

Registered number: 13153266

Three Spires Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2022



Three Spires Trust
(A Company Limited by Guarantee)

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Three Spires Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	The Venerable Dr D Lee Mr J Naylor Bishop M Parker Mrs C Shaw Mr D Shemilt (resigned 5 November 2021) The Revd. Preb M Metcalf (appointed 8 February 2022)
Trustees	The Venerable Dr D Lee, Chair of Trustees ² Mr B Halstead ¹ Mr J Lawson ¹ Mrs J Pilmore ² Mr P Dolman (resigned 7 March 2022) ¹ Mr S Hudman (resigned 28 February 2022) ¹ Mr S Farar ² Mr M Maydew (resigned 14 October 2021) Mrs K Covey (appointed 8 November 2021) Revd Roger Farnworth (appointed 23 September 2022) ¹ Mrs H Robertson (appointed 20 June 2022) ² Ms T Tennyson (appointed 24 August 2022) ¹ ¹ Finance, Audit & Risk (FAR) Committee ² Quality of Learning (QOL) Committee
Company registered number	13153266
Company name	Three Spires Trust
Principal and registered office	New Beacon Building Stafford Education & Enterprise Park Weston Road Stafford ST18 0BF
Chief executive officer	Mrs E Verow
Senior management team	Mrs E Verow, Chief Executive Officer & Executive Principal Mr R Mayfield, Chief Financial Officer Mr R Timmis, Director of Operations Mr J Arnold, Interim Principal, St Peter's Collegiate Academy (resigned 31 August 2022) Mr S Hall, Head of School, St Thomas' CE Primary Academy (resigned 28 February 2022) Mr W Wilson, Principal, The King's Church of England Academy, Kidsgrove Miss S Milne, Director of Safeguarding & SEND (appointed 01 September 2021) Miss A Williams, Director of School Improvement (appointed 01 September 2022) Mrs L Fry, Principal, St Thomas' CE Primary Academy (appointed 1 March 2022)
Independent auditors	Dains Audit Limited Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent ST1 5RQ

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Reference and Administrative Details (continued)
For the Year Ended 31 August 2022

Bankers Lloyds Bank plc
 25 Gresham Street
 London
 EC2V 7HN

Solicitors VWV
 Second Floor
 3 Bridley Place
 Birmingham
 B1 2JB

Three Spires Trust
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Trustees' Report
For the Year Ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Three Spires Trust operates 2 secondary academies and 1 primary academy within the Diocese of Lichfield. The Trusts academies have a combined pupil capacity of 2,546 and had a roll of 2,234 in the school census in October 2022.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Three Spires Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Three Spires Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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 £1, for the debts and liabilities contracted before they ceased to be a member.

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officer from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

d. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust memorandum and articles of association. Trustees are appointed to the Trust Board under sections 50- 63 of the Three Spires Trust articles of association.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The Three Spires Trust provides induction and training for new Trustees that is dependent upon their experience. All new Trustees are welcomed into the Trust by the Governance Professional who is responsible for their induction once they have completed all necessary checks.

The Trust utilises an online portal known as "Governor Hub". Governor Hub allows Trustees to gain immediate access to all Governance information. One of the benefits of this system is that it enables the Trust to avoid overwhelming new Trustees with a huge printed induction pack. In particular, Trustees are directed towards the following information:

- Organisational structure
- Trust Articles of Association
- Trust Committee Terms of Reference
- Trust Scheme of Delegation
- Trust Local Governing Body Handbook
- Keeping Children Safe in Education (KCSIE)
- Education & Skills Funding Agency Academies Handbook

All Trustees must complete and sign a declaration to state that they are eligible to perform the duties of a Director, as well as declaring any business and pecuniary interests.

Trustees complete a skills audit on appointment and complete further training if this is requested or considered necessary.

The Trust believes that strong Governance is vitally important and provides an induction and regular ongoing training provision for Governors.

The Trust subscribes to the National Governance Association (NGA) which provides links to further online training for both Governors and Trustees.

New Trustees spend some specific time during induction with the CEO and the Chair of the Trust Board.

The Trust has recently commissioned our internal audit partner to complete an audit of Corporate Governance to provide quality assurance and scrutiny.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

f. Organisational structure

Three Spires Trust operates a flat governance structure as detailed below, demonstrating that all stakeholders are partners in the Trust and its vision for education.

The Executive Leadership Group and Central Support Team consists of Officers employed by the Trust to carry out the strategic and operational objectives set by the Trust board.

Our high-quality governance model provides confident and strong strategic leadership at all levels, which is shaped by our Christian values. By fulfilling this aim we ensure robust accountability, oversight, scrutiny and quality assurance for the educational and financial performance of the Trust and its academies.



The board of trustees is responsible for ensuring that the vision, values and strategic direction of the trust are clearly defined and followed. The trustees are also responsible for monitoring the proper and effective use of the trust's resources and ensuring value for money principles are followed.

The Trust has reviewed its Scheme of Delegation to ensure that the effective management of the organisation.

The Scheme of Delegation provides clarity on how the organisation is structured and who is responsible for making decisions.

It is the Trustees' responsibility to ensure that via the Governance Structure and the executive team the Trust is making effective use of public resources and maintaining a high quality of provision.

The Members

The Members are akin to shareholders in a commercial company and have ultimate control over the direction of the Trust through the appointment of Trustees and control of the structure of the Trust Board. Currently there are five Members;

- The Diocesan Board of Education acting corporately,
- Two individual members of the Diocesan Board of Education nominated by that Board,
- One individual nominated by the Bishop of Lichfield,
- The Chair of the Board of Trustees who is nominated by the 4 Members.

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Trustees' Report (continued)
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Structure, governance and management (continued)

The Trust Board

The Board of Trustees has the responsibility for the effective running of the Trust and the individual academies within it. The Trust Board is accountable to the Department for Education. The Three Spires Trust Board has decided to form committees to carry out certain aspects of its functions.

Composition of the Trust Board

The Board comprises 9 Trustees.

Appointment of Trustees

We have a clear process for the appointment of Trustees.

- Article 50 of the Trust Articles states that Members will appoint four Trustees.
- Article 58 of the Trust Articles states that Trustees may appoint Co-opted Trustees. A Co-opted Trustee means a person who is appointed to be a Trustee by Trustees who have not themselves been so appointed.
- The Chair of Trustees is appointed by the Members from amongst their number
- The CEO is not a Trustee.

Currently, there are three committees:

- Finance, Audit and Risk Committee (which is required by the DfE),
- Quality of Education Committee (encompassing Christian Distinctiveness, safeguarding and inclusion),
- Pay and Remuneration Committee.

Other committees or regional boards may be formed as the Trust grows and terms of reference will be developed accordingly.

The Trust operates a number of governance network meetings to underpin the work of the committees; examples include Safeguarding and SEND and the chairs network.

Local Governing Body (LGB)

The Local Governing Body is a committee of the Trust Board and as such, is both an ambassador for the Trust and has been delegated powers in order to oversee the running of its individual academy.

Each academy's Local Governing Body (LGB) meets 6 times a year. The LGB ensure that the Trust's vision, values and strategic direction are followed. They do this by providing support and challenge to the Academies' Principal and Senior Leadership Team, by seeking assurances on behalf of the Trust Board that the academies are performing as they should be.

The LGB may set up on an ad hoc basis panels on admissions, grievances and pupil suspensions and exclusions. Advice and support will be given by the Central Team as necessary.

The Executive Leadership Group and Central Support Team

The CEO

The Trust's day to day operations are led and managed by the CEO / Accounting Officer who is the leader of the Executive Leadership Group. A significant number of responsibilities under the Scheme of Delegation lie with the CEO. The term 'CEO' refers to the Chief Executive Officer but, as the CEO may choose to delegate some of these functions to members of the central team, the reference to CEO may therefore include the Chief Financial Officer, Director of School Improvement or other staff employed centrally.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

The CEO is also the named Accounting Officer and is accountable to the DfE for the proper use of public funds by the Trust.

