants | - | 22 | (4) | - | 18 |
| | - | 22 | 22 | 88 | 132 |
| Total restricted funds | - | 3,543 | (4,720) | (289) | (1,466) |
| Total unrestricted funds | - | 303 | 93 | (364) | 32 |
| Total funds | - | 3,846 | (4,627) | (653) | (1,434) |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

13 Funds (continued)

Under the funding agreement with the Secretary of State the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2016.

Restricted general funds

Restricted general funds comprise all other restricted funds received and includes grants from the Department of Education.

Restricted fixed asset funds

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired is held for a specific purpose.

Unrestricted funds

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.

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

| | Total 2016 £000 |
|---|-----------------------|
| St Ann's CE Primary School | 195 |
| St Mary & St Thomas' CE Primary School | (28) |
| Central services | 18 |
| Total before fixed assets and pension reserve | 185 |
| Restricted fixed asset fund | 132 |
| Pension reserve | (1,747) |
| Total | (1,430) |

St Mary & St Thomas' CE Academy is carrying a net deficit of £28,000 on these funds due to the timing of receipt of grant funding related to teaching school projects and LAC and SEN funding from the local authority. This academy will return to surplus in 2016/17 when the funding is received.

Total cost analysis by academy

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

| | Teaching and Educational Support Staff Costs £000 | Other Support Staff Costs £000 | Educational Supplies £000 | Other Costs (excluding Depreciation) £000 | Total 2016 £000 |
|---|---|--|---------------------------------|--|-----------------------|
| St Anns CE Primary School | 1,176 | 172 | 73 | 440 | 1,861 |
| St Mary & St Thomas' CE Primary School | 1,110 | 163 | 127 | 393 | 1,793 |
| Central services | - | - | - | 31 | 31 |
| Academy Trust | 2,286 | 335 | 200 | 864 | 3,685 |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

14 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

Group

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|--|---------------------|
| Tangible fixed assets | - | - | 115 | 115 |
| Current assets | 72 | 351 | 17 | 440 |
| Current liabilities | (36) | (202) | - | (238) |
| Pension scheme liability | - | (1,747) | - | (1,747) |
| Total net assets | 36 | (1,598) | 132 | (1,430) |

Company

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|--|---------------------|
| Tangible fixed assets | - | - | 115 | 115 |
| Current assets | 32 | 351 | 17 | 400 |
| Current liabilities | - | (202) | - | (202) |
| Pension scheme liability | - | (1,747) | - | (1,747) |
| Total net assets | 32 | (1,598) | 132 | (1,434) |

15 Commitments under operating leases

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | Plant and Machinery £000 | Land and Buildings £000 | Total 2016 £000 |
|--|--------------------------------|-------------------------------|-----------------------|
| Amounts due within one year | 12 | 283 | 295 |
| Amounts due between one and five years | 7 | 283 | 290 |
| Amounts due after five years | - | - | - |
| | 19 | 566 | 585 |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

15 Commitments under operating leases (continued)

The agreement under which the Trust occupies its land and buildings is deemed an operating lease with a two year notice period. Per the agreement there is a £nil charge due per annum. A notional rent charge therefore is provided each year for the use of the land and buildings with the corresponding donation recognised in the SoFA.

16 Reconciliation of net expenditure to net cash flow from operating activities

| | 2016 £000 |
|---|--------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | (777) |
| Adjusted for: | |
| Depreciation [note 10] | 13 |
| Capital grants from DfE and other capital income | (22) |
| Defined benefit pension scheme obligation inherited | 1,050 |
| Defined benefit pension scheme cost less contributions payable [note 20] | 51 |
| Defined benefit pension scheme finance cost [note 20] | (44) |
| (Increase)/decrease in debtors | (202) |
| Increase/(decrease) in creditors | 238 |
| Net cash provided by Operating Activities | 307 |

17 Cash flows from investing activities

| | 2016 £000 |
|--|--------------|
| Purchase of tangible fixed assets | (91) |
| Capital grants from DfE/EFA | 22 |
| Net cash used in investing activities | (69) |

18 Analysis of cash and cash equivalents

| | At 31 August 2016 £000 |
|--|---------------------------------|
| Total cash and cash equivalents | 238 |

19 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

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 Merseyside Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

