

The Three Saints Academy Trust
(A Company Limited by Guarantee)
Annual Report and Consolidated Financial Statements
Year ended 31 August 2018

Company Registration Number:
09626002 (England and Wales)

The Three Saints Academy Trust

Contents

Reference and Administrative Details	3
Governance Statement	10
Statement of Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report to the Members and Trustees of the Three Saints Academy Trust	16
Independent Reporting Accountant's Assurance Report on Regularity to The Three Saints Academy Trust and the Education Funding Agency	19
Consolidated Statement of Financial Activities	21
Consolidated Balance Sheet	22
Company Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements for the year ended 31 August 2017	25

The Three Saints Academy Trust

Reference and Administrative Details

Members	E Collins A Bradley S Harrison G Almond E Rose
Trustees	A Bradley (Chair of Directors) K Haw (CEO, Accounting Officer) R Wilkinson L Traves N Butler (resigned 14 December 2017) D Jarvis N Ellis (appointed 1 September 2017) E Collins (appointed 1 September 2017, resigned 12 September 2018) G Martindale (appointed 1 July 2018)
Company Secretary	K Sawe
Senior Management Team:	
• CEO/Executive Principal	K Haw
• Finance Director (CFO)	K Sawe
• Director of School Improvement	L Bradshaw
• Headteacher	R Wilkinson
• Headteacher	L Lewis
• Headteacher	L Rynn
• Director of Wellbeing	L Smith
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 5 th 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 year ended 31 August 2017. 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 **625** in the school census October 2017. 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 year 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.

Trade Union Facility Time

No employees of the Trust were Trade Union representative during the year.

Related Parties and other Connected Charities and Organisations

The Liverpool Diocesan Board of Finance 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 year to 31 August 2018 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 423 pupils aged 4-11. 11% of all pupils are eligible for pupil premium, 10% of pupils have special educational needs and 2% have English as an additional language.

During the year it has achieved 96.4% attendance.

In 2017/18 the school achieved the following results:

	St Ann's	National Average
Pupils achieving a good level of development	77%	72%
Pupils meeting the expected standard in the phonics screening	97%	83%
KS1 pupils achieving expected standard in reading, writing and maths	Reading 82% Writing 84% Maths 84%	Reading 75% Writing 70% Maths 76%
KS2 pupils achieving expected standard in reading, writing and maths	RWM 74% Reading 89% Writing 92% Maths 82%	RWM 64% Reading 75% Writing 78% Maths 76%

St Mary & St Thomas' CE Primary School

St Ann's is and OFSTED outstanding primary school serving 221 pupils aged 3-11. 54% of all pupils are eligible for pupil premium or early years pupil premium, 30% of pupils have special educational needs and 7% have English as an additional language.

During the year it has achieved 96.2% attendance.

In 2017/18 the school achieved the following results:

	St Mary & St Thomas'	National Average
Pupils achieving a good level of development	67%	72%
Pupils meeting the expected standard in the phonics screening	81%	83%
KS1 pupils achieving expected standard in reading, writing and maths	Reading 79% Writing 79% Maths 82%	Reading 75% Writing 70% Maths 76%
KS2 pupils achieving expected standard in reading, writing and maths	RWM 50% Reading 64% Writing 82% Maths 64%	RWM 64% Reading 75% Writing 78% Maths 76%

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 ESFA and DfE in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the ESFA and DfE for the year ended 31 August 2018 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 year, received grant funding from the DfE of £652,000 which was used to run school based projects such as the Teaching for Mastery (including in textbook funding), 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 year the school received £65,000 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 year ended 31 August 2018 the subsidiary company made a profit of £89,000 which was gift aided to the Trust.

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 approximately 1 months operating expenses, £190,000. The Trust's current free reserves (total funds less those held in fixed assets and restricted reserves) are £106,000 (2017: £80,000). The Trust will principally use its unrestricted trading activity to continue 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.

Fundraising

At a school level the Trust has carried out a small amount of fundraising activity in the year. The Trust has not worked with any professional fundraisers and the Trust has not received any fundraising complaints in the year.

