

THE 3-18 EDUCATION TRUST

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**



THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr D Coull
Mr P Duffy
Mr J Hamilton
Mr C Johnson
Mrs Y Rimmer

Trustees

Mr G Turner, Chair^{1,2}
Mr D Burgess, Vice Chair^{1,2}
Mr S Ramtuhul
Mr P Paes
Mrs A O'Brien²
Mrs N Pritchard (appointed 27 November 2020)²
Mrs K Burbridge
Mr P Holland (appointed 26 October 2020)¹
Mr M J Barratt, Accounting Officer and CEO^{1,2}

¹ Members of The Finance Committee

² Members of The Standards Committee

Company registered number

08064698

Company name

The 3-18 Education Trust

Principal and registered office

The Priory School Shrewsbury
Longden Road
Shrewsbury
Shropshire
SY3 9EE

Company secretary

Mr A Burns

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Senior management team

Mr M Barratt, CEO
Mr D Wright, Finance Director
Mrs A Pope, Headteacher - The Priory School
Ms S Lovecy, Headteacher - St Martins School
Mrs C Jones, Headteacher - Coleham Primary School
Mr M Cooper, Headteacher - Thomas Adams School
Mr G Renwick, Headteacher - William Brookes School

Independent auditors

WR Partners
Belmont House
Shrewsbury Business Park
Shrewsbury
SY2 6LG

Bankers

Lloyds Bank
1 Pride Hill
Shrewsbury
SY1 1DG

Solicitors

Lanyon Bowdler
Chapter House North
Abbey Lawn
Abbey Foregate
Shrewsbury
SY2 5DE

THE 3-18 EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust consists of the following 5 schools, all located in Shropshire:

Coleham Primary School
St Martins 3 16 School
The Priory School
Thomas Adams School
William Brookes School

Structure, governance and management

a. Constitution

The 3-18 Education Trust ("the Trust") is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Trust.

The Trustees of The 3-18 Education Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year ending 31 August 2021, 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 £10, for the debts and liabilities contracted before they ceased to be a member.

c. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

d. Policies adopted for the induction and training of Trustees

Trustees are subject to a number of induction and training requirements. Each Trustee is made aware of the requirements of their role and given relevant documents. Ongoing support and advice is provided as and when the need arises.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

e. Organisational structure

The Trust has changed its name to The 3 18 Education Trust, reflecting the age range and ethos of inclusion of the Trust i.e. the students are defined only by age. It also establishes appropriate distance between the schools and the Trust so that Trustees are able to provide objectivity in their challenge and support.

The Trustees are responsible for setting the vision and ethos of the Trust including general policy, establishing and embedding the Trust strategy, monitoring the Trust Development Plan, approving and monitoring the annual budget and monitoring the School Development Plan (SDP) for each school in the Trust. The Trustees make strategic decisions about the direction of the Trust and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

This year the Trust has grown, which has resulted in increasing the FTE of the CEO from 0.6 to 1.0 FTE. Each school within the Trust has a Senior Leadership Team (SLT) consisting of a Headteacher, a Deputy and Assistant Headteachers. Each School has a Local Governing Body (LGB) which holds the school leaders to account. The size of the SLT is determined by the size of the school. Through this, the school leaders control the school at executive level implementing the policies and building the ethos of schools in the Trust as decided by the Trust; each school, via minutes of the LGB and the report of the CEO, reports back to the Board. As a group, SLT is responsible for the authorisation of spending within the agreed budgets and appointing staff to posts. Some spending is devolved to budget holders with limits, above which must be approved by a Senior Leader.

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

The Trustees Pay Committee meets annually each October to determine pay increases for staff following completion of the Trust's Performance Management programme. The Trustees Pay Committee meet for a second time in November in order to determine pay increases for Headteachers at each of the schools within the Trust, and to carry out the performance management of the CEO.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	1,400	
Total pay bill	17,025,131	
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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h. Related parties and other connected charities and organisations

The Trust does not engage with any related parties of connected charities and organisations in pursuit of its charitable activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

The Trust has an embedded Human Resources function and 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 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 Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Trust's equal opportunities policy, the 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 Trust's offices.

j. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust is a significant employer within Shropshire and, as such, continues to build relationships with all stakeholders, including suppliers. Regular communication to stakeholders about plans for the Trust continues to be maintained.

The Trust is also wary of ensuring efficient payment to suppliers, even more relevant since Covid 19. The Trust supports all suppliers by ensuring prompt settlement of invoices to ensure the supplier maintains good cash flow, and to support local suppliers where possible. The Trust's Financial Procedures Manual states that whenever quotations for purchases over £1,000 are obtained, one quotation must be sought from a 'local' supplier. 'Local' is deemed as any supplier within a 20 mile radius of any of our schools.

Objectives and activities

a. Objects and aims

The principle objects and activity of the Trust is to:

- provide education in co-educational setting for students between the ages of 3 and 18;
- advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of the surrounding area of each school, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

Our Mission: To be an excellent Trust that supports and challenges in appropriate measure, so that every individual is in a great school.

Our Vision: We are selfless, self-assured and successful. This is expressed in such a way as to reflect values for the students and the staff.

For students: Our students leave us accomplished, independent, resilient, compassionate young people, with choices and opportunities ahead of them.

For schools: We celebrate the differences between our individual schools, enjoy the benefit of the team so that each school gives and receives support and retains their identity and culture.

Strategic Objectives:

Our objectives are captured under three headings and all the work we do in our schools is designed to enable engaged learners (who make the most of their time in their school, high quality staff (who enjoy working in the Trust schools) and excellent leadership and governance.

The strategic direction for the Trust as a whole is defined by the following criteria:

Shape, size and scope of our Trust:

1. Our Trust is a 3-18 organisation, defined only by age group, hence it will grow through consistent regard to having a fully inclusive community.
2. All types of school will be welcomed, by having a manageable balance of ages, phases and types of school.
3. Collaboration takes place outside the Trust, through building partnerships, to the ultimate benefit of the students.
4. Trust structures will adapt according to the size and need of the Trust, both for the nature of school and speed of growth.

c. Public benefit

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

The Trust continues to provide high quality education to students of all backgrounds at each of the five schools within the Trust. Each student is provided with opportunities to learn inside and outside of the classroom whilst the Trust continues to manage a difficult financial situation (funding reduction in real terms, increases in staffing costs) without compromising the quality of provision.