The Executive Leadership Group

As of September 2022 the ELG consists of the CEO as listed above together with Academy Principals and the following Trust leaders:

- Chief Financial Officer
- Director of Operations
- Director of Safeguarding and SEND
- Director of School Improvement

The Central Support Team

From September 2022, the team at the centre of the Trust are:

- Finance Manager and Business Partner (from January 2023)
- ICT Business Partner (part time)
- Governance Professional (part time)
- Executive Assistant to the CEO
- Senior Finance Support Officer (part time)

The Trust may appoint further specialists to the Central Support Team as required.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

Together, the Executive Leadership Group and the Central Support Team supports academies with;

- Curriculum
- Safeguarding & SEND
- OFSTED inspections
- Teaching and learning
- Safeguarding
- Finance
- SIAMS Inspections (Church academies only)
- Human Resources
- Health and safety
- Governance
- Information and communications technology
- Public relations and communications
- Data Protection and freedom of information
- Funding bids
- Capital projects
- Internal & External audit

Academy Principals

In our academies, the Principal will be assigned delegated powers and may choose to delegate some of these further to another member of staff e.g. the academy business manager or Vice Principal. Where this document refers to Principal this may include other staff members who have been delegated responsibilities with the understanding that the ultimate responsibility remains with the Principal.

g. Arrangements for setting pay and remuneration of key management personnel

Performance management of Trust staff is managed by the Trust Board in line with the principles highlighted in the scheme of delegation.

Performance management of Principals is managed by the Trust Board with remuneration being considered in line with School Teachers Pay and Conditions and the scope of individual leadership bands and successful achievement of performance targets.

The Trust believes it is vital to be transparent about salaries within the academies sector and how those salaries are set. Salaries are benchmarked against similar roles within the academies sector and the trust refers to a recognised pay scale. A degree of flexibility is afforded relating to salary to ensure the Trust can recruit and retain the best staff.

The pay policies of both St Peter's Collegiate Academy and what was formerly the Wade Federation of schools (St Thomas' and The King's), transferred to Three Spires Trust in May 2021 and April 2021 respectively as part of the TUPE process for existing staff members.

In April 2022 the Trust negotiated a Trade Union Recognition Agreement and JNC consultative mechanism as set out in the measures declared at the time of transfer. Following this process, it is the intention of the Trust to move to a single pay policy for all existing and new academy staff.

The Trust intends to continue to use Standard Teacher's Pay and Conditions as the basis of its pay policy for teaching staff; and for support staff the Trust intends to continue the use of the Green Book framework.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	11,846,739	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. Related parties and other connected charities and organisations

The Three Spires Trust serves a diverse range of communities throughout the Diocese of Lichfield. A register of business interests is maintained at Trust Board and Local Governing Body level.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Managing attendance at work policy (MAAW)
- Time off policy
- Safer recruitment

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

The Trust is continually seeking to develop arrangements to ensure that our engagement with employees:

- Provides employees with information on matters of concern to them
- Consults with employees regularly so that their views can be considered in decision making likely to affect their interests
- Encourages the involvement of employees in the Trusts performance
- Achieves a common awareness on the part of all employees of the factors affecting the performance of the Trust
- Develops its policy in respect of applications from disabled persons, treatment of employees who become disabled, and the training, career development and promotion of disabled people.

The Trust is currently in consultation with the JNC surrounding a number of draft policies designed to further engage with our employees and colleagues:

- Flexible working policy
- Menopause support policy
- Equality & Diversity

The Trust invests in an Employee Assistance Programme (EAP) that provides compassionate health & wellbeing support. This is a confidential service available for our staff and their immediate families available 24 hours a day, 7 days a week, 365 days a year.

- During the Autumn term 2022 it is the Trusts intention to launch an Electric Vehicle (EV) salary sacrifice scheme to provide benefits to our employees and the environment.

Objectives and activities

a. Objects and aims

Our vision

Three Spires Trust plays a part in young people discovering life in all its fullness. These words first spoken by Jesus, encompass every aspect of being human - relating well to those around us, confident in who we are and enjoying the spiritual dimensions of life. Our Academies are communities where individual learning and challenge flourish, tailored to the abilities and ambitions of each young person. Our Academies enable students to make great progress and reach the highest educational standards.

Our values

Through our Christian values, Three Spires Trust strives to enrich the lives of our communities. We will live, love and learn as we seek to EMBRACE 'life in all its fullness'. We believe that we can realise our full potential academically, socially, globally and spiritually through the promotion of our Christian values which enable our students to

- **Enjoy learning**
- **Model service**
- **Belong to a family**
- **Respect and develop the whole person**
- **Aspire to achieve**
- **Care for the earth and each other**
- **Experience the love of God**

Three Spires Trust is committed to working within a respectful and compassionate environment. It is open to schools of all faiths and none, all educational phases and all Ofsted judgments - we celebrate diversity.

The Trust exists to serve the students in its care. It has a small number of core principles:

- We expect all our academies to support each other and to share best practice for the benefit of all.
- We encourage each of our academies to celebrate its distinctive identity within our community.
- We are committed to providing quality-assured services to keep our academies legal, financially robust and continually improving.
- We consider that our Christian distinctiveness enhances the life of the Trust and all involved with us.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The Three Spires Trust exists to promote the education, health and wellbeing of children in all of its academies whilst enabling them to discover life in all its fullness. All of our academies have development plans that address how they will seek to raise levels of attainment and achievement, keep children safe and develop young people to improve their life chances. Over the next 3 years the Trust will seek to:

- Admit more academies if their vision and values match the Trusts, due diligence is positive and the Governors and leadership team are keen to join.
- Manage the £30m rebuild of St Peters, Wolverhampton.
- Work in partnership with our academies to drive school improvement.
- Refine our growth strategy to enable us to benefit a wider audience.
- Ensure Christian Distinctiveness is at the heart of all we deliver as a Trust.
- Develop a high quality and supportive relationship with existing and potential associate members.
- Consider bidding for free schools within the Diocese of Lichfield.
- Help and facilitate our existing academies to deliver their development plans.
- Actively seek to provide Trust networks to facilitate the sharing of best practice across the Trust.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

Academies within the Trust continue to perform strongly; improving in a range of key performance indicators. Academic achievement is clearly very closely aligned to our strategic objectives as articulated in the report – particularly in regard to developing the whole person and achieving vocational and academic success. The Trust board receives reports via the Director of school improvement – where performance data is considered along with the academy improvement plans and professional growth targets.

With a focus on the Church of England's vision for education 'called, connected and committed', academies within the Trust are supported through a school improvement offer which is explicit in its desire to promote collaboration. It focuses on bringing inspirational leaders, teachers and support staff from across the MAT together to grow, flourish and provide an excellent education with Christian values at its heart. We are confident, as a Trust, that we have tailored an offer that recognises where each academy is on their improvement journey and confident that each is supported to perform well and deliver high quality provision to the young people in their care. This is also extended to those schools working as associate member schools.

All academies have their own unique culture and place within a local community, and this approach takes that into account when they join our family. The success of our academies depends on our investment in colleagues' professional development and learning. Our emphasis on staff development and 'growing our own' talent is based on our commitment to spotting enthusiasm and nurturing ambition at an early stage. An investment in every member of staff's development through 'in house' and external courses; coaching and mentoring, and a culture of trust where numerous opportunities are created for staff to 'step up' and lead projects in and across the Trust, is actively promoted.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

The appointment of a Director of school improvement has accelerated the professional growth model adopted by the Trust where there is now an impressive professional network programme on offer. A robust Trust action plan has been put into place and already, has sharpened up the processes and procedures across the Trust for early identification and intervention of any vulnerable groups of children.

The Trust board believe that the academies should provide a caring, safe and vibrant environment for students where their spiritual, moral, social and physical development is developed and protected. In this respect, trustees follow statutory safeguarding guidance and practice to ensure the safety of children providing appropriate training for staff, volunteers and the board.