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.

Since the year end, Spinney Avenue CE Primary School, a school which the Trust have been working with and supporting for the last 18 months have made an application to the RSC to join the Trust. This application has already been approved by the Liverpool Diocesan Board of Education. In addition the Trust submitted a bid in the to wave 13 of the Free Schools Programme to open a 2 form entry primary school with a nursery provision in the St Helens area.

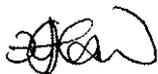
The Trust aims to continue to provide the highest possible outcomes for all its existing and future pupils, and through its work with the teaching school to continue to produce and develop outstanding teachers and leaders.

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 20 December 2018 and signed on the board's behalf by:



K Haw
Trustee

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

Trustee	Meetings attended	Out of a possible
A Bradley (Chair)	4	4
K Haw (CEO, Accounting Officer)	4	4
R Wilkinson	4	4
E Collins	3	4
N Ellis	4	4
L Traves	3	4
D Jarvis	3	4
J Martindale	1	1

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 is appointed as the Trust's responsible officer.

The Three Saints Academy Trust

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Bradley (Chair)	3	3
K Haw (CEO)	3	3
R Wilkinson	2	3
D Jarvis	3	3
N Ellis	1	3
K Sawe (CFO – non-voting)	3	3

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 year to 31 August 2018 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 year to 31 August 2018 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 as external auditor.

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 year 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 year in question the review has been informed by:

- the work of the external auditor
- 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 20 December 2018 and signed on its behalf by:



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 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 Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2017.

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.



K Haw
Accounting Officer

Date 20/12/18

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 2017 to 2018
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 20 December 2018 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

Opinion

We have audited the financial statements of The Three Saints Academy Trust ("the Academy") for the year ended 31 August 2018 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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) and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency (ESFA).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 the Academies Accounts Direction 2017 to 2018.

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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Three Saints Academy Trust

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information, including (specify titles of other information)] and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report or the Strategic report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Three Saints Academy Trust

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

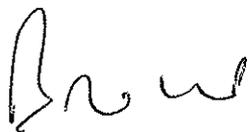
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Academy'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 Academy'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 Academy and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
Date 20/12/2018

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 31 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 1 September 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Three Saints Academy Trust and to the ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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'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 1 September 2017 to 31 August 2018 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 *20/12/2018*

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 year ended 31 August 2018

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 (restated) £000
Income and endowments from:						
Donations and capital grants	2	122	286	66	474	674
Charitable activities:						
Funding for the academy trust's educational operations	3	424	3,220	-	3,644	3,386
Teaching School	22	243	40	-	283	267
Other trading activities	4	133	-	-	133	103
Total		922	3,546	66	4,534	4,430
Expenditure on:						
Charitable activities:						
Academy trust educational operations	5	484	3,843	26	4,353	4,115
Teaching School	22	154	40	-	194	211
Other		-	-	-	-	-
Total		638	3,883	26	4,547	4,326
Net income / (expenditure)		284	(337)	40	(13)	104
Transfers between funds	13	(258)	275	(17)	-	-
Other recognised gains / (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	13,20	-	319	-	319	(107)
Net movement in funds		26	257	23	306	(3)
Reconciliation of funds						
Total funds brought forward		80	(1,842)	329	(1,433)	(1,430)
Total funds carried forward		106	(1,585)	352	(1,127)	(1,433)

The Three Saints Academy Trust

Consolidated Balance Sheet as at 31 August 2018

Company Number 09626002

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	10		352		329
Current assets					
Debtors	11	289		276	
Cash at bank and in hand		236		288	
		<u>525</u>		<u>564</u>	
Liabilities					
Creditors: Amounts falling due within one year	12	(217)		(345)	
Net current assets			<u>308</u>		<u>219</u>
Total assets less current liabilities			<u>660</u>		<u>548</u>
Net assets excluding pension liability			<u>660</u>		<u>548</u>
Defined benefit pension scheme liability	20		(1,787)		(1,981)
Total net liabilities			<u>(1,127)</u>		<u>(1,433)</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	13	352		329	
. Restricted income fund	13	202		139	
. Pension reserve	13	(1,787)		(1,981)	
Total restricted funds			<u>(1,233)</u>		<u>(1,513)</u>
Unrestricted income funds	13		<u>106</u>		<u>80</u>
Total funds			<u>(1,127)</u>		<u>(1,433)</u>