Each school continues to develop links with the local community, in particular its feeder schools. Transition work from nursery to reception, and Year 6 to Year 7 is critical for student learning and links have been strengthened during 2020-21, despite the challenges of the pandemic.

All expenditure is carefully considered and monitored by Trust staff and Trustees. Clear guidelines are set out in the Trust's Financial Procedures manual in relation to spending limits and authority levels.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

a. Review of activities

Whilst this year continues to be one defined by unique disruption caused by the pandemic, this has served for us to pursue our broad educational, holistic objective with even greater energy please see below regarding the impact of the pandemic.

Not only do we pursue the vital dimension of achieving the best academic outcomes for all our young people, regardless of their starting point, but we also believe strongly that education is about more than academic results. We want our students to pursue and share their own interests and passions as well as understand the difference between right and wrong.

Our purpose is therefore to work for our students so that they become selfless, self assured and successful. In turn this is demonstrated in their ambition, compassion, independence and resilience. The close working relationships between staff and students, as well as the mutual support the students provide for each other enable this purpose to be fulfilled.

We expect our students to work hard, to be interesting people, - and to be good, kind and generous. We want our young people to make the right choices in life, and to enable choices when they reach the end of their statutory education age.

It is now expected that each school contributes to a collaborative learning process across the Trust, as each school has particular strengths that can be shared as best practice.

Through our key stages students are mainly taught in a mixed ability setting. Our children benefit from teachers and support staff who convey an energetic passion and understanding for the work of the schools; ultimately this helps each student to achieve their potential in preparation for their GCSE studies.

The Trust prides itself on offering a pathway to suit all at Key Stage 4 and Key Stage 5 with a combination of compulsory and optional subjects, allowing them to develop a greater insight into their areas of interest.

In September 2016, St Martins 3 16 School near Oswestry converted to academy status and joined the Trust. The school, rated as 'Requires Improvement' in its most recent OFSTED inspection in May 2019, with leadership and management judged as 'Good' and personal development as 'Outstanding', has been involved in a rigorous process of school improvement with department leaders at both The Priory School and Coleham Primary School.

From 1st July 2017, Coleham Primary School joined the Trust. Coleham Primary School, rated 'Good' by OFSTED, is a feeder school to The Priory School with approximately 50% of their Year 6 students making the transition to The Priory. The Headteacher at Coleham Primary works collaboratively with the primary section of St Martins School to drive school improvement. In addition, work has been undertaken to aid transition from primary to secondary.

Thomas Adams joined the Trust on 1st March 2020. Thomas Adams is an 11 18 state boarding school about 20 miles north of Shrewsbury, connected to the Worshipful Company of Drapers. The most recent addition to the trust family of schools is William Brookes School, an 11-18 comprehensive in South-East Shropshire which is a Coubertin school due to its historical link to the modern-day Olympics, which joined on 1st April, 2021.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Impact of COVID

The Covid-19 pandemic has had an unprecedented impact on education. This was felt hardest at the schools which missed out on taking exams, with teacher-assessed grades being used to determine the final outcomes. The vast majority of our leavers were able to access their chosen pathways both at post 16 and post 18 levels. Remote learning has been as successful as it can be (and all staff have really engaged with making this provision as excellent as possible) given that nothing can replace the value of a classroom experience.

Student attendance has been significantly above both the county and national average. Feedback from parents in relation to the blended learning experiences as well as health & safety procedures introduced at our schools has been very positive indeed, and throughout the year we continued to make adjustments to improve the impact of our blended learning provision for our staff and students.

We are extremely conscious of the wellbeing of our staff. Having needed to fundamentally change the way they deliver lessons as well as reacting to the changing landscape of a pandemic, staff have always shown a positive, optimistic outlook even when the national picture has been distinctly concerning. The Trust is offering dedicated HR support for all staff and established a well-being group of senior staff, in order to identify areas where we can implement measures to support staff well-being at our schools.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Promoting the success of the company

The Trust continues to perform successfully from both an educational and financial viewpoint. The lack of educational performance data from this year's summer exams has meant that publicly we cannot formally benchmark our outcomes in comparison to similar schools, nor previous years' performances.

The Trust continues to operate on a sound financial footing, ensuring that the schools within the Trust are fully resourced to carry out their duties. Good, robust financial management ensures that each school is aware of its financial position, with Integrated Curriculum Financial Planning (ICFP) and long term budgeting crucial to financial performance.

These successes make the Trust an appealing option for any Single Academy Trusts (SATs), Multi Academy Trusts (MATs) and maintained schools to join.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

d. Key performance indicators

Exam Results (Centre assessed Grades)

The sections of the Trust that delivered Key Stages 4 and 5 went through a Trust wide, moderated exam assessment process in the summer.

Performance management has since retained the necessary focus on teachers' standards and we plan to align all of our performance management processes to the teachers' and headteachers' standards.

Main achievements: all the schools have either remained full or have grown. Our intake at Early Years Setting and at year 7 has remain oversubscribed in every school.

Whilst the virus control measures have impacted on school environments, we have endeavoured to deliver as close to a 'normal' classroom atmosphere and set of expectations as possible. Each school has operated its own Covid restrictions; the Trust acknowledges the different settings – age range, day/boarding, catchment, site flexibility and has supported each school in developing their own systems. These changes have been driven by the risk assessments and have enabled us to minimise the risks of infection.

A further development was the level of collaboration and mutual support which arose from the school closures. Staff made far more virtual connections between schools, none more so than the headteachers and CEO. The regular meetings became far more frequent as headteachers sought and offered support from and to each other.