The Trust board has continued to be appropriately sustained with a wide range of experience in the fields of education, commerce, human resources and corporate affairs. These attributes have contributed to effective control, strong challenge and positive ambition for the academies as well as their students, their staff and the communities they serve.

Strong budgetary controls are exercised as part of a culture of disciplined financial management – achieving optimum value for money. The annual programme of repairs, along with significant capital projects, are resulting in buildings within the Trust being maintained and developed to a high standard.

The academic results of the academies for examinations sat in 2022 can be found on the DfE performance tables.

a. Key performance indicators

Our schools aim to ensure that our pupils experience "Life in All its Fullness". This means that in addition to providing excellent educational outcomes, and a rich and diverse curriculum, we also seek to grow all pupils regardless of their ability or background so that they develop strong values and become a valued part of society.

b. 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, they continue 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 accounting policies.

Financial review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA), this takes the form of recurrent grants the use of which is restricted to educational purposes.

Grants received from ESFA during the period ended 31 August 2022 and associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust is a Church of England multi academy trust. The academy land and buildings are owned by the Diocese of Lichfield. The Diocese leases the land and buildings to the Trust by way of the Church Supplemental Agreement (CSA) which has a rolling 2-year term. This arrangement is typical for a Church of England MAT and means that most of the land & buildings utilised by the Trust and our academies do not show on the Trust balance sheet. At first glance this makes the trust's net asset position appear lower than expected. This arrangement and the government backed pensions deficit inherited when schools joined the Trust are key to understanding the Trust's balance sheet.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Strategic report (continued)

The Trust considers the following as key financial indicators:

- Robust financial monitoring in line with ESFA AH regulations.
- Ensuring value for money through effective financial management procedures.
- The Trust and its academies comply with the Trust's financial regulations and policies.
- Monitoring and maintaining a positive cash balance to ensure all expenditure obligations can be met.
- Monthly review and reporting of income and expenditure.
- Production of annual 5 year forecasts for all academies and the Trust.
- Local Governing Body monitoring of Management Accounts.

COVID 19 has negatively impacted the financial position of the Trust. The main factors are the reduction of budgeted income streams and additional staffing.

The Trust held fund balances at 31 August 2022 of £5,700,548 excluding a pensions reserve of (£1,566,000). This comprised an amount of unrestricted funds of £352,373 and restricted funds of £5,348,175 (excluding the pension reserve). Total funds including the pension deficit were £4,134,548. The pensions deficit is backed by the UK Government.

The Three Spires Trust has reviewed the major risks that can affect the Trust. In particular, these relate to Finance, Audit & Risk, Quality of Learning (including Safeguarding & SEND), and Pay & Conditions which is why the Trust have set up Trust sub committees in these areas to ensure increased scrutiny. Accordingly, the Trustees are confident that they have implemented systems, procedures and internal controls to monitor and manage these risks. Further information is included in the Risk Management section below. Where significant financial risks still remain adequate insurance cover is in place.

a. Reserves policy

The Reserves policy establishes a framework within which decisions will be made regarding the level of reserves held by TST and the purposes for which they will be used and maintained. The Reserves Policy:

- Assists in strategic planning by considering how new projects or activities will be funded;
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects;
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

The trust's Risk Management Strategy and Risk Register are actively used to make informed judgements about the appropriate level of reserves to hold for future activities undertaken by TST for its beneficiaries.

The reserves policy takes into account income and expenditure, capital expenditure commitments and the reserves required to cover any urgent requirements for expenditure and any potential shortfalls in income.

Details of all reserves and year-end balances are contained in the Trust's annual Statement of Accounts.

The level of reserves will be kept under review by the Trustees.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

b. Investment policy

The investment policy governs the investment strategy of TST and all establishments that constitute TST. The management of charitable funds and investments will comply with the requirements of the:

- Charities Act 2016; Trustee Act 2000.
- Financial Services and Markets Act (FSMA) 2000; and the
- Charity Commission.

The charitable funds of TST are derived from direct government and local authority grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of the charity's work, such as providing education, training, and development; these funds are defined as unrestricted.

The trustee of these funds is TST, which is managed by its Board of Trustees through the Finance, Audit & Risk committee. Therefore, there is a sole corporate body/trustee with responsibility for managing and administering the assets of the charitable funds and investments.

This investment policy ensures that cash flow and current account balances are monitored to ensure financial commitment can be met as and when due. Additionally, the Trust's bank account will be maintained at a level that enables it to meet any forthcoming commitments.

The Trust will ensure that its bank balance will not go overdrawn as this is not allowed by the Academies Handbook.

c. Principal risks and uncertainties

The Trustees have assessed the major risks and uncertainties that affect the Trust and consider the following to be the most significant challenges over the next 12 months:

- Uncertainty surrounding the UK inflation rate and its impact on wages, costs and utilities
- Potential trade union action relating to teaching pay disputes
- Potential trade union action relating to support staff disputes
- Threats of nationwide blackouts relating to energy crisis
- Catching up on education lost for pupils as a result of schools closures due to COVID 19.
- Unknown future developments relating to COVID 19.
- Changes in the Inspection framework.
- Recruitment and retention of key staff within the Trust especially in light of the teacher recruitment crisis.
- Ensuring the successful integration of academies into the Trust.

There are also the more general risks to be managed such as fraud, reputational damage and failure to deliver on school improvement targets.

Risk Management

The Trustees are responsible for risk management and for maintaining a robust system of internal control that supports the achievement of policies, aims and objectives whilst safeguarding the public funds and assets for which it is responsible. The Trust Board is advised in this role by the Finance, Audit & Risk Committee and both are advised and informed by the Trust Leadership Team.

The Trust Board fulfils its risk management role by establishing the following system of internal controls:

- Approving and reviewing a series of policies that underpin the internal control process;
- Agreeing objectives, plans and resources by means of the whole Trust budget, the detailed Trust strategy and its underlying delivery plan;

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Trustees' Report (continued)
For the Year Ended 31 August 2022

- Scrutinising the Audit Recommendations Tracker (ART) which logs all recommendations from external audit, internal audit and any 3rd party organisations.
- The policy statement and the risk register and the thorough review of them each year to identify risks, near misses and opportunities; and
- Considering carefully the advice from the Internal Auditor together with advice from any other external consultants and inspectors.

The Trust Leadership Team fulfils its risk management role by:

- Implementing the Trust's policies on risk management and internal control;
- Advising the Finance, Audit & Risk Committee and the Trust Board of the fundamental risks faced by the Trust and helping them to evaluate those risks;
- Providing timely and sufficient information to the Trust Board;
- Assisting the Finance, Audit & Risk Committee in drawing up the risk register; and
- Working to embed risk management and risk based internal control in all aspects of Trust management.

In its ongoing consideration of the risk register the Trust Board consider the following issues:

- Whether risk management continues to be linked to the achievement of overall Trust objectives;
- The appropriate risk appetite or level of exposure for the Trust as a whole;
- Whether risk assessment and risk based internal control are embedded in ongoing operations and form part of the Trust's culture;
- Changes in the nature and extent of fundamental risks and the Trust's ability to respond to those changes;
- The extent and frequency of reports on internal control to the Trust Board;
- The incidence of and fundamental control failings (risk events) or weaknesses identified at any point (near misses) and the impact that they could have; and
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

Risk management is supported further by the individual Academy level risk registers, which are maintained at Academy level and reviewed by their Local Governing Bodies. These are then reviewed on an annual basis by the CFO who will raise any concerns with the Finance, Audit & Risk Committee and ensure that significant risks affecting the Trust as a whole are included in the Trust Risk Register.

Fundraising

Any fundraising activities taking place within the Trust or its academies will comply with the requirements of the Charities Act 2016.