20 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £191,000.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £208,000, of which employer's contributions totalled £166,000 and employees' contributions totalled £42,000. The agreed contribution rates for future years are 15.3 and 16.2 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

| Principal actuarial assumptions | At 31 August 2016 | At 5 June 2015 |
|--|-------------------|----------------|
| Rate of increase in salaries | 3.30% | 3.70% |
| Rate of increase for pensions in payment/inflation | 1.90% | 2.20% |
| Discount rate for scheme liabilities | 2.10% | 3.80% |
| Inflation assumption (CPI) | 1.80% | 2.20% |

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

| | At 31 August 2016 | At 5 June 2015 |
|-----------------------------|-------------------|----------------|
| <i>Retiring today</i> | | |
| Males | 22.5 | 22.5 |
| Females | 25.4 | 25.4 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.9 | 24.9 |
| Females | 28.2 | 28.2 |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

20 Pension and similar obligations (continued)

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

| | Fair value at 31 August 2016 £000 |
|-------------------------------------|---|
| Equity instruments | 394 |
| Debt instruments | 122 |
| Property | 61 |
| Other | 171 |
| Total market value of assets | <u>748</u> |

The actual return on scheme assets was £78,000.

Amount recognised in the statement of financial activities

| | 2016 £000 |
|--|--------------|
| Current service cost (net of employee contributions) | (167) |
| Net interest cost | (44) |
| Total operating charge | <u>(211)</u> |

Changes in the present value of defined benefit obligations were as follows:

| | 2016 £000 |
|------------------------|--------------|
| At 5 June | - |
| Upon conversion | 1,516 |
| Current service cost | 167 |
| Interest cost | 62 |
| Employee contributions | 42 |
| Actuarial (gain)/loss | 708 |
| At 31 August | <u>2,495</u> |

Changes in the fair value of academy's share of scheme assets:

| | 2016 £000 |
|------------------------|--------------|
| At 5 June | - |
| Upon conversion | 466 |
| Interest income | 23 |
| Actuarial gain/(loss) | 55 |
| Employer contributions | 166 |
| Employee contributions | 42 |
| Admin expense | (4) |
| At 31 August | <u>748</u> |

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

21 Related party transactions

Liverpool Diocesan Board of Finance is a charitable company deemed to be related (see page 5) to the Academy. During the year, the Academy incurred notional rent costs for the use of land and buildings of £282,945. The amount was matched with a donation from Liverpool Diocesan Board of Finance included in note 2.

There were no other related party transactions in the period.

22 Central Services

The Trust has funded external training for the executive principals during the period at a cost of £19,000. No central charges arose during the period as this training was funded by a grant received from the DfE.

23 Investment in Subsidiaries

| Company Name | Country | Registered Number | Percentage Shareholding |
|--|---------|-------------------|-------------------------|
| The St Helens Teaching School Alliance | England | 09646674 | 100% |

The St Helens Teaching School Alliance provides CPD courses for teachers, teaching assistants and school support staff. During the period ended 31 August 2016 the company generated £200,000 and profit of £48,000 which was gift aided to The Three Saints Academy Trust.

At the period end the company had gross assets of £67,000, gross liabilities of £65,000 and funds of £2,000.

The Three Saints Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

24 Conversion to an Academy Trust

The following tables set out the fair values of the identifiable assets and liabilities transferred on the conversion of St Mary & St Thomas' CE Primary School and St Ann's CE Primary School and an analysis of their recognition in the SOFA.

St Mary & St Thomas's CE Primary School

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total £000 |
|--------------------------------------|----------------------------|-------------------------------------|--|--------------|
| Tangible fixed assets | | | | |
| Other tangible fixed assets | - | - | 23 | 23 |
| Budget surplus on LA funds | 117 | - | - | 117 |
| Budget surplus on other school funds | 5 | - | - | 5 |
| LGPS pension (deficit) | - | (531) | - | (531) |
| Net liabilities | 122 | (531) | 23 | (386) |

St Ann's CE Primary School

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total £000 |
|--------------------------------------|----------------------------|-------------------------------------|--|--------------|
| Tangible fixed assets | | | | |
| Other tangible fixed assets | - | - | 15 | 15 |
| Budget surplus on LA funds | 218 | - | - | 218 |
| Budget surplus on other school funds | 6 | - | - | 6 |
| LGPS pension (deficit) | - | (519) | - | (519) |
| Net liabilities | 224 | (519) | 15 | (280) |