Staff also defined themselves by their level of care and consideration. Their education was delivered in a supportive and creative manner. Schools were involved in both physical and artistic activity, as a collective. HR support was very strong to our staff.

As we look forward, our schools are united by the plans to re-invigorate our school communities. So many students report their enjoyment of school due to developing a sense of belonging to their school (and house, where relevant). The pandemic has necessarily restricted this sense of community and we are collectively determined to re-ignite student's passion for and enjoyment of the school community.

Financial review

The Trust continues to be affected by the ongoing Covid-19 pandemic. The 10 week national lockdown in early 2021 meant that certain variable income streams (Boarding House, Lettings facilities, Breakfast/After School clubs) were severely impacted.

The Trust has achieved an in year revenue surplus of £281,598 (excluding pensions reserve and fixed asset movement). The total net movement in funds was a surplus of £16,797,044 which includes an actuarial loss on the pension scheme of £772,000 and conversion balances transferred of £18,387,375.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

a. Reserves policy and principle funding

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total funds of the Trust are £46,394,651 (2020: £29,597,607). Of the funds, £419,386 (2020: £Nil) are restricted and not available for general purposes of the Trust. The Trust's revenue reserves are £956,947 (2020: £513,304). This is made up of total reserves less fixed asset reserve and pension reserve.

During the period ending 31 August 2021 total expenditure of the Trust (excluding the Teaching School) £21,570,588 was covered by the recurrent grant funding from the ESFA when depreciation and the FRS102 pension costs are taken into account. The excess of restricted income over expenditure for the same period (excluding the restricted fixed asset fund and pension reserve) was £419,386. Total unrestricted reserves (free reserves) were £537,561 (2020: £513,304).

At 31 August 2021 the net book value of the fixed assets was £59,363,704 and movements in tangible fixed assets are shown in note 15 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trustees, as part of their monitoring of the school budget, regularly review the reserves available and have undertaken a monitoring process through a phased budget process. The review of spend against commitment and the nature of reserves.

The Trustees have determined, through the Finance & Audit Committee, that an appropriate level of cash flow of 2% of the General Annual Grant (GAG) income of the Trust shall be ring fenced for emergency spending. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

b. Investment policy

Due to the nature of funding, the Trust may at times hold cash balances surplus to its short term requirements. Cash balances are deposited into a higher interest bank account in line with cash flow projections and the Trust's investment policy. Any year end surplus is re-invested into educational capital projects.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances.

The Trustees have implemented a number of systems to assess risks that the schools within the Trust face, with each one having a common risk register. This is monitored through the Local Governing Body (LGB) meetings and reported to the Board. The Trust itself has a separate risk register for strategic risks and this is reviewed at every Board meeting.

The Trust's system of internal financial control is based on:

- Comprehensive budgeting and monitoring systems with an annual budget for each school and monthly financial reports which are reviewed by the Senior Leadership Team, the relevant finance link Governor at LGB level, the Chair and the Finance and Audit Committee, and in the case of the setting the school budget the Board.
- Regular consideration by the Finance and Audit Committee of tenders for contracts, buildings work, ICT provision and capital programmes.
- Termly reports are provided to the Finance & Audit Committee by external auditors for their consideration and the review of the Trust's actions.
- Trustees setting targets to measure financial and educational performance.
- A financial procedures manual taking into account the expansion of the MAT with clear guidelines for purchasing.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

Fundraising

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas (“GHG”) emissions are reported pursuant to the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (“the 2018 Regulations”) that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only. This includes all 5 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage (“grey fleet”).

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Minibus and grey fleet usage were calculated from odometer mileage readings and mileage expense claims respectively. On site generated renewable solar photovoltaic electricity is reported; however, exported energy is not measured and not accounted for in the figure reported. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

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TRUSTEES' REPORT (CONTINUED)
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Streamlined energy and carbon reporting (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20	2020/21
Mandatory requirements:		
Gas	2,760,483	3,208,982
Purchased electricity from the grid	1,100,964	1,534,500
Transport fuel	21,265	21,276
Total energy (mandatory)	3,882,712	4,764,758
Voluntary requirements:		
Generated electricity from on-site renewable sources	46,668	45,322
Total energy (voluntary)	46,668	45,322
Total energy (mandatory & voluntary)	3,929,380	4,810,080

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2019/20	2020/21
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	507.6	587.8
Transport - Company owned vehicles (mini-buses)	3.0	2.4
<u>Scope 2</u>		
Purchased electricity (location-based)	256.7	325.8
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	2.3	2.9
Total gross emissions (mandatory)	769.6	918.8
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.253	0.230
Tonnes of CO ₂ e per square meter floor area	0.031	0.026
Voluntary requirements:		
<u>Scope 1</u>		
Generated electricity from on-site renewable sources	0.0	0.0
Total gross emissions (voluntary)	0.0	0.0
Total gross emissions (mandatory & voluntary)	769.6	918.8

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TRUSTEES' REPORT (CONTINUED)
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Streamlined energy and carbon reporting (continued)

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Energy efficiency action during current financial year

Earlier this year the Trust was successful in applying for Salix funding for energy efficiency improvements in LED lighting at three of the schools, totalling £171k of investment. These projects were carried out during the summer holidays of 2021, while the savings made on energy over the next 5 years will offset the repayment of the Salix loan.

Transportation across the Trust remains below typical due to a combination of video conferencing for staff meetings and reduced use of minibuses. Virtual staff meetings have reduced the number of unnecessary journeys for staff and has become a practice that is set to continue for the foreseeable future. Reduced use of minibuses is largely a result of the COVID-19 pandemic, which has reduced the number of journeys to and from schools for commuting and trips. Other sustainable transport options have also been promoted by the Trust, such as via the Cycle to Work scheme, with each school offering suitable secure storage for staff bikes.

Plans for future periods

The Trust is keen to continue with its growth plans despite the issues faced with Covid-19. Discussions are at an advanced stage for an 11 16 Single Academy Trust (SAT) to join the Trust in 2021-22, as well as a one-form local authority primary school.