Fundraising is not part of the Trust's core business or main charitable objectives. The trust does not operate a high level of fundraising activities. Most fundraising within the academies will come through non uniform, fancy dress or cake sale days. Parents are made aware of the beneficiaries of their donations in advance which may be to support a local or national charity of the pupil's choice, or alternatively, to financially support a specified school event. Contributions are not compulsory.

No fundraising income is included within the Trust income shown within the Statement of Financial Activities.

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Trustees' Report (continued)
For the Year Ended 31 August 2022

Plans for future periods

The Trust will work in partnership with our member schools to improve their offer and consistently achieve excellent outcomes for our pupils.

Christian distinctiveness is at the core of our vision and values as a Trust. Ensuring that the Trust offers something distinctively Christian within its community of schools is a high priority.

In December 2021 the Trust had its first ESFA Financial Management and Governance Review. The successful completion of this review has led to the Trust being given the green light for more schools to join the Trust. Many schools have expressed an interest in joining the Three Spires Trust and we are actively discussing this with them.

The Trust is working in partnership with the DFE and has developed important strategic and working relationships. We are keen to work with the DFE in the spirit of partnership to ensure the best possible outcomes for young people across the Diocese of Lichfield. In some circumstances this may involve the Trust engaging in school improvement projects with school and academies outside of the Trust.

Hanley St Luke's become our first associate member of the Trust in September 2021, taking advantage of the Government's "Try Before You Buy" Scheme. This partnership went really well and subject to approval from the advisory board we look forward to them joining the Trust as full members during the 2022-23 academic year.

The Kings, Wolverhampton was initially expected to join the Trust in April 2021. However, due to land and buildings issues outside of the Trust's control the school is still under the control of the local authority. Progress is being made and we are hopeful that we will finally welcome them in to the Trust during the 2022-23 academic year.

New Invention Junior School in Walsall has expressed an interest in becoming an associate member of the Trust in 2022-23 and we are looking forward to working closely with them over the next 12 months.

The St Giles & St George's Church of England Academy Trust, a multi academy trust in Newcastle Under Lyme with one primary school, are working closely with the Three Spires Trust ahead of putting a likely application to the DFE to join the Trust in 2023.

The Trust has devised a growth strategy that will enable the Trust to grow in a considered and sustainable manner. The Trustees are cognisant that we must not grow too quickly and that the capacity of the central team will need to grow to ensure the high quality of services that our members expect are provided. Schools will not solely join the Trust on a first come, first served basis. Schools that wish to join the Trust will need to have values that align with the Trust's and successfully complete our due diligence process.

Three Spires Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2022

Plans for future periods (continued)

Funds held as custodian on behalf of others

No funds are held as Custodian Trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are 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 12 December 2022 and signed on its behalf by:



Dr D Lee
Chair of Trustees

Three Spires Trust
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Three Spires 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day to day responsibility to the Chief Executive Officer, 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 Three Spires 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 5 times during the period. The Trustees believe that this is more than adequate to provide the required level of scrutiny and oversight.

This is particularly the case as the Trust board has put in place 2 subcommittees to ensure increased targeting of oversight and scrutiny for Finance, Audit & Risk and Quality of Learning.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
The Venerable Dr D Lee, Chair of Trustees	5	5
Mr B Halstead	3	5
Mr J Lawson	4	5
Mrs J Pilmore	4	5
Mr P Dolman	1	1
Mr S Hudman	1	1
Mr S Farar	5	5
Mrs K Covey	5	5
Mrs H Robertson	2	2
Ms T Tennyson	0	0

Finance, Audit & Risk Committee ("FAR")

The Finance, Audit and Risk Committee ("FAR") brings together Trustees of the Board. The purpose is to provide a holistic Trust-wide review of the financial activities of the Trust and ensure that the risk register is monitored appropriately. The work of the FAR committee falls under the remit of the Academy Trust Handbook 2021, government guidance on risk (the Orange Book) and the trust's own policies, procedures and reporting protocols.

Three Spires Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

The FAR committee met 4 times during the period and attendance was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Halstead	3	4
Mr J Lawson	4	4
Mr P Dolman	1	2
Mr S Hudman	1	2
Ms T Tennyson	0	0
Rev Roger Farnworth	0	0

Quality of Learning Committee ("QOL")

The Quality of Learning Committee brings together Trustees of the Board. The purpose is to provide a holistic Trust-wide review of the Quality of Education provided by the Trust and to identify and implement appropriate policies and procedures to safeguard the welfare of all relevant students, staff, volunteers, and other service users coming into contact with the Three Spires Trust.

Three Spires Trust is committed to providing education of the very highest standards to all pupils within a Christian context. This can only happen if the safety and well-being of every pupil is a foremost priority. Every academy needs to ensure that training is regular and comprehensive, staff are vigilant, systems are coherent and understood, responses are timely, communication is smooth, record keeping is meticulous and every member of staff understands that no concern is too small to pass on. Safeguarding is a corporate, shared responsibility amongst everyone involved in the life of the Trust. The management of safeguarding on a day to day basis is the responsibility of the Trust's employees. The Trust QOL committee is a strategic partner in delivering these responsibilities.

The QoL committee met 4 times during the period and attendance was as follows:

Trustee	Meetings attended	Out of a possible
The Venerable Dr D Lee, Chair of Trustees	4	4
Mrs J Pilmore	4	4
Mr S Farar	3	4
Mrs H Robertson	0	0

Governance Reviews

The Trust has recently successfully completed an internal audit of Corporate Governance and this will shortly be followed by an audit of Information Governance. A review of Governance by the National Governance Association (NGA) has also been commissioned and will take place during the new financial year. The Trust Board is proactive and reflective and looks to appraise the skills of its trustees and governors regularly to ensure competence in line with the competency framework.

The Trustees are encouraged by the quality of the information they are receiving and are confident that this has enabled them to be effective.

Three Spires Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of value for money

As accounting officer, the Chief Executive Officer 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 academy 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:

- Recruiting experts from the academic sector to provide in house knowledge and expertise.
- Sharing of best practice across the Trust as an alternative to buying in external experts.
- Developing the Executive Leadership Group (ELG) to enable Principals to share knowledge and experience.
- Creating a Business Manager forum to discuss financial issues and share best practice.
- Utilising three Trust sub committees to focus in on the key data:
 - Finance, Risk and Audit
 - Quality of Learning
 - Pay & Remuneration Committee

Ensuring effective tendering for, and management and leadership off, centrally managed services and contracts:

- Payroll
- Employee Assistance Program
- Legal Services
- Internal Audit
- External Audit
- Financial Management System
- Trust wide MIS system (Arbor)
- Single Central Register
- Cyber Security

Careful and diligent financial management to ensure funds are available to:

- Maintain a prudent contingency level
- Invest in capital projects
- Cope with the lagged funding model and the operational issues it creates in a growing school
- Service all financial management conditions placed upon the Trust by the ESFA upon inception.

Negotiate effectively with authorities regarding the licenced deficit inherited by the Trust upon academisation of The King's Church of England Academy, Kidsgrove.

The Trust has set up a Joint Negotiating Committee (JNC) and signed a Trade Union Recognition Agreement (TURA) to enable the Trust and its academies to work together in partnership for the benefit of all.

The Trust will shortly be launching an Academy Portal that will provide access for academy staff to all Trust resources, policies and procedures.

Three Spires Trust
(A Company Limited by Guarantee)

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 ongoing 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 Three Spires Trust for the period 01 September 2021 to 31 August 2022 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2021 to 31 August 2022 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, Audit and Risk 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
- identification and management of risks

The Board of Trustees has decided to employ Haines Watts as internal auditor.

The Trustees chose this option as they are of the view that these third party checks, coupled with our own internal policies and procedures, are essential to provide a quality, balanced, effective internal scrutiny programme throughout the Trust.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems. In particular, since the inception of the Trust the following internal audits have been completed:

- Payroll & Expenses
- Cyber Security
- Key Financial Controls
- Risk Management
- Corporate Governance
- 2021-22 Follow up audit

On a termly basis, the reviewer reports to the Board of Trustees through the finance, audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. In particular Trustees review the Audit Recommendations Tracker on a termly basis to

Three Spires Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

The risk and control framework (continued)

quality assure that recommendations are being actioned in a timely and effective manner.