The financial statements on pages 20-46 were approved by the trustees and authorised for issue on 20 December 2018 and are signed on their behalf by



Kirsty Haw
Trustee

The Three Saints Academy Trust

Company Balance Sheet as at 31 August 2018

Company Number 09626002

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	10		351		329
Current assets					
Debtors	11	328		296	
Cash at bank and in hand		207		229	
		<u>535</u>		<u>525</u>	
Liabilities					
Creditors: Amounts falling due within one year	12	(209)		(323)	
Net current assets			<u>326</u>		<u>202</u>
Total assets less current liabilities			<u>677</u>		<u>531</u>
Net assets excluding pension liability			<u>677</u>		<u>531</u>
Defined benefit pension scheme liability	20		(1,787)		(1,981)
Total net liabilities			<u>(1,110)</u>		<u>(1,450)</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	13	351		329	
. Restricted income fund	13	203		140	
. Pension reserve	13	(1,787)		(1,981)	
Total restricted funds			<u>(1,233)</u>		<u>(1,512)</u>
Unrestricted income funds	13		<u>123</u>		<u>62</u>
Total funds			<u>(1,110)</u>		<u>(1,450)</u>

The financial statements on pages 20-46 were approved by the trustees and authorised for issue on 20 December 2018 and are signed on their behalf by



Kirsty Haw
Trustee

The Three Saints Academy Trust

Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	(68)	61
Cash flows from investing activities	17	16	(11)
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		<u>(52)</u>	<u>50</u>
Cash and cash equivalents at 1 September 2017		288	238
Cash and cash equivalents at 31 August 2018	18	<u>236</u>	<u>288</u>

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018

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 2016 to 2017 issued by ESFA, 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 year ended 31 August 2018 (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.

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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.

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.

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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.

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 Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

Pensions Benefits (continued)

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.

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 2017. 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 Three Saints Academy Trust

Notes to the Financial Statements for the year ended

31 August 2018 (continued)

1 Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement

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.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets Funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	-	66	66	219
Donations	122	286	-	408	455
	122	286	66	474	674
2017 Total	166	289	219	674	

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	2,274	2,274	2,328
Other DfE/ESFA grants	91	934	1,025	755
	<u>91</u>	<u>3,208</u>	<u>3,299</u>	<u>3,083</u>
Other Government grants				
Local authority grants	69	-	69	45
	<u>69</u>	<u>-</u>	<u>69</u>	<u>45</u>
Other income from the academy trust's educational operations	264	12	276	298
	<u>424</u>	<u>3,220</u>	<u>3,644</u>	<u>3,426</u>
2017 Total	<u>298</u>	<u>3,128</u>	<u>3,426</u>	

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Staff consultancy	104	-	104	87
Catering	17	-	17	9
Hire of facilities	2	-	2	3
Other	10	-	10	4
	<u>133</u>	<u>-</u>	<u>133</u>	<u>103</u>
2017 Total	<u>103</u>	<u>-</u>	<u>103</u>	

5 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2018 £000	Total 2017 £000
		Premises £000	Other £000		
Academy's educational operations:					
Direct costs	2,589	124	751	3,464	3,161
Allocated support costs	294	17	578	889	954
	<u>2,883</u>	<u>141</u>	<u>1,329</u>	<u>4,353</u>	<u>4,115</u>
2017 Total	<u>2,667</u>	<u>109</u>	<u>1,339</u>	<u>4,115</u>	

Prior year expenditure has been restated due to the change in the presentation of Teaching School income required by the 2017 to 2018 Academies Accounts Direction.