The Trust is keen to develop a hub model of schools in Shropshire, in order to develop curriculum continuity, improve transition (Year 6 to Year 7), share resources and to achieve further economies of scale within the MAT. However, Trustees are conscious of expanding too quickly, and decisions about increasing the size of the Trust are carefully debated and considered. The Board adopts a cautious approach to growth that must be right for the school wishing to join and for the Trust.

Funds held as custodian on behalf of others

The Trust does not hold any funds on behalf of any other party.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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
- 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 14th December, 2021 and signed on its behalf by:



Mr G Turner
Chair of Trustees

THE 3-18 EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The 3-18 Education 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 CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The 3-18 Education 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 year.

The main body of the meeting concerns the CEO's report which covers, but is not limited to, latest outcomes at each school, data tracking and areas of concern, Trust development, School Development Plans. Minutes from LGB are reviewed and approved. Recommendations from LGBs/Finance Committee are considered and responded to.

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

Trustee	Meetings attended	Out of a possible
Mr G Turner, Chair	5	5
Mr D Burgess, Vice Chair	5	5
Mr S Ramtuhul	4	5
Mr P Paes	2	5
Mrs A O'Brien	4	5
Mrs N Pritchard	2	5
Mrs K Burbridge	4	5
Mr P Holland	5	5
Mr M J Barratt, Accounting Officer and CEO	5	5

The Finance and Audit Committee is made up of 4 trustees who also sit on the Board of Trustees. The Finance and Audit Committee met quarterly in the year in addition to the Board meetings to ensure financial oversight is maintained.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. This committee deals with all aspects of finance and audit for the Trust. This includes, but is not limited to, year end accounts review, termly accounts review, internal audit reports, tendering & contracts, capital investment.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Holland, Chair	4	4
Mr G Turner	4	4
Mr D Burgess	4	4
Mr M J Barratt, Accounting Officer and CEO	4	4

The Standards Committee is also a sub-committee of the main Board of Trustees. This committee, established in April 2021, reviews curriculum and standards at each of our schools in the Trust. The committee will evaluate the impact through scrutiny and monitoring, followed by questions to headteachers and LGBs. Headteachers and Chairs of LGBs are invited to attend the committee where appropriate.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A O'Brien, Chair	1	1
Mr D Burgess	1	1
Mrs N Pritchard	1	1
Mr G Turner	1	1
Mr M J Barratt, Accounting Officer and CEO	1	1

Each school has a Local Governing Body (LGB) that meets 3 times each year in addition to Link Governor meetings, where a local governor, assigned to monitor a certain area of governance, meets with the responsible key member of staff to review performance.

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

1. Ensuring permanent staffing appointments are only made when absolutely necessary
2. Making staffing restructure changes which have had a clear financial benefit
3. Renewing/tendering contracts when best value is clearly demonstrated
4. Looking to increase the size of the Trust which will create economies of scale

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Robust Governance and Financial Oversight

The Board of Trustees review and approve the annual budget following recommendation from the Senior Leadership Teams and the Finance & Audit sub-committee.

The Finance & Audit sub-committee meet 4 times throughout the year to review termly accounts and budget monitoring, approve larger capital expenditure and comply with the Academy Trust's delegated power and tender arrangements.

Achieving Best Value

The Trust ensures a continual focus on best value through purchasing, clearly understanding the value of its tangible and non-tangible assets and how they can be used effectively to raise attainment of students.

The Trust encourages budget holders to seek best value on all purchases which has seen a move towards more online purchases rather than the traditional trade suppliers' route. The Trust promotes fair competition through quotations and tenders, in accordance with its Financial Regulations, to ensure that goods and services are secured in the most economic, efficient and effective way.

Trustees are presented with a benchmarking exercise presentation whereby the Trust is compared against similar Trusts in the county and nationally to ensure that it is achieving best value for money.

Reviewing Control & Managing Risk

The Finance Director undertakes a monthly review of budget monitoring which he presents to School Headteachers for analysis. Any significant variances are highlighted so an informed decision can be made if necessary. The CEO performs a half termly audit checking invoices have been processed correctly and undertaking spot checking on payroll records. There is a full segregation of duties for all financial matters.

Maximising Income

The Trust explores other avenues of income generation including hiring out school facilities to the local community at competitive rates. Each school also ensures that all surplus monies are carefully managed.

- **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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The 3 18 Education Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

THE 3-18 EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Maximising Income (continued)

- **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

- **The Risk and Control Framework**

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

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

The Board of Trustees has decided to buy-in an internal audit service from Bishop Fleming LLP.

Bishop Fleming LLP have been appointed to perform internal scrutiny assignments following the requirements of the newly revised FRC Ethical Standard for Auditors, which meant that the external auditors could no longer carry out the work.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included a payroll audit which was conducted in Summer 2021.

On a quarterly basis, the reviewer reports to the Board of Trustees through the Finance and audit 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.

The internal auditor has delivered their schedule of work as planned. No material control issues have arisen as a result of the work undertaken. Two minor issues were identified and remedial action has been taken to rectify the issues.

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the CEO 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 and external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and audit 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 and signed on their behalf by:



Mr G Turner
Chair of Trustees
Date: 14th December 2021



Mr M J Barratt
Accounting Officer

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The 3-18 Education Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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



Mr M J Barratt

Accounting Officer

Date: 14th December 2021

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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:



Mr G Turner
Chair of Trustees
Date: 14th December 2021

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE 3-18 EDUCATION TRUST

Opinion

We have audited the financial statements of The 3-18 Education Trust (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the 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 2020 to 2021 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 Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 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 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.

THE 3-18 EDUCATION TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE 3-18 EDUCATION TRUST (CONTINUED)

Other information

The other information comprises the information included in the Trustees report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Trustees 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 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.

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE 3-18 EDUCATION TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

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:

- We reviewed the susceptibility of the Trust's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Trust's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Trust and its environment and identify any instances of non-compliance.
- We also assessed the Trust's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and the awareness to carry out our work to the required standard.

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.