At the date of writing this report, in the opinion of Haines Watts, the controls upon which the organisation relies to manage risks material to the achievement of its objectives are suitably designed and applied. No material control issues have been reported.

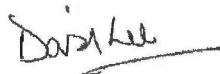
Review of effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the external auditors;
- 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, audit and risk 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 12 December 2022 and signed on their behalf by:



Dr D Lee
Chair of Trustees



Mrs E Verow
Accounting Officer

Three Spires Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Three Spires Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust 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 Academy Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

During the year an instance occurred where 1 bottle of wine was purchased, as a gift, for £11.55. This is not compliant with the requirements detailed in the Academy Trust Handbook 2021.

It was identified during the audit fieldwork that the Get information about schools website was not up to date for one member, this has since been updated.



Mrs E Verow
Accounting Officer
Date: 12 December 2022

Three Spires Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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:

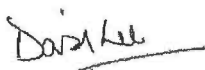
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



Dr D Lee
Chair of Trustees
Date: 12 December 2022

Three Spires Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Three Spires Trust

Opinion

We have audited the financial statements of Three Spires Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Three Spires Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Three Spires Trust
(continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Three Spires Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Three Spires Trust
(continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and other management, and from our commercial knowledge and experience of the academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

Three Spires Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Three Spires Trust
(continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the academy trust's legal advisors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Hawkins (Senior Statutory Auditor)
for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
ST1 5RQ

12 December 2022

Three Spires Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Three Spires Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Three Spires Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Three Spires Trust's funding agreement with the Secretary of State for Education dated 26 March 2021 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Three Spires Trust
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Three Spires Trust and the
Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year an instance occurred where 1 bottle of wine was purchased, as a gift, for £11.55. This is not compliant with the requirements detailed in the Academy Trust Handbook 2021.

It was identified during the audit fieldwork that the get information about schools website was not up to date for one member, this has since been updated.



Dains Audit Limited

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
ST1 5RQ

Date: 12 December 2022

Three Spires Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	7 month ending 31 August 2021 £
Income from:						
Donations and capital grants:	3					
Transfer from existing Academy Trust		-	-	-	-	1,065,329
Other donations and capital grants		4,333	-	20,331	24,664	249,690
Other trading activities	5	315,234	-	-	315,234	92,827
Charitable activities	4	-	13,701,182	-	13,701,182	4,963,193
Total income		319,567	13,701,182	20,331	14,041,080	6,371,039
Expenditure on:						
Raising funds	6	279,792	-	-	279,792	102,537
Charitable activities	6	-	14,212,862	232,568	14,445,430	4,773,086
Transfer from local authority on conversion	6	-	107,985	-	107,985	1,506,741
Total expenditure		279,792	14,320,847	232,568	14,833,207	6,382,364
Net income/(expenditure)		39,775	(619,665)	(212,237)	(792,127)	(11,325)
Transfers between funds	18	(170,560)	-	170,560	-	-
Net movement in funds before other recognised gains/(losses)		(130,785)	(619,665)	(41,677)	(792,127)	(11,325)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	5,602,000	-	5,602,000	(664,000)
Net movement in funds		(130,785)	4,982,335	(41,677)	4,809,873	(675,325)

Three Spires Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	483,158	(6,177,305)	5,018,822	(675,325)	-
Net movement in funds	(130,785)	4,982,335	(41,677)	4,809,873	(675,325)
Total funds carried forward	352,373	(1,194,970)	4,977,145	4,134,548	(675,325)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 37 to 66 form part of these financial statements.

Three Spires Trust
(A Company Limited by Guarantee)

Balance Sheet
As at 31 August 2022


	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	4,977,146	5,018,822
		<u>4,977,146</u>	<u>5,018,822</u>
Current assets			
Debtors	14	261,116	413,029
Investments	15	-	11,043
Cash at bank and in hand		1,893,436	1,334,100
		<u>2,154,552</u>	<u>1,758,172</u>
Creditors: amounts falling due within one year	16	(1,024,142)	(689,281)
Net current assets		<u>1,130,410</u>	<u>1,068,891</u>
Total assets less current liabilities		<u>6,107,556</u>	<u>6,087,713</u>
Creditors: amounts falling due after more than one year	17	(407,008)	(327,038)
Net assets excluding pension liability		<u>5,700,548</u>	<u>5,760,675</u>
Defined benefit pension scheme liability	25	(1,566,000)	(6,436,000)
Total net assets		<u><u>4,134,548</u></u>	<u><u>(675,325)</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	4,977,145	5,018,822
Restricted income funds	18	371,030	258,695
		<u>5,348,175</u>	<u>5,277,517</u>
Restricted funds excluding pension asset	18	5,348,175	5,277,517
Pension reserve	18	(1,566,000)	(6,436,000)
		<u>3,782,175</u>	<u>(1,158,483)</u>
Total restricted funds	18	<u>3,782,175</u>	<u>(1,158,483)</u>
Unrestricted income funds	18	<u>352,373</u>	<u>483,158</u>
Total funds		<u><u>4,134,548</u></u>	<u><u>(675,325)</u></u>

Registered number: 13153266

Three Spires Trust
(A Company Limited by Guarantee)

Balance Sheet (continued)
As at 31 August 2022

The financial statements on pages 32 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Dr D Lee
Chair of Trustees
Date: 12 December 2022

The notes on pages 37 to 66 form part of these financial statements.

Three Spires Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	751,008	1,412,899
Cash flows from investing activities	22	(159,515)	(78,799)
Cash flows from financing activities	21	(32,157)	-
Change in cash and cash equivalents in the year		559,336	1,334,100
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		1,334,100	-
Cash and cash equivalents at the end of the year	23, 24	<u>1,893,436</u>	<u>1,334,100</u>

The notes on pages 37 to 66 form part of these financial statements

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Three Spires Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust 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.

1.3 Income

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

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **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.

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. Accounting policies (continued)

1.3 Income (continued)

• **Other income**

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

• **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Leasehold land	- 0.8% straight line
Leasehold property	- 2-10% straight line
Furniture and equipment	- 10% straight line
Computer equipment	- 33% straight line
Property improvements	- 2-10% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 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.

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. Accounting policies (continued)

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.12 Pensions

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. Accounting policies (continued)

1.13 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Leasehold land and buildings:

Under 125 year lease:

The long term leasehold land and buildings within the accounts relates to the academy premises which were transferred to the academy on transfer from an existing academy trust on a 125 year lease from Wolverhampton City Council. The leasehold land and buildings were valued using ESFA valuation. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market rate.

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Critical accounting estimates and areas of judgment (continued)

2 year licence:

The academy trust company occupies:

- (a) land provided to it by the Local Authority under a 125-year lease (as detailed above);
- (b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of;

- (a) a figure is entered that reflects advice taken on the value of the lease;
- (b) Having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	7 months ending 31 August 2021 £
Donations					
Transferred from existing academy	-	-	-	-	1,065,329
Donations	4,333	-	-	4,333	333
Capital Grants	-	-	20,331	20,331	249,357
	<u>4,333</u>	<u>-</u>	<u>20,331</u>	<u>24,664</u>	<u>1,315,019</u>
Total 2021	<u>366,774</u>	<u>(3,975,140)</u>	<u>4,923,385</u>	<u>1,315,019</u>	

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

4. Funding for Academy's educational operations

	Restricted funds 2022 £	Total funds 2022 £	7 months ending 31 August 2021 £
DfE/ESFA grants			
General Annual Grant	11,883,628	11,883,628	4,156,911
Other DfE/ESFA grants			
Start Up Grants	115,000	115,000	148,497
Teachers Pay Grant	58,148	58,148	87,667
Teachers Pension Grant	20,587	20,587	31,026
Pupil Premium	554,981	554,981	203,468
Other DfE Group grants	434,747	434,747	29,476
	<u>13,067,091</u>	<u>13,067,091</u>	<u>4,657,045</u>
Other Government grants			
SEN Funding	256,530	256,530	78,661
Other Government Grants	124,660	124,660	40,604
	<u>381,190</u>	<u>381,190</u>	<u>119,265</u>
Other income from the academy trust's educational operations	191,792	191,792	52,103
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium/Recovery Premium	25,702	25,702	62,130
COVID-19 additional funding (non-DfE/ESFA)			
Mass testing income	35,407	35,407	72,650
	<u>13,701,182</u>	<u>13,701,182</u>	<u>4,963,193</u>
Total 2021	<u>4,963,193</u>	<u>4,963,193</u>	

The Academy has been eligible to claim from the government support schemes in response to the Covid-19 outbreak.