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Operating lease rentals	295	290
Depreciation	27	16
Fees payable to auditor for:		
- audit	14	14
- other services	4	2
	<hr/> 4	<hr/> 2

6 Charitable activities

	Total 2018 £000	Total 2017 £000
Direct costs - educational operations	3,464	3,161
Support costs - educational operations	889	954
	<hr/> 4,353	<hr/> 4,115

Analysis of support costs

	Educational operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	294	294	257
Technology costs	11	11	7
Premises costs	17	17	15
Other support costs	554	554	673
Governance costs	13	13	2
Total support costs	<hr/> 889	<hr/> 889	<hr/> 954
2017 Total	<hr/> 954	<hr/> 954	

Prior year expenditure has been restated due to the change in the presentation of Teaching School income required by the 2017 to 2018 Academies Accounts Direction.

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

7 Staff

a. Staff costs

Staff costs during the year were:

	Total 2018 £000	Total 2017 £000
Wages and salaries	2,099	2,050
Social security costs	171	172
Operating costs of defined benefit pension schemes	390	408
	2,660	2,629
Supply staff costs	98	76
	2,758	2,705

b. Non statutory/non-contractual staff severance payments

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

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	27	29
Administration and support	75	67
Management	7	7
	109	103

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was 2 (2017: 2).

	2018 No.	2017 No.
£70,001 - £80,000	1	1
£80,001 - £90,000	1	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 £536,000 (2017 - £519,048).

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (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 (2017 - £80,000-£90,000)

Employer's pension contributions paid £10,000 - £15,000 (2017 - £10,000 -£15,000)

R Wilkinson (executive principal and trustee):

Remuneration £80,000 - £90,000 (2017 - £70,000 - £80,000)

Employer's pension contributions paid £5,000 - £10,000 (2017 - £5,000 - £10,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £450 (2017 - £518) were reimbursed or paid directly to 1 trustee.

9 Trustees and officers insurance

The 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 membership.

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

10 Tangible fixed assets - Group and Company

	Assets in the Course of Construction £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
Cost					
At 1 September 2017	211	91	4	52	358
Additions	37	-	2	11	50
Transfers	(248)	248	-	-	-
Disposals	-	-	-	-	-
At 31 August 2018	-	339	6	63	408
Depreciation					
At 1 September 2017	-	3	1	25	29
Charged in year	-	7	1	19	27
Disposals	-	-	-	-	-
At 31 August 2018	-	10	2	44	56
Net book values					
At 31 August 2018	-	329	4	19	352
At 31 August 2017	211	88	3	27	329

11 Debtors

	Group 2018 £000	Company 2018 £000	Group 2017 £000	Company 2017 £000
Trade debtors	186	114	96	70
VAT recoverable	25	28	46	52
Other debtors	5	5	5	4
Intercompany debtors	-	20	-	-
Prepayments and accrued income	73	161	129	170
	289	328	276	296

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

12 Creditors: amounts falling due within one year

	Group	Company	Group	Company
	2018	2018	2017	2017
	£000	£000	£000	£000
Trade creditors	59	56	238	238
Other taxation and social security	46	46	45	45
Intercompany creditors	-	7	-	13
Accruals and deferred income	112	100	62	27
	217	209	345	323

Deferred income

	Group	Company	Group	Company
	2018	2018	2017	2017
	£000	£000	£000	£000
Deferred income at 1 September 2017	27	-	-	-
Released in the year	(27)	-	-	-
Resources deferred in the year	20	13	27	-
	20	13	27	-

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

13 Funds

Funds - Group

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,274	(2,549)	275	-
Pupil Premium	-	208	(208)	-	-
Other grants and donations	139	1,064	(1,001)	-	202
Pension reserve	(1,981)	-	(125)	319	(1,787)
	(1,842)	3,546	(3,883)	594	(1,585)
Restricted fixed asset funds					
Transfer on conversion	112	-	(12)	-	100
DfE/ESFA capital grants	217	66	(14)	(17)	252
	329	66	(26)	(17)	352
Total restricted funds	(1,513)	3,612	(3,909)	577	(1,233)
Total unrestricted funds	80	922	(638)	(258)	106
Total funds	(1,433)	4,534	(4,547)	319	(1,127)