THE 3-18 EDUCATION TRUST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE 3-18 EDUCATION TRUST (CONTINUED)

Use of our report

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



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

WR Partners

Belmont House

Shrewsbury Business Park

Shrewsbury

SY2 6LG

16th December 2024

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE 3-18
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The 3-18 Education Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 3-18 Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The 3-18 Education Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The 3-18 Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The 3-18 Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The 3-18 Education Trust's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE 3-18
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

WR Partners

Andrew Malpass BA FCA
WR Partners

Belmont House
Shrewsbury Business Park
Shrewsbury
SY2 6LG

Date:

16th December 2021

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	(2,685,072)	21,287,969	18,602,897	10,172,801
Other trading activities	6	24,048	481,864	-	505,912	338,510
Investments	7	209	-	-	209	2,590
Educational Operations	4	-	19,995,044	-	19,995,044	13,027,391
Teaching school	29	-	696,645	-	696,645	656,522
Total income		24,257	18,488,481	21,287,969	39,800,707	24,197,814
Expenditure on:						
Charitable activities		-	21,117,365	453,223	21,570,588	14,524,417
Teaching school		-	661,075	-	661,075	732,955
Total expenditure	8	-	21,778,440	453,223	22,231,663	15,257,372
Net income/ (expenditure)		24,257	(3,289,959)	20,834,746	17,569,044	8,940,442
Transfers between funds	18	-	121,345	(121,345)	-	-
Net movement in funds before other recognised gains/(losses)		24,257	(3,168,614)	20,713,401	17,569,044	8,940,442
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(772,000)	-	(772,000)	(1,336,000)
Net movement in funds		24,257	(3,940,614)	20,713,401	16,797,044	7,604,442

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	513,304	(9,566,000)	38,650,303	29,597,607	21,993,165
Net movement in funds	24,257	(3,940,614)	20,713,401	16,797,044	7,604,442
Total funds carried forward	<u>537,561</u>	<u>(13,506,614)</u>	<u>59,363,704</u>	<u>46,394,651</u>	<u>29,597,607</u>

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

The notes on pages 35 to 67 form part of these financial statements.

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08064698

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	59,363,704	38,650,303
		<u>59,363,704</u>	<u>38,650,303</u>
Current assets			
Debtors	16	329,233	348,708
Cash at bank and in hand		1,753,742	1,064,562
		<u>2,082,975</u>	<u>1,413,270</u>
Creditors: amounts falling due within one year	17	(1,126,028)	(899,966)
Net current assets		956,947	513,304
Total assets less current liabilities		60,320,651	39,163,607
Net assets excluding pension liability		60,320,651	39,163,607
Defined benefit pension scheme liability	24	(13,926,000)	(9,566,000)
Total net assets		46,394,651	29,597,607

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08064698

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	59,363,704	38,650,303
Restricted income funds	18	419,386	-
		<u>59,783,090</u>	<u>38,650,303</u>
Restricted funds excluding pension asset	18	59,783,090	38,650,303
Pension reserve	18	(13,926,000)	(9,566,000)
		<u>45,857,090</u>	<u>29,084,303</u>
Total restricted funds	18	45,857,090	29,084,303
Unrestricted income funds	18	537,561	513,304
		<u>46,394,651</u>	<u>29,597,607</u>
Total funds		46,394,651	29,597,607

The financial statements on pages 30 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr G Turner

Chair

Date: 14th December 2021

The notes on pages 35 to 67 form part of these financial statements.

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	782,849	231,149
Cash flows from investing activities	21	(93,669)	(195,571)
Change in cash and cash equivalents in the year		689,180	35,578
Cash and cash equivalents at the beginning of the year		1,064,562	1,028,984
Cash and cash equivalents at the end of the year	22, 23	<u>1,753,742</u>	<u>1,064,562</u>

The notes on pages 35 to 67 form part of these financial statements

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 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 2019 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

The Trustees have also assessed the potential impact on the future operations of the Trust with regard to the Covid-19 outbreak. The Trust is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

1.3 Income

All incoming resources are recognised when the 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.

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the 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 Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

THE 3-18 EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Taxation

The 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 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.

1.7 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:

Long-term leasehold property	- 125 years straight line
Furniture and equipment	- 3 years straight line
Computer equipment	- 3 years straight line

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.9 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Provisions

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

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

1.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 16. 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 note 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.

1.13 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the 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 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 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.

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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.

Investment income, gains and losses are allocated to the appropriate fund.

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FOR THE YEAR ENDED 31 AUGUST 2021

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 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.

Assumptions used in pensions valuation

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Long term Leasehold property

The Trust's land and buildings were brought in on on conversion based on the ESFA valuation reports.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Conversion and transfer balances					
Fixed assets on transfer/conversion	-	-	21,072,447	21,072,447	11,931,937
Pension on transfer/conversion	-	(2,842,000)	-	(2,842,000)	(2,265,000)
Surplus funds on transfer/conversion	-	156,928	-	156,928	279,707
Subtotal detailed disclosure	-	(2,685,072)	21,072,447	18,387,375	9,946,644
Donations	-	-	11,911	11,911	51,661
Capital Grants	-	-	203,611	203,611	174,496
Subtotal	-	-	215,522	215,522	226,157
Total 2021	-	(2,685,072)	21,287,969	18,602,897	10,172,801
<i>Total 2020</i>	<i>279,707</i>	<i>(2,265,000)</i>	<i>12,158,094</i>	<i>10,172,801</i>	

4. Income from charitable activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	19,611,210	19,611,210	12,913,086
Boarding Activities	383,834	383,834	114,305
Total 2021	19,995,044	19,995,044	13,027,391
<i>Total 2020</i>	<i>13,027,391</i>	<i>13,027,391</i>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Funding for the Trust's educational activities