The Trust received £25,702 of funding for catch-up premium and costs incurred in respect of this funding totalled £25,702.

The Trust received £35,407 of mass testing income and costs incurred in respect of this funding totalled £35,407 in the year.

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	7 months ending 31 August 2021 £
School clubs income	19,613	19,613	8,063
Hire of facilities	60,361	60,361	12,723
Other income	235,260	235,260	72,041
	<u>315,234</u>	<u>315,234</u>	<u>92,827</u>

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	7 months ending 31 August 2021 £
Expenditure on trading activities:					
Direct costs	48,917	-	49,745	98,662	-
Expenditure on trading activities:					
Support Costs	71,173	20,901	89,056	181,130	102,537
Academy educational operations:					
Direct costs	9,727,898	-	1,007,736	10,735,634	3,464,566
Allocated support costs	1,998,751	273,545	1,437,500	3,709,796	1,308,519
Transfer from local authority on conversion	-	-	107,985	107,985	1,506,741
	<u>11,846,739</u>	<u>294,446</u>	<u>2,692,022</u>	<u>14,833,207</u>	<u>6,382,363</u>
Total 2021	<u>3,926,463</u>	<u>141,808</u>	<u>2,314,092</u>	<u>6,382,363</u>	

Included within expenditure transfer from local authority on conversion is £107,985 which relates to The King's Church of England Academy that converted into the Trust in 2021 and relates to a pre-conversion loan balance with The Lichfield Diocesan Board of Education.

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	7 months ending 31 August 2021 £
Educational operations	10,735,634	3,709,796	14,445,430	4,773,085
Total 2021	3,464,566	1,308,519	4,773,085	

Analysis of direct costs

	Total funds 2022 £	7 months ending 31 August 2021 £
Staff costs	9,727,898	3,156,325
Depreciation	232,568	72,952
Educational supplies	346,423	87,690
Examination fees	181,336	32,691
Staff development and other staff costs	36,384	4,168
Consultancy	130,787	98,834
Travel, subsistence and expenses	47,467	670
Recruitment and other staff expenses	20,247	11,236
Other direct costs	12,524	-
	10,735,634	3,464,566

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	7 months ending 31 August 2021 £
Pension finance costs	111,000	39,000
Staff costs	1,998,751	697,249
Catering	231,946	56,035
Technology costs	240,806	137,008
Other support costs	247,991	91,036
Maintenance of premises and special facilities	177,298	23,621
Cleaning and catering	23,994	9,289
Operating lease rentals	66,170	6,740
Rates	81,702	8,462
Security	3,818	1,234
Energy	243,606	74,363
Legal and professional services	158,951	111,171
Transport	27,516	5,514
Other premises costs	96,247	47,797
	<u>3,709,796</u>	<u>1,308,519</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	7 months ending 31 August 2021 £
Operating lease rentals	49,436	6,844
Depreciation of tangible fixed assets	232,568	72,952
Fees paid to auditors for:		
- audit	13,900	16,500
- other services	5,630	1,600
	<u>232,568</u>	<u>72,952</u>

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	7 months ending 31 August 2021 £
Wages and salaries	8,379,522	2,812,918
Social security costs	835,150	270,800
Pension costs	2,444,508	798,005
	<u>11,659,180</u>	<u>3,881,723</u>
Agency staff costs	162,247	35,323
Apprenticeship levy	25,312	9,417
	<u>11,846,739</u>	<u>3,926,463</u>
	2022 £	2021 £
Severance payments	20,028	-
	<u>20,028</u>	<u>-</u>

b. Severance payments

The academy trust paid 1 severance payments in the year (2021 - Nil), disclosed in the following bands:

	2022	2021
£0 - £25,000	<u>1</u>	<u>-</u>

c. Special staff severance payments

Included in severance payments is a special severance payment totalling £11,346 (2021 : £nil).

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

9. Staff (continued)

d. Staff numbers

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

	2022	2021
	No.	No.
Teachers	138	124
Administration and support	132	148
Management	9	6
	<hr/> 279 <hr/>	<hr/> 278 <hr/>

e. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	4	6
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	-
	<hr/> 1 <hr/>	<hr/> - <hr/>

f. 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £710,980 (2021 - £184,473).

Three Spires Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

10. Central services

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

- Executive leadership support
- External educational support
- Payroll
- Financial services and support
- Audit
- Human Resources
- Governance support
- Legal services
- Estates and Health & Safety support
- Employee wellbeing
- Professional subscriptions
- Grant opportunities

The academy trust charges for these services on the following basis:

The trust charges for these services based on 4% of Age Weighted Pupil Unit (AWPU)

The actual amounts charged during the year were as follows:

	2022	7 months ending 31 August 2021
	£	£
St Peter's Collegiate Academy	249,156	72,848
The King's Church of England Academy	120,681	49,215
St Thomas' CE Primary Academy	25,858	10,840
Total	395,695	132,903

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £1,446 were reimbursed or paid directly to 1 Trustee (2021 - £NIL to 0 trustees). The nature of the expenses paid was the reimbursement of travel expenses.

12. Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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.

Three Spires Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2022

13. Tangible fixed assets

	Long-term leasehold property £	Assets under constructio n £	Furniture and equipment £	Computer equipment £	Property improvements £	Total £
Cost or valuation						
At 1 September 2021	4,892,054	-	66,623	16,775	116,322	5,091,774
Additions	-	3,858	46,554	44,032	96,448	190,892
Transfers between classes	(326,036)	-	-	-	326,036	-
At 31 August 2022	<u>4,566,018</u>	<u>3,858</u>	<u>113,177</u>	<u>60,807</u>	<u>538,806</u>	<u>5,282,666</u>
Depreciation						
At 1 September 2021	63,660	-	4,116	3,480	1,696	72,952
Charge for the year	196,185	-	14,535	11,800	10,048	232,568
At 31 August 2022	<u>259,845</u>	<u>-</u>	<u>18,651</u>	<u>15,280</u>	<u>11,744</u>	<u>305,520</u>
Net book value						
At 31 August 2022	<u>4,306,173</u>	<u>3,858</u>	<u>94,526</u>	<u>45,527</u>	<u>527,062</u>	<u>4,977,146</u>
At 31 August 2021	<u>4,828,394</u>	<u>-</u>	<u>62,507</u>	<u>13,295</u>	<u>114,626</u>	<u>5,018,822</u>

Other fixed assets has been updated to Property improvements to provide a more accurate account of the assets included within the category. Long-term leasehold property additions in the period ended 31 August 2021, have been re-classified to property improvements in the current year, to reflect the nature of the assets included.

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	11,667	19,028
Other debtors	1,455	153,605
Prepayments and accrued income	247,994	240,396
	<u>261,116</u>	<u>413,029</u>

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Notes to the Financial Statements
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15. Current asset investments

	2022 £	2021 £
Income shares investment	-	11,043

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	14,044	18,186
Trade creditors	58,088	3,666
Other taxation and social security	208,094	176,844
Other creditors	219,834	194,971
Accruals and deferred income	524,082	295,614
	<u>1,024,142</u>	<u>689,281</u>

Other loans includes a loan balance transferred on conversion from the local authority in relation to The King's Church of England Academy, Kidsgrove. This loan is subject to an interest charge of 0.5% above BOE base rate.