Funds - Company

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,274	(2,549)	275	-
Pupil Premium	-	208	(208)	-	-
Other grants and donations	140	1,064	(1,001)	-	203
Pension reserve	(1,981)	-	(125)	319	(1,787)
	(1,841)	3,546	(3,883)	594	(1,584)
Restricted fixed asset funds					
Transfer on conversion	112	-	(12)	-	100
DfE/ESFA capital grants	217	66	(14)	(18)	251
	329	66	(26)	(18)	351
Total restricted funds	(1,512)	3,612	(3,909)	576	(1,233)
Total unrestricted funds	62	798	(480)	(256)	123
Total funds	(1,450)	4,410	(4,389)	319	(1,110)

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended

31 August 2018 (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 2018.

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 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
St Ann's CE Primary School	96	169
St Mary & St Thomas' CE Primary School	229	84
Central services	(17)	(34)
Total before fixed assets and pension reserve	308	219
Restricted fixed asset fund	352	329
Pension reserve	(1,787)	(1,981)
Total	(1,127)	(1,433)

Central services is carrying a net deficit of £17,000 (2017: £34,000) on these funds. Additional management charges from the member academies will be made in 2018/19 to repay the deficit.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2018 £000	Total 2017 £000
St Anns CE Primary School	1,217	249	97	547	2,110	1,843
St Mary & St Thomas' CE Primary School	1,005	288	264	639	2,196	1,899
Central services	-	-	15	48	63	68
Academy Trust	2,222	537	376	1,234	4,369	3,810

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

14 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

Group

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	352	352
Current assets	177	348	-	525
Current liabilities	(71)	(146)	-	(217)
Pension scheme liability	-	(1,787)	-	(1,787)
Total net assets	106	(1,585)	352	(1,127)

Company

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	351	351
Current assets	188	347	-	535
Current liabilities	(65)	(144)	-	(209)
Pension scheme liability	-	(1,787)	-	(1,787)
Total net assets	123	(1,584)	351	(1,110)

15 Commitments under operating leases

Operating leases

At 31 August 2018 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 2018 £000	Total 2017 £000
Amounts due within one year	5	283	288	290
Amounts due between one and five years	3	283	286	283
Amounts due after five years	-	-	-	-
	8	566	574	573

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (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

	2018 £000	2017 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(13)	104
Adjusted for:		
Depreciation [note 10]	27	16
Capital grants from DfE and other capital income	(66)	(219)
Defined benefit pension scheme cost less contributions payable [note 20]	72	88
Defined benefit pension scheme finance cost [note 20]	53	39
(Increase)/decrease in debtors	(13)	(74)
Increase/(decrease) in creditors	(128)	107
Net cash provided by Operating Activities	(68)	61

17 Cash flows from investing activities

	2018 £000	2017 £000
Purchase of tangible fixed assets	(50)	(230)
Capital grants from DfE/ESFA	66	219
Net cash used in investing activities	16	(11)

18 Analysis of cash and cash equivalents

	At 31 August 2018 £000	At 31 August 2017 £000
Total cash and cash equivalents	236	288

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 year ended 31 August 2018 (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 2016.

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)
- 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%.

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

20 Pension and similar obligations (continued)

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 employer's pension costs paid to TPS in the year amounted to £198,000 (2017 - £198,000).

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 year ended 31 August 2018 was £237,000 (2017- £213,000), of which employer's contributions totalled £191,000 (2017 - £171,000) and employees' contributions totalled £46,000 (2017 - £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.

On 26 October 2018, the High Court handed down its judgment in the case involving the Lloyds Banking Group's defined benefit pension schemes and the rights of members to equality of treatment in relation to pension benefits. The Court's ruling has made it clear that schemes should be amended to equalise benefits for men and women in respect of guaranteed minimum pension benefits. The extent to which the judgement crystallises additional liabilities of the Merseyside Pension Fund Local Government Pension Scheme is under consideration and any adjustment that may result is expected to be recognised in the 2018/19 financial year. At present, we are unable to quantify the financial effect of this.

Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.60%	3.70%
Rate of increase for pensions in payment/inflation	2.20%	2.20%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.10%	2.20%

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

20 Pension and similar obligations (continued)

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.0	21.6
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	25	24.2
Females	27.8	27.7

	At 31 August 2018	At 31 August 2017
0.5% decrease in Real Discount Rate	1,710	1,907
0.5% increase in the Salary Increase Rate	1,809	2,057
0.5% increase in the Pension Increase Rate	1,865	2,004
1 year increase in member life expectancy	1,844	2,037

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	777	625
Debt instruments	228	185
Property	136	96
Other	356	287
Total market value of assets	1,497	1,193

The actual return on scheme assets was £ 75,000 (2017 - £86,000).

Amount recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	(218)	(259)
Net interest cost	(39)	(39)
Total operating charge	(257)	(298)

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

20 Pension and similar obligations (continued)

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

	2018 £000	2017 £000
At 1 September	3,174	2,495
Current service cost	263	259
Interest cost	82	54
Employee contributions	45	43
Benefits paid	(4)	(4)
Actuarial (gain)/loss	(276)	327
At 31 August	3,284	3,174

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

	2018 £000	2017 £000
At 1 September	1,193	748
Interest income	33	19
Actuarial gain/(loss)	43	220
Employer contributions	191	171
Employee contributions	45	43
Benefits paid	(4)	(4)
Admin expense	(4)	(4)
At 31 August	1,497	1,193

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 (2017 - £282,945). The amount was matched with a donation from Liverpool Diocesan Board of Finance included in note 2.

During the year the Trust has continued to support Spinney Avenue Primary School in Halton. Kirsty Haw has continued to act part-time Executive Principal, and Laura Rynn was seconded as interim headteacher for part of the year. During the year £74,920 has been charged to Spinney Avenue for seconded staff, and £70,113 remained outstanding at the year end. Spinney Avenue have since the year end submitted an application to the RSC to join the Trust. This application is supported by the Liverpool Diocesan Board of Education and Halton Borough Council.

There were no other related party transactions in the year.

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

22 Teaching School Trading Account

	2017/18 £000	2017/18 £000	2017/18 £000	2016/17 £000	2016/17 £000	2016/17 £000
Income						
Direct Income						
Grant income		40			40	
Other income						
Trading income		243			227	
Total income			283			267
Expenditure						
Direct Costs						
Staff costs	40			40		
Other direct costs	150			161		
Total Direct Costs		190			201	
Other costs						
Other support costs	4			10		
Total other costs		4			10	
Total Expenditure			(194)			(211)
Surplus from all sources			89			56
Subsidiary profit gift aided to Trust			(89)			(56)
Teaching school balances at 1 September 2017			-			-
Teaching school balances at 31 August 2018			-			-

St Mary & St Thomas CE Primary School have Teaching School Status. The school receives a grant of £40,000 which funds Teaching School staffing. Teaching School activity is carried out through a wholly owned subsidiary company St Helens Teaching School Alliance. St Helens Teaching School Alliance is consolidated into the Trust and all profits generated by the company are gift aided to the Trust.

22 Central Services

The academy trust has provided the following central services to its academies during the year:

- finance services
- human resources
- health and safety compliance
- staff CPD training
- central management costs

The Three Saints Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

22 Central Services (cont.)

The Trust charges for these services on the basis of a flat rate of General Annual Grant income (5%).

The actual amounts charged in the year were as follows:

	2018 £000	2017 £000
St Ann's	74	35
St Mary & St Thomas	44	-
	<u>118</u>	<u>35</u>

23 Investment in Subsidiaries

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

St Helens Teaching School Alliance provides CPD courses for teachers, teaching assistants and school support staff. During the year ended 31 August 2018 the company generated £243,000 of income (2017 - £226,000) and profit of £89,000 (2017 £56,000) which was gift aided to The Three Saints Academy Trust.

At the year end the company had gross assets of £130,000 (2017 - £122,000), gross liabilities of £129,000 (2017 - £121,000) and funds of £1,000 (2017 - £1,000).