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	16,351,539	16,351,539	11,155,108
Other DfE/ESFA grants:			
Other DfE / ESFA Grant Income	1,301,537	1,301,537	611,462
Pupil Premium	759,233	759,233	426,949
Rates reclaim	107,978	107,978	90,023
	-	18,520,287	12,283,542
Other Government grants			
Local Authority - SEN - All	343,776	343,776	209,844
Government - Other Grants	135,782	135,782	206,739
	479,558	479,558	416,583
Other Income	200,596	200,596	197,635
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	260,620	260,620	-
Other DfE/ESFA COVID-19 funding	115,930	115,930	-
	376,550	376,550	-
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme	34,219	34,219	15,326
	34,219	34,219	15,326
Total 2021	19,611,210	19,611,210	12,913,086
<i>Total 2020</i>	<i>12,913,086</i>	<i>12,913,086</i>	

During the year, the Trust received £34,219 (2020: £87,619) COVID support grant from the government for the Coronavirus job retention scheme, £Nil (2020: £72,293) of this is in relation to the Boarding School and included in note 4 above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Other Trading Income	-	294,885	294,885	204,327
Insurance Income	-	11,563	11,563	85,787
Lettings	24,048	-	24,048	21,344
Income from Music	-	(2,105)	(2,105)	3,175
Bus Income	-	177,521	177,521	23,877
Total 2021	<u>24,048</u>	<u>481,864</u>	<u>505,912</u>	<u>338,510</u>
<i>Total 2020</i>	<u>21,344</u>	<u>317,166</u>	<u>338,510</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income - Bank Interest	209	209	2,590
Total 2021	<u>209</u>	<u>209</u>	<u>2,590</u>
<i>Total 2020</i>	<u>2,590</u>	<u>2,590</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Educational Activities:					
Direct costs	13,901,275	-	1,829,236	15,730,511	10,913,380
Support costs	2,918,270	1,243,066	1,414,791	5,576,127	3,407,981
Boarding Activities:					
Allocated support costs	88,291	-	175,659	263,950	203,056
Teaching school	117,295	-	543,780	661,075	732,955
Total 2021	<u>17,025,131</u>	<u>1,243,066</u>	<u>3,963,466</u>	<u>22,231,663</u>	<u>16,088,177</u>
<i>Total 2020</i>	<u>11,741,744</u>	<u>823,906</u>	<u>3,522,527</u>	<u>16,088,177</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational Activities	15,730,511	5,576,127	21,306,638	14,321,361
Boarding Activities	-	263,950	263,950	203,056
Total 2021	<u>15,730,511</u>	<u>5,840,077</u>	<u>21,570,588</u>	<u>14,524,417</u>
<i>Total 2020</i>	<u>10,913,380</u>	<u>3,611,037</u>	<u>14,524,417</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	13,901,275	13,901,275	9,538,974
Depreciation	452,715	452,715	320,957
Educational Supplies	272,210	272,210	92,441
Examination Fees	197,002	197,002	142,243
Technology Costs	485,823	485,823	315,518
Educational Consultancy	80,700	80,700	46,758
Other costs	340,786	340,786	456,489
Total 2021	<u>15,730,511</u>	<u>15,730,511</u>	<u>10,913,380</u>
<i>Total 2020</i>	<u>10,913,380</u>	<u>10,913,380</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2021 £	Boarding Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	2,918,270	88,291	3,006,561	2,062,715
Technology Costs	45,968	-	45,968	22,399
Other Staff Costs	55,685	-	55,685	56,986
Other costs	262,779	-	262,779	213,982
Rates	94,769	-	94,769	55,809
Energy	337,103	-	337,103	184,606
Maintenance of Premises	285,661	-	285,661	233,512
Cleaning and Caretaking	305,948	-	305,948	163,711
Security	9,679	-	9,679	8,058
Transport	385,857	-	385,857	20,259
Catering	404,937	175,659	580,596	247,683
Other Premises Costs	134,036	-	134,036	143,446
Legal and Professional	304,310	-	304,310	183,636
Auditor Costs	31,125	-	31,125	14,235
Total 2021	5,576,127	263,950	5,840,077	3,611,037
<i>Total 2020</i>	<i>3,407,981</i>	<i>203,056</i>	<i>3,611,037</i>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	120,976	64,187
Depreciation of tangible fixed assets	452,715	320,957
Fees paid to auditors for:		
- audit	12,400	10,700
- other services	5,600	3,800

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	12,440,538	8,569,646
Social security costs	1,154,571	764,456
Pension costs	3,361,402	2,280,761
	<u>16,956,511</u>	<u>11,614,863</u>
Agency staff costs	68,620	59,457
Staff restructuring costs	-	67,424
	<u>17,025,131</u>	<u>11,741,744</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	-	67,424
	<u>-</u>	<u>67,424</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are severance payments totalling £Nil (2020: £67,424) which were paid to 0 members (2020: 6 members) of staff. In the prior year the individual payments were £10,000, £6,173, £5,937, £30,000, £11,064 and £4,250.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	205	146
Admin & Support staff	274	217
Managment	23	19
	<u>502</u>	<u>382</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff (continued)

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
	<u> </u>	<u> </u>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £674,091 (2020 £481,496).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Central services

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

- Financial Support
- HR Support
- IT Support
- Educational Welfare Officer
- Insurances
- Payroll
- Legal Support

The Trust charges for these services on the following basis:

The costs of the work performed by the MAT is recharged on a basis of top slice of between 3.25% and 4% of the GAG income for each school.