Other loans also includes a loan from The Lichfield Diocesan Board of Education, in relation to The King's Church of England Academy, Kidsgrove. This loan commenced prior to the conversion of the school to academy trust status and is repayable over 40 instalments by October 2030. Interest is charged quarterly at the VDR on the amount of the loan then outstanding.

	2022 £	2021 £
Deferred income at 1 September 2021	59,319	-
Resources deferred during the year	98,944	59,319
Amounts released from previous periods	(18,512)	-
	<u>139,751</u>	<u>59,319</u>

Included in deferred income are grants received in advance of entitlement for the future academic period.

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Notes to the Financial Statements
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17. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other loans	<u>407,008</u>	<u>327,038</u>

Other loans include the deficit balance transferred on conversion from the local authority in relation to The King's Church of England Academy, Kidsgrove. The loan is repayable over 36 instalments, with repayments commencing in January 2024 and the final payment being made in December 2026. No interest is charged on this balance.

Other loans also includes a loan from The Lichfield Diocesan Board of Education, in relation to The King's Church of England Academy, Kidsgrove. This loan commenced prior to the conversion of the school to academy trust status and is repayable over 40 instalments by October 2030. Interest is charged quarterly at the VDR on the amount of the loan then outstanding.

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Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	483,158	319,567	(279,792)	(170,560)	-	352,373
Restricted general funds						
General Annual Grant	258,695	11,883,628	(11,880,947)	-	-	261,376
Teachers Pay Grant	-	20,587	(20,587)	-	-	-
Teachers Pension Grant	-	58,148	(58,148)	-	-	-
Pupil Premium	-	554,981	(554,981)	-	-	-
Pre-opening grant	-	115,000	(5,346)	-	-	109,654
Other DfE Group grants	-	434,747	(434,747)	-	-	-
SEN Funding	-	256,530	(256,530)	-	-	-
Other Government Grants	-	124,660	(124,660)	-	-	-
Covid Catch-up Premium/Rec overy Premi um	-	25,702	(25,702)	-	-	-
Covid Mass Testing Income	-	35,407	(35,407)	-	-	-
Other income	-	191,792	(191,792)	-	-	-
Pension reserve	(6,436,000)	-	(732,000)	-	5,602,000	(1,566,000)
	(6,177,305)	13,701,182	(14,320,847)	-	5,602,000	(1,194,970)

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Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Transfer On Conversion	116,322	-	(931)	-	-	115,391
Transfer from Existing Academy Trust	4,601,076	-	(217,746)	-	-	4,383,330
DfE Group Capital Grants	21,722	20,331	(5,339)	-	-	36,714
LA Capital Grants	227,635	-	(1,821)	-	-	225,814
Capital Expenditure from unrestricted	52,067	-	(6,731)	170,560	-	215,896
	<u>5,018,822</u>	<u>20,331</u>	<u>(232,568)</u>	<u>170,560</u>	<u>-</u>	<u>4,977,145</u>
Total Restricted funds	<u>(1,158,483)</u>	<u>13,721,513</u>	<u>(14,553,415)</u>	<u>170,560</u>	<u>5,602,000</u>	<u>3,782,175</u>
Total funds	<u>(675,325)</u>	<u>14,041,080</u>	<u>(14,833,207)</u>	<u>-</u>	<u>5,602,000</u>	<u>4,134,548</u>

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

Unrestricted General Funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted General Funds

This fund represents grants received for the academy trust's operational activities and development.

Pension reserve

This fund represents the academy trust's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund relates to grant funding received by the ESFA to carry out works of a capital nature and also the donation of leasehold land, buildings and playing fields from the local authority on a 125 year lease and a

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Notes to the Financial Statements
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18. Statement of funds (continued)

small amount of capital expenditure from GAG and other sources of income.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds	459,601	75,624	(52,067)	-	483,158
Restricted general funds					
General Annual Grant	4,156,911	(3,662,778)	(235,438)	-	258,695
Start Up Grant	148,497	(148,497)	-	-	-
Teachers Pension Grant	31,026	(31,026)	-	-	-
Teachers Pay Grant	87,667	(87,667)	-	-	-
Pupil Premium	203,468	(203,468)	-	-	-
Other DfE Group Grants	29,476	(29,476)	-	-	-
SEN Fundings	78,661	(78,661)	-	-	-
Other Government Grants	40,604	(40,604)	-	-	-
Covid Catch-up Premium	62,130	(62,130)	-	-	-
Covid Mass Testing Income	72,650	(72,650)	-	-	-
LA Deficit On Conversion	-	(327,038)	327,038	-	-
LA Loan On Conversion	-	(18,186)	18,186	-	-
Other income	52,103	(66,177)	14,074	-	-
Transfer In From Existing Academy Trust	123,860	-	(123,860)	-	-
Pension reserve	(4,099,000)	(1,673,000)	-	(664,000)	(6,436,000)
	<u>988,053</u>	<u>(6,501,358)</u>	<u>-</u>	<u>(664,000)</u>	<u>(6,177,305)</u>

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18. Statement of funds (continued)

Restricted fixed asset funds

Transfer On Conversion	-	116,322	-	-	116,322
Transfer from Existing Academy Trust	4,674,028	(72,952)	-	-	4,601,076
DfE Group Capital Grants	21,722	-	-	-	21,722
LA Capital Grants	227,635	-	-	-	227,635
Capital Expenditure from unrestricted	-	-	52,067	-	52,067
	<u>4,923,385</u>	<u>43,370</u>	<u>52,067</u>	<u>-</u>	<u>5,018,822</u>
Total Restricted funds	<u>5,911,438</u>	<u>(6,457,988)</u>	<u>52,067</u>	<u>(664,000)</u>	<u>(1,158,483)</u>
Total funds	<u><u>6,371,039</u></u>	<u><u>(6,382,364)</u></u>	<u><u>-</u></u>	<u><u>(664,000)</u></u>	<u><u>(675,325)</u></u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
St Thomas' CE Primary Academy	82,551	136,709
St Peter's Collegiate Academy	745,312	649,863
The King's Church of England Academy, Kidsgrove	(101,512)	(66,526)
Central Services	(2,948)	21,807
	<u>723,403</u>	<u>741,853</u>
Total before fixed asset funds and pension reserve	723,403	741,853
Restricted fixed asset fund	4,977,145	5,018,822
Pension reserve	(1,566,000)	(6,436,000)
Total	<u><u>4,134,548</u></u>	<u><u>(675,325)</u></u>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
The King's Church of England Academy, Kidsgrove	101,512
Central Services	2,948
	<u><u>104,460</u></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Statement of funds (continued)

The King's Church of England Academy, Kidsgrove:

Following academisation the Three Spires Trust inherited a Licenced Deficit relating to the King's church of England Academy, Kidsgrove of £327k in respect of losses incurred whilst the King's was a local authority school.

Central Services:

The central Trust has negative funds at year end. This is entirely normal for a multi academy trust as this stage in its development.

The academy trust is taking the following action to return the academies to surplus:

The King's Church of England Academy, Kidsgrove:

The Trust has reached agreement with the Education and Skills Funding Agency (ESFA) that the deficit will be repaid in 36 equal monthly instalments beginning in January 2024 and ending in December 2026. The Trust recognises that as a successful school with a growing pupil roll The King's is disadvantaged by the Governments lagged funding model which ensures that making an in year surplus is a perennial challenge. Over the next few years the academy will reach capacity and the impact of the lagged funding model will lessen.