The actual amounts charged during the year were as follows:

	2021	<i>2020</i>
	£	£
Priory School	169,800	<i>161,568</i>
St Martins School	108,435	<i>101,319</i>
Coleham School	63,876	<i>62,249</i>
Thomas Adams School	172,413	<i>84,201</i>
William Brookes School	52,250	<i>-</i>
Total	566,774	<i>409,337</i>

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NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2021	2020
	£	£
Mr M J Barratt, CEO and Accounting Officer		
Remuneration	95,000 -	<i>115,000 -</i>
	100,000	<i>120,000</i>
Pension contributions paid	20,000 -	<i>25,000 -</i>
	25,000	<i>30,000</i>

During the year, retirement benefits were accruing to 1 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £20,000,000 on any one claim and the cost for the year ended 31 August 2021 was £72,726 (2020 - £39,292). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	39,487,776	885,078	392,143	40,764,997
Additions	21,140,654	4,600	20,862	21,166,116
At 31 August 2021	<u>60,628,430</u>	<u>889,678</u>	<u>413,005</u>	<u>61,931,113</u>
Depreciation				
At 1 September 2020	997,888	778,475	338,331	2,114,694
Charge for the year	338,661	66,300	47,754	452,715
At 31 August 2021	<u>1,336,549</u>	<u>844,775</u>	<u>386,085</u>	<u>2,567,409</u>
Net book value				
At 31 August 2021	<u><u>59,291,881</u></u>	<u><u>44,903</u></u>	<u><u>26,920</u></u>	<u><u>59,363,704</u></u>
<i>At 31 August 2020</i>	<u><u>38,489,888</u></u>	<u><u>106,603</u></u>	<u><u>53,812</u></u>	<u><u>38,650,303</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	28,274	18,900
Other debtors	121,925	122,668
Prepayments and accrued income	179,034	207,140
	329,233	348,708

17. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	181,981	346,511
Other taxation and social security	610,385	452,289
Other creditors	10,000	-
Accruals and deferred income	323,662	101,166
	1,126,028	899,966

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	513,304	24,257	-	-	-	537,561
Restricted general funds						
General Annual Grant (GAG)	-	16,351,539	(16,351,539)	-	-	-
Pupil Premium	-	759,233	(759,233)	-	-	-
Other Restricted Income	(159,942)	3,139,230	(2,998,858)	121,345	-	101,775
Teaching School	248,693	696,645	(658,860)	-	-	286,478
Boarding School	(88,751)	383,834	(263,950)	-	-	31,133
Pension reserve	(9,566,000)	(2,842,000)	(746,000)	-	(772,000)	(13,926,000)
	<u>(9,566,000)</u>	<u>18,488,481</u>	<u>(21,778,440)</u>	<u>121,345</u>	<u>(772,000)</u>	<u>(13,506,614)</u>
Restricted fixed asset funds						
Restricted Fund	38,650,303	21,287,969	(453,223)	(121,345)	-	59,363,704
Total Restricted funds	<u>29,084,303</u>	<u>39,776,450</u>	<u>(22,231,663)</u>	<u>-</u>	<u>(772,000)</u>	<u>45,857,090</u>
Total funds	<u><u>29,597,607</u></u>	<u><u>39,800,707</u></u>	<u><u>(22,231,663)</u></u>	<u><u>-</u></u>	<u><u>(772,000)</u></u>	<u><u>46,394,651</u></u>

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

- General funds have been used for school improvements in the year.
- Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.
- Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funderd where the asset acquired or created is held for a specific purpose.

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

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	258,952	303,641	-	(49,289)	-	513,304
Restricted general funds						
General Annual Grant (GAG)	-	11,155,108	(11,155,108)	-	-	-
Pupil Premium	-	426,949	(426,949)	-	-	-
Other Restricted Income	63,996	1,648,195	(1,900,347)	28,214	-	(159,942)
Teaching School	325,126	656,522	(732,955)	-	-	248,693
Boarding School	-	114,305	(203,056)	-	-	(88,751)
Pension reserve	(5,447,000)	(2,265,000)	(518,000)	-	(1,336,000)	(9,566,000)
	<u>(5,057,878)</u>	<u>11,736,079</u>	<u>(14,936,415)</u>	<u>28,214</u>	<u>(1,336,000)</u>	<u>(9,566,000)</u>
Restricted fixed asset funds						
Restricted Fund	26,792,091	12,158,094	(320,957)	21,075	-	38,650,303
Total Restricted funds	<u>21,734,213</u>	<u>23,894,173</u>	<u>(15,257,372)</u>	<u>49,289</u>	<u>(1,336,000)</u>	<u>29,084,303</u>
Total funds	<u><u>21,993,165</u></u>	<u><u>24,197,814</u></u>	<u><u>(15,257,372)</u></u>	<u><u>-</u></u>	<u><u>(1,336,000)</u></u>	<u><u>29,597,607</u></u>

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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
The Priory School	287,569	119,872
Coleham Primary School	81,287	29,553
St Martins School	(111,619)	(122,502)
Teaching School	286,478	248,693
Central MAT	112,346	65,997
Thomas Adams School	171,044	171,691
William Brookes School	129,842	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	956,947	513,304
Restricted fixed asset fund	59,363,704	38,650,303
Pension reserve	(13,926,000)	(9,566,000)
	<hr/>	<hr/>
Total	46,394,651	29,597,607
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 £	Total 2020 £
The Priory School	3,412,326	494,734	88,160	723,259	4,718,479	4,595,459
Coleham Primary School	1,377,426	245,892	4,758	388,934	2,017,010	1,981,569
St Martins School	2,528,153	340,218	65,394	456,792	3,390,557	3,293,711
Teaching School	117,295	-	-	541,565	658,860	732,958
Central MAT	117,288	160,879	94	284,423	562,684	426,872
Thomas Adams School	4,922,684	641,760	80,628	1,757,006	7,402,078	3,387,846
William Brookes School	1,543,398	377,078	33,176	329,628	2,283,280	-
Trust pension	-	746,000	-	-	746,000	518,000
Trust	14,018,570	3,006,561	272,210	4,481,607	21,778,948	14,936,415

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	59,363,704	59,363,704
Current assets	470,127	1,612,848	-	2,082,975
Creditors due within one year	67,434	(1,193,462)	-	(1,126,028)
Provisions for liabilities and charges	-	(13,926,000)	-	(13,926,000)
Total	537,561	(13,506,614)	59,363,704	46,394,651

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	38,650,303	38,650,303
Current assets	509,249	904,021	-	1,413,270
Creditors due within one year	-	(899,966)	-	(899,966)
Provisions for liabilities and charges	4,055	(9,570,055)	-	(9,566,000)
Total	<u>513,304</u>	<u>(9,566,000)</u>	<u>38,650,303</u>	<u>29,597,607</u>

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

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	<u>17,569,044</u>	<u>8,940,442</u>
Adjustments for:		
Depreciation	452,715	320,957
Defined benefit pension scheme cost less contributions payable	(783,000)	(529,000)
Defined benefit pension scheme finance cost	1,529,000	1,047,000
Decrease/(increase) in debtors	19,475	(67,347)
Increase in creditors	226,062	237,695
Fixed assets transferred on conversion	(21,072,447)	(11,983,598)
Pension transferred on conversion	2,842,000	2,265,000
Net cash provided by operating activities	<u>782,849</u>	<u>231,149</u>

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21. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(93,669)	(195,571)
Net cash used in investing activities	(93,669)	(195,571)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,753,742	1,064,562
Total cash and cash equivalents	1,753,742	1,064,562

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,064,562	689,180	1,753,742
	1,064,562	689,180	1,753,742

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

The 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 Shropshire Council. 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 £275,580 were payable to the schemes at 31 August 2021 (2020 - £216,998) 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 2023.

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FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,768,992 (2020 - £1,372,391).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £779,963 (2020 - £525,948), of which employer's contributions totalled £587,421 (2020 - £391,274) and employees' contributions totalled £ 192,542 (2020 - £134,674). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 8.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the 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 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

	2021	2020
	%	%
Rate of increase in salaries	3.95	3.65
Rate of increase for pensions in payment/inflation	2.80	2.50
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.70	2.40

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2021	<i>2020</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	23	22.9
Females	25.1	25
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	26.7	26.6

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate +0.1%	13,444	9,272
Mortality assumption - 1 year increase	14,682	9,991
CPI rate +0.1%	14,418	9,866
Pay Growth +0.1%	13,984	9,614

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension commitments (continued)

Share of scheme assets

The Trust's share of the assets in the scheme was:

	2021 £	2020 £
Equities	4,892,000	2,552,000
Other Bonds	1,893,000	1,168,000
Property	336,000	223,000
Cash and other liquid assets	163,000	90,000
Other	2,325,000	1,274,000
Total market value of assets	9,609,000	5,307,000

The actual return on scheme assets was £979,000 (2020 - £81,000).

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

	2021 £	2020 £
Current service cost	(1,312,000)	(918,000)
Past service cost	-	(3,000)
Interest income	125,000	76,000
Interest cost	(318,000)	(188,000)
Administrative expenses	(20,000)	(14,000)
Effect of curtailments	(4,000)	-
Total amount recognised in the Statement of Financial Activities	(1,529,000)	(1,047,000)

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	14,873,000	8,240,000
Interest cost	318,000	188,000
Employee contributions	199,000	135,000
Actuarial losses	1,626,000	787,000
Benefits paid	(205,000)	12,000
Losses on curtailments	4,000	-
Past service costs	-	3,000
Current service cost	1,312,000	918,000
Business combinations	5,408,000	4,590,000
At 31 August	23,535,000	14,873,000

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

	2021 £	2020 £
At 1 September	5,307,000	2,793,000
Interest income	125,000	76,000
Actuarial gains/(losses)	854,000	(549,000)
Employer contributions	783,000	529,000
Employee contributions	199,000	135,000
Benefits paid	(205,000)	12,000
Admin expenses	(20,000)	(14,000)
Business combinations	2,566,000	2,325,000
At 31 August	9,609,000	5,307,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	126,334	63,936
Later than 1 year and not later than 5 years	193,346	123,661
	<u>319,680</u>	<u>187,597</u>

26. Members' liability

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

27. Related party transactions

Owing to the nature of the 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

During the year the Spouse of the CEO was employed by the Trust within Admin support.

During the year the Spouse of the Thomas Adams Headteacher was employed by the Trust as Head of Boarding.

All appointments have been completed in an open manner and are paid the normal pay scale for that role. No special treatment has been received as a result of the related relationship.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

28. Transfer of existing academies into the trust

William Brookes School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Long-term leasehold property	21,046,986	21,046,986
Furniture and equipment	4,599	4,599
Computer equipment	20,862	20,862
Current assets		
Debtors due within one year	162,342	162,342
Cash at bank and in hand	303,903	303,903
Liabilities		
Creditors due within one year	(309,317)	(309,317)
Pensions		
Pensions - pension scheme assets	2,566,000	2,566,000
Pensions - pension scheme liabilities	(5,408,000)	(5,408,000)
Net assets	<u>18,387,375</u>	<u>18,387,375</u>

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NOTES TO THE FINANCIAL STATEMENTS
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29. Teaching School and Maths Hub Trading Account

	2021 £	2021 £	2020 £	2020 £
Income				
Direct income				
Government grants	685,940		638,347	
Other income	10,705		18,175	
Expenditure				
Direct expenditure				
Direct staff costs	117,295		140,055	
Other direct costs	478,322		563,819	
Other expenditure				
Other support costs	65,458		29,081	
Surplus/(deficit) from all sources		37,785		(76,433)
Teaching school balances at 1 September 2020		248,693		325,126
Teaching school balances at 31 August 2021		286,478		248,693

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NOTES TO THE FINANCIAL STATEMENTS
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30. Boarding school trading account

	2021 £	2021 £	2020 £	2020 £
Income				
Fee income	383,834		42,012	
COVID support grant	-		72,293	
Total income	<u>383,834</u>		<u>114,305</u>	
Total income		383,834		114,305
Expenditure				
Direct expenditure				
Wages and salaries	71,621		130,383	
Social security costs	5,454		5,496	
Pension costs	11,216		10,942	
Other costs	175,659		56,235	
Total direct expenditure	<u>263,950</u>		<u>203,056</u>	
Total expenditure		<u>263,950</u>		<u>203,056</u>
Surplus/(deficit) from all sources		119,884		(88,751)
Boarding school balances at 1 September 2020		(88,751)		-
Boarding school balances at 31 August 2021		<u><u>31,133</u></u>		<u><u>(88,751)</u></u>