Central Services:

A stable foundation for the trust has been constructed to ensure that the needs of its academies can be serviced effectively. The Trust believes it is essential to build infrastructure and capacity prior to accepting academies into the trust. The Trust has therefore recruited positions relating to Safeguarding, SEND, School Improvement and IT at an early stage of development as it views these position as essential in delivering a quality service within the educational sector. As further academies join the Trust funds will turn positive as the trust share received into the centre increases.

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Notes to the Financial Statements
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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
St Thomas' CE Primary Academy	827,642	152,856	42,808	161,393	1,184,699	464,227
St Peter's Collegiate Academy	5,131,309	942,905	175,765	1,135,640	7,385,619	2,239,958
The King's Church of England Academy, Kidsgrove	2,947,058	745,319	144,559	833,392	4,670,328	1,604,207
Central Services	249,806	228,844	1,793	147,550	627,993	277,279
Academy trust	9,155,815	2,069,924	364,925	2,277,975	13,868,639	4,585,671

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	4,977,146	4,977,146
Current assets	352,373	1,802,180	(1)	2,154,552
Creditors due within one year	-	(1,024,142)	-	(1,024,142)
Creditors due in more than one year	-	(407,008)	-	(407,008)
Provisions for liabilities and charges	-	(1,566,000)	-	(1,566,000)
Total	352,373	(1,194,970)	4,977,145	4,134,548

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Notes to the Financial Statements
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	5,018,822	5,018,822
Current assets	483,158	1,275,014	-	1,758,172
Creditors due within one year	-	(689,281)	-	(689,281)
Creditors due in more than one year	-	(327,038)	-	(327,038)
Provisions for liabilities and charges	-	(6,436,000)	-	(6,436,000)
Total	<u>483,158</u>	<u>(6,177,305)</u>	<u>5,018,822</u>	<u>(675,325)</u>

20. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(792,127)</u>	<u>(11,325)</u>
Adjustments for:		
Depreciation	232,568	72,952
Capital grants from DfE and other capital income	(20,331)	(249,357)
Defined benefit pension scheme obligation inherited	-	5,555,000
Defined benefit pension scheme cost less contributions payable	621,000	178,000
Defined benefit pension scheme finance cost	111,000	39,000
Decrease/(increase) in debtors	154,321	(413,029)
Increase in creditors	336,592	671,095
Land and Buildings inherited	-	(4,763,618)
Loans transferred on conversion	107,985	345,224
Current investment transferred from existing academy	-	(11,043)
Net cash provided by operating activities	<u><u>751,008</u></u>	<u><u>1,412,899</u></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2022

21. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(32,157)	-
Net cash (used in)/provided by financing activities	(32,157)	-

22. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(190,892)	(328,156)
Proceeds from the sale of investments	11,046	-
Capital grants from DfE Group	20,331	249,357
Net cash used in investing activities	(159,515)	(78,799)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,893,436	1,334,100
Total cash and cash equivalents	1,893,436	1,334,100

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,334,100	559,336	-	1,893,436
Debt due within 1 year	(18,186)	32,157	(28,015)	(14,044)
Debt due after 1 year	(327,038)	(107,985)	28,015	(407,008)
Liquid investments	11,043	(11,043)	-	-
	999,919	472,465	-	1,472,384

25. Pension commitments

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

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

Contributions amounting to £213,000 were payable to the schemes at 31 August 2022 (2021 - £194,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,224,000 (2021 - £447,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £721,000 (2021 - £231,000), of which employer's contributions totalled £600,000 (2021 - £194,000) and employees' contributions totalled £121,000 (2021 - £37,000). The agreed contribution rates for future years are 27.2 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 2 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. 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

Staffordshire County Council	2022	2021
	%	%
Rate of increase in salaries	3.45	3.3
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.9
Commutation of pensions to lump sums - pre April 2008	50	50
Commutation of pensions to lump sums - post April 2008	75	75

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

	2022	2021
	Years	Years
Retiring today		
Males	21.2	21.4
Females	23.8	24
Retiring in 20 years		
Males	22.2	22.5
Females	25.5	25.7

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Notes to the Financial Statements
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25. Pension commitments (continued)

West Midlands Pension Fund	2022	2021
	%	%
Rate of increase in salaries	4.05	3.9
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.9
Commutation of pensions to lump sums - pre April 2008	50	50
Commutation of pensions to lump sums - post April 2008	75	75

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

	2022	2021
	Years	Years
Retiring today		
Males	21.2	21.6
Females	23.6	24
Retiring in 20 years		
Males	22.9	23.4
Females	25.4	25.8

Sensitivity analysis

Staffordshire County Council	2022	2021
	£000	£000
Discount rate +0.1%	(71)	(129)
Discount rate -0.1%	71	129
Mortality assumption - 1 year increase	88	160
Mortality assumption - 1 year decrease	(88)	(160)
CPI rate +0.1%	62	108
CPI rate -0.1%	(62)	(108)
Salary rate +0.1%	10	19
Salary rate -0.1%	(10)	(19)

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For the Year Ended 31 August 2022

25. Pension commitments (continued)

West Midlands Pension Fund	2022 £000	2021 £000
Discount rate +0.1%	(103)	(179)
Discount rate -0.1%	103	183
Mortality assumption - 1 year increase	211	356
Mortality assumption - 1 year decrease	(211)	(340)
CPI rate +0.1%	90	162
CPI rate -0.1%	(90)	(159)
Salary rate +0.1%	13	19
Salary rate -0.1%	(13)	(18)
	<u> </u>	<u> </u>

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	4,163,000	3,595,000
Gilts	-	294,000
Corporate bonds	1,151,000	580,000
Property	506,000	411,000
Cash and other liquid assets	218,000	191,000
Other	-	498,000
	<u> </u>	<u> </u>
Total market value of assets	6,038,000	5,569,000
	<u> </u>	<u> </u>

The actual return on scheme assets was £168,000 (2021 - £346,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	(1,221,000)	(372,000)
Interest income	97,000	76,000
Interest cost	(208,000)	(37,000)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	(1,332,000)	(333,000)
	<u> </u>	<u> </u>

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25. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	12,005,000	-
Transferred in on existing academies joining the trust	-	7,411,000
Transferred in on converter academies joining the trust	-	3,147,000
Current service cost	1,221,000	372,000
Interest cost	208,000	76,000
Employee contributions	121,000	42,000
Actuarial (gains)/losses	(6,007,000)	988,000
Benefits paid	(88,000)	(31,000)
	<hr/>	<hr/>
At 31 August	7,460,000	12,005,000
	<hr/> <hr/>	<hr/> <hr/>

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	5,569,000	-
Transferred in on existing academies joining the trust	-	3,312,000
Transferred in on converter academies joining the trust	-	1,691,000
Interest income	97,000	37,000
Actuarial gains	(261,000)	324,000
Employer contributions	600,000	194,000
Employee contributions	121,000	42,000
Benefits paid	(88,000)	(31,000)
	<hr/>	<hr/>
At 31 August	5,894,000	5,569,000
	<hr/> <hr/>	<hr/> <hr/>

At 31 August 2022, the Local Government Pension Scheme (LGPS) managed by Staffordshire County Council had a pension asset of £144,000 which has not been recognised in the financial statements and the actuarial gains on the SOFA have been reduced by the same amount.

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Notes to the Financial Statements
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26. Operating lease commitments

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	65,594	49,436
Later than 1 year and not later than 5 years	60,135	68,922
Later than 5 years	11,803	-
	<u>137,532</u>	<u>118,358</u>

27. 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

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

Lichfield Diocesan Board of Education is a member (represented by C Shaw) of Three Spires Trust: The Academy Trust purchased educational services from the Lichfield Diocesan Board of Education totalling £3,690 (2021 - £10,000) and made loan repayments totalling £11,289 (2021 - £nil). Amounts outstanding at the year end were £91,001 (2021 - £nil) relating to the loan balance. The Academy Trust made the purchase at arms' length in accordance with its financial regulations. The service was not competitively tendered due to the specialist nature of the service provided. In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook.