

THE 3-18 EDUCATION TRUST

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**



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
Mrs J Hickson (appointed 3 March 2023)
Mr C Johnson
Mrs Y Rimmer (resigned 19 January 2023)

Trustees

Mr G Turner, Chair^{1,2}
Mrs K Burbridge (resigned 22 November 2022)
Mr D Burgess^{1,2}
Mr P Holland¹
Mr G Hulme (appointed 10 October 2023)
Mrs A O'Brien, Vice Chair²
Mr D O'Toole, Accounting Officer and CEO (appointed 1 September 2022,
resigned as Trustee 10 October 2023)^{1,2}
Mr P Paes
Mrs N Pritchard^{1,2}
Mr S Ramtuhul

¹ Members of The Finance, Audit & Risk Committee

² Members of The Standards Committee

Company registered number

08064698

Company name

The 3-18 Education Trust

Principal and registered office

Bowbrook Primary School
Squinter Pip Way
Shrewsbury
Shropshire
SY5 8PY

Company secretary

Mr A Burns (resigned 31 December 2022)
Ms C Warner (appointed 1 January 2023)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Senior management team

Mr D O'Toole, CEO (appointed 1 September 2022)
Mrs C Jones, Deputy CEO
Mr D Wright, CFO
Mrs A Pope, Headteacher - The Priory School
Ms S Lovecy, Headteacher - St Martins School
Mr C Litchfield, Headteacher - Much Wenlock Primary School
Mr S Richards, Headteacher - William Brookes School
Mr M Cooper, Headteacher - Thomas Adams School
Mr S Aiston, Headteacher - Bowbrook Primary School
Mr T Larkham, Headteacher - Coleham Primary 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 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust consists of the following 6 schools, all located in Shropshire:

Coleham Primary School
St Martins 3 16 School
Much Wenlock Primary 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 2023, 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 2023

Structure, governance and management (continued)

e. Organisational structure

The name 'The 3-18 Education Trust', reflects 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 increased in size with Much Wenlock Primary School joining the Trust. 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 2023

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1%-50%	1
51%-99%	-
100%	-

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

Total cost of facility time	9,626	
Total pay bill	22,163,869	
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 2023

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
- 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 principal objects and activity of the Trust are 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 2023

Objectives and activities (continued)

b. Objectives, strategies and activities

Vision: 'Every individual is in a great school'

Values: Accomplished, Resilient, Compassionate

Accomplished – to provide high quality education and training for all.

Resilient – to be solution focused and able to intelligently manage challenges.

Compassionate – to show care and understanding towards others.

Mission: To celebrate the diverse nature, culture and identity of our individual schools, whilst enjoying the benefit of the team, so that each school is reciprocal in their support for one another and achieves together.

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 six 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 the year.

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)
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Strategic report

Achievements and performance

a. Review of activities

It is 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 September 2016, St Martins 3 - 16 School near Oswestry converted to academy status and joined the Trust. The school, was rated as 'Good' in its most recent OFSTED inspection in February 2023 showing significant improvement from the previous inspection. The school has been involved in a rigorous process of school improvement with department leaders from across the Trust and beyond.

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 10 miles north of Shrewsbury, connected to the Worshipful Company of Drapers.

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, joined on 1st April, 2021.

The Trust is growing and two more schools joined during the year 2022/2023, Much Wenlock Primary in April 2023 and Bridgnorth Endowed School in September 2023 and one further school, Bowbrook Primary, was built and opened in September 2023. Further growth of the Trust is anticipated and will be managed through good quality due diligence processes to ensure stability and maintenance of a high quality central services.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

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.

This success makes the Trust an appealing option for any Single Academy Trusts (SATs), Multi Academy Trusts (MATs) and maintained schools to join.

d. Key performance indicators

Our schools have performed well this year in many parts of their activity when compared to national comparisons. It is still not quite appropriate to read too much into three year trends because of the impact of Covid 19 on the exams process. However, by comparison to 2019, KS4 and KS5 examination years have broadly fallen in line with outcomes either side of the pandemic. The highest performing school has been Priory School which has demonstrated positive progress in a number of areas.

At Key stage 2 our primary colleagues are celebrating successful outcomes in reading, writing and maths having worked hard to maintain a quality education through the two years of the pandemic. Coleham Primary school remains very strong with excellent outcomes.

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 remained oversubscribed in every school.

Financial review

From a financial viewpoint the Trust has performed well following two years of Covid 19 related challenges. However, the current uncertainties surrounding the rate of inflation of critical costs (energy, premises, catering) as well as unfunded pay increases mean the Trust is conscious of the financial turbulence that may arise.

The Trust has achieved an in year revenue surplus of £446,840 (2022: deficit of £94,577) (excluding pensions reserve and fixed asset movement). The total net movement in funds was a surplus of £4,645,803 (2022: £8,573,611) which includes an actuarial gain on the pension scheme of £3,003,000 (2022: actuarial gain of £9,096,000) and conversion balances transferred of £1,559,760 (2022: £18,387,375).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy and principal 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 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total funds of the Trust are £59,614,065 (2022: £54,968,262). Of the funds, £466,430 (2022: £181,650) are restricted and not available for general purposes of the Trust. The Trust's revenue reserves are £1,083,082 (2022: £636,242). This is made up of total reserves less fixed asset reserve and pension reserve.

The excess of restricted income over expenditure for the same period (excluding the restricted fixed asset fund and pension reserve) was £284,780. Total unrestricted reserves (free reserves) were £616,652 (2022: £454,592).

At 31 August 2023 the net book value of the fixed assets was £61,138,293 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 & Risk 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 2023

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, Audit & Risk Committee, and in the case of the setting the school budget the Board.
- Regular consideration by the Finance, Audit & Risk Committee of tenders for contracts, buildings work, ICT provision and capital programmes.
- Termly reports are provided to the Finance, Audit & Risk 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 2023

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 as defined by the operational control boundary. This includes all 6 schools, of which Much Wenlock Primary School joined the Trust on 1st April 2023. Also included are minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet).

Reporting period

The annual reporting period is 1st September to 31st August each year and the energy and carbon emissions are aligned to this period. Energy and emissions for Much Wenlock Primary School are reported from when they joined the Trust on 1st April 2023.

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 2023 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, gas, and minibus diesel consumption were compiled from invoice records. Where invoices did not cover the full reporting year, the pro-rata estimation technique and direct comparison was applied. Mileage claims were used to calculate energy use and emissions associated with grey fleet. 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 because of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (continued)

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

Energy type	2021/22	2022/23
Mandatory requirements:		
Gas	4,974,800	4,855,050
Purchased electricity from the grid	1,881,658	1,844,983
Transport fuel	63,989	27,387
Total energy (mandatory)	6,920,448	6,727,421
Voluntary requirements:		
Generated electricity from on-site renewable sources	45,432	40,638
Total energy (voluntary)	45,432	40,638
Total energy (mandatory & voluntary)	6,965,879	6,768,059

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

Emission source	2021/22	2022/23
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	908.1	888.1
Company owned vehicles (minibuses)	11.2	5.6
<u>Scope 2</u>		
Purchased electricity (location-based)	363.9	382.0
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	4.7	1.3
Total gross emissions (mandatory)	1,287.9	1,277.0
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.315	0.300
Tonnes of CO ₂ e per square meter floor area	0.035	0.034
Voluntary requirements:		
<u>Scope 2</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)	1,287.9	1,277.0

NOTE: Figures may not sum due to rounding

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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 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

Energy efficiency action during current financial year

The 3-18 Education Trust has been actively pursuing energy efficiency through a series of incremental steps. These efforts have included the replacement of outdated boilers with more efficient models and the installation of LED lighting throughout the premises. However, due to budget constraints, the Trust has faced challenges in implementing larger-scale, comprehensive changes to further enhance energy efficiency across the campus. Despite these limitations, the Trust remain committed to seeking opportunities for improvement within their financial means.

Plans for future periods

Bridgnorth Endowed School, a single academy Trust in South East Shropshire, joined the Trust on 1st September 2023 following a two year transfer process. In addition, Bowbrook Primary School, a newly built free school in Shrewsbury, was opened on 1st September 2023. The 3-18 Education Trust won the bid to run this school following a competitive tender process run by the local authority in 2020. The school has opened with a reception class and a nursery, and will look to grow by one year group per year over the next seven years.

The Trust is scheduled to grow further over the next 12 months with DfE approval given for Hodnet Primary School to join the Trust. This is likely to be agreed with a likely conversion date of spring 2024.

The Trust continues 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 2023

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 _____ 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.

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
Mrs K Burbridge	1	1
Mr D Burgess	4	5
Mr P Holland	5	5
Mrs A O'Brien, Vice Chair	5	5
Mr D O'Toole, Accounting Officer and CEO	5	5
Mr P Paes	3	5
Mrs N Pritchard	3	5
Mr S Ramtuhul	3	5

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 and School Development Plans. Minutes from LGB are reviewed and approved. Recommendations from LGBs/Finance Committee are considered and responded to. K Burbridge's term ended on 22 November 2022 and did not seek re-cooption.

An external governance review by NGA took place in Summer Term 2023. The recommendations are currently being reviewed and implemented.

The Board of Trustees has met 5 times during the year. In addition to this the Finance and Audit Committee which contains 5 Trustees have met an additional 6 times in the year ensuring that effective oversight of funds is maintained.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Audit and Risk 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, health & safety.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Holland, Chair	6	6
Mr D Burgess	5	6
Mr D O'Toole	6	6
Mrs N Pritchard	2	6
Mr G Turner	6	6

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, as well as estates safety and management, 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. Renewed/tendering contracts when best value is clearly demonstrated
4. Looking to increase the size of the Trust which will create economies of scale

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 2022 to 31 August 2023 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 3-18 EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ the following companies as internal auditor.

- Bishop Fleming
- Salopian H&S
- Shropshire Council
- Aaron & Partners Solicitors (HR)

The internal auditor'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

- Safeguarding
- A review of onboarding of new employees
- A review of school trips & visits

On a termly basis, the internal auditors reports to the Board of Trustees through the Finance, audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an ad hoc basis the internal auditors prepares a 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 auditors have delivered their schedule of work as planned. No material control issues have arisen as a result of the work undertaken. All recommendations to improve have been actioned.

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

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

Approved by order of the members of the Board of Trustees and signed on their behalf by:

Mr G Turner
Chair of Trustees
Date:

Mr D O'Toole
Accounting Officer

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

STATEMENT OF 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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 D O'Toole
Accounting Officer
Date:

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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:

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 2023 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 2022 to 2023 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 2023 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 2022 to 2023 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
(A company limited by guarantee)

**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 Statement of Trustees' Responsibilities, 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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
(A company limited by guarantee)

**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

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

SY2 6LG

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 22 February 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Andrew Malpass BA FCA
WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
SY2 6LG

Date:

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 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	386,010	2,487,328	2,873,338	1,332,514
Other trading activities	6	160,137	573,901	-	734,038	856,434
Investments	7	1,923	-	-	1,923	282
Educational Operations	4	-	26,973,753	-	26,973,753	24,573,482
Teaching school		-	876,986	-	876,986	555,402
Total income		162,060	28,810,650	2,487,328	31,460,038	27,318,114
Expenditure on:						
Charitable activities	8	-	28,223,233	768,797	28,992,030	27,052,497
Teaching school	8	-	825,205	-	825,205	788,006
Total expenditure		-	29,048,438	768,797	29,817,235	27,840,503
Net income/ (expenditure)		162,060	(237,788)	1,718,531	1,642,803	(522,389)
Transfers between funds	18	-	226,568	(226,568)	-	-
Net movement in funds before other recognised gains		162,060	(11,220)	1,491,963	1,642,803	(522,389)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	25	-	3,003,000	-	3,003,000	9,096,000
Net movement in funds		162,060	2,991,780	1,491,963	4,645,803	8,573,611

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 2023

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Reconciliation of funds:					
Total funds brought forward	454,592	(5,762,350)	60,276,020	54,968,262	46,394,651
Net movement in funds	162,060	2,991,780	1,491,963	4,645,803	8,573,611
Total funds carried forward	616,652	(2,770,570)	61,767,983	59,614,065	54,968,262

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

The notes on pages 33 to 64 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	61,138,293	<i>59,592,850</i>
		<u>61,138,293</u>	<u>59,592,850</u>
Current assets			
Debtors	16	951,515	<i>367,979</i>
Cash at bank and in hand		2,817,253	<i>2,421,813</i>
		<u>3,768,768</u>	<u>2,789,792</u>
Creditors: amounts falling due within one year	17	(2,055,996)	<i>(1,470,380)</i>
Net current assets		1,712,772	<i>1,319,412</i>
Total assets less current liabilities		62,851,065	<i>60,912,262</i>
Net assets excluding pension liability		62,851,065	<i>60,912,262</i>
Defined benefit pension scheme liability	25	(3,237,000)	<i>(5,944,000)</i>
Total net assets		59,614,065	<i>54,968,262</i>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	61,767,983	60,276,020
Restricted income funds	18	466,430	181,650
		<u>62,234,413</u>	<u>60,457,670</u>
Restricted funds excluding pension asset	18	62,234,413	60,457,670
Pension reserve	18	(3,237,000)	(5,944,000)
Total restricted funds	18	58,997,413	54,513,670
Unrestricted income funds	18	616,652	454,592
Total funds		<u>59,614,065</u>	<u>54,968,262</u>

The financial statements on pages 28 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Mr G Turner
Chair
Date:

The notes on pages 33 to 64 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	2,578,277	1,542,341
Cash flows from investing activities	21	(2,182,837)	(874,270)
Change in cash and cash equivalents in the year		395,440	668,071
Cash and cash equivalents at the beginning of the year		2,421,813	1,753,742
Cash and cash equivalents at the end of the year	22, 23	2,817,253	2,421,813

The notes on pages 33 to 64 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 2023

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 2022 to 2023 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.

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.

• **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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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:

Freehold & Long-term leasehold- property	50 - 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 2023

3. Income from donations and capital grants

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Conversion and transfer balances				
Fixed assets on transfer/conversion	-	1,135,000	1,135,000	-
Surplus funds on transfer/conversion	380,279	44,481	424,760	-
	<u>380,279</u>	<u>1,179,481</u>	<u>1,559,760</u>	<u>-</u>
Donations	5,731	-	5,731	1,200
Capital Grants	-	1,307,847	1,307,847	1,331,314
	<u>5,731</u>	<u>1,307,847</u>	<u>1,313,578</u>	<u>1,332,514</u>
Total 2023	<u><u>386,010</u></u>	<u><u>2,487,328</u></u>	<u><u>2,873,338</u></u>	<u><u>1,332,514</u></u>
<i>Total 2022</i>	<u><u>1,200</u></u>	<u><u>1,331,314</u></u>	<u><u>1,332,514</u></u>	

4. Income from charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Activities	26,508,904	26,508,904	24,162,438
Boarding Activities	464,849	464,849	411,044
Total 2023	<u><u>26,973,753</u></u>	<u><u>26,973,753</u></u>	<u><u>24,573,482</u></u>
<i>Total 2022</i>	<u><u>24,573,482</u></u>	<u><u>24,573,482</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Trust's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational Activities			
DfE/ESFA grants			
General Annual Grant (GAG)	22,211,357	22,211,357	20,913,119
Other DfE/ESFA grants:			
Other DfE / ESFA Grant Income	925,233	925,233	196,641
Pupil Premium	884,322	884,322	824,653
Universal Infant Free School Meals (UIFSM)	209,796	209,796	95,283
Year 7 Catch-up	31,964	31,964	-
Rates reclaim	128,578	128,578	103,995
PE and Sports Grant	20,069	20,069	37,310
	-	24,411,319	22,171,001
Other Government grants			
Local Authority - SEN	406,892	406,892	424,698
Local Authority - Early Years	55,372	55,372	95,559
Local Authority - Other Grants	438,966	438,966	187,841
Government - Other Grants	10,253	10,253	-
	911,483	911,483	708,098
Other Income	917,839	917,839	1,086,642
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	268,263	268,263	196,697
	268,263	268,263	196,697
	26,508,904	26,508,904	24,162,438
Total 2023	26,508,904	26,508,904	24,162,438
<i>Total 2022</i>	24,162,438	24,162,438	

The Trust adopted the DfE chart of accounts in 2023 therefore current year figures have been analysed in line with this.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other Trading Income	-	315,443	315,443	486,542
Insurance Income	-	-	-	11,126
Lettings	160,137	-	160,137	142,877
Bus Income	-	258,458	258,458	215,889
Total 2023	<u>160,137</u>	<u>573,901</u>	<u>734,038</u>	<u>856,434</u>
<i>Total 2022</i>	<u>142,877</u>	<u>713,557</u>	<u>856,434</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income - Bank Interest	1,923	1,923	282
Total 2023	<u>1,923</u>	<u>1,923</u>	<u>282</u>
<i>Total 2022</i>	<u>282</u>	<u>282</u>	

THE 3-18 EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational Activities:					
Direct costs	18,651,857	-	2,808,722	21,460,579	18,728,446
Allocated support costs	3,140,742	2,078,673	1,856,620	7,076,035	7,928,057
Boarding Activities:					
Direct costs	201,060	104,800	-	305,860	89,846
Allocated support costs	-	117,543	32,013	149,556	306,148
Teaching school	170,210	34,768	620,227	825,205	788,006
Total 2023	<u>22,163,869</u>	<u>2,335,784</u>	<u>5,317,582</u>	<u>29,817,235</u>	<u>27,840,503</u>
<i>Total 2022</i>	<u>20,896,419</u>	<u>1,551,099</u>	<u>5,392,985</u>	<u>27,840,503</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational Activities	21,460,579	7,076,035	28,536,614	26,656,503
Boarding Activities	305,860	149,556	455,416	395,994
Total 2023	<u>21,766,439</u>	<u>7,225,591</u>	<u>28,992,030</u>	<u>27,052,497</u>
<i>Total 2022</i>	<u>18,818,292</u>	<u>8,234,205</u>	<u>27,052,497</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2023 £	Boarding Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	18,651,857	201,060	18,852,917	16,623,124
Depreciation	637,392	-	637,392	645,126
Educational Supplies	646,071	-	646,071	204,667
Examination Fees	329,871	-	329,871	293,803
Educational Consultancy	187,604	-	187,604	143,087
Indirect employee expenses	134,698	-	134,698	-
Other costs	28,985	104,800	133,785	908,485
School trips	844,101	-	844,101	-
Total 2023	<u>21,460,579</u>	<u>305,860</u>	<u>21,766,439</u>	<u>18,818,292</u>
<i>Total 2022</i>	<u>18,728,446</u>	<u>89,846</u>	<u>18,818,292</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2023 £	Boarding Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	3,140,742	-	3,140,742	4,124,600
Technology Costs	457,413	-	457,413	612,658
Non-educational contracts	201,413	-	201,413	-
Indirect employee expenses	31,018	-	31,018	119,216
Insurance	103,457	-	103,457	-
Other costs	234,011	32,013	266,024	380,213
Rent & Rates	166,196	6,081	172,277	103,613
Energy	710,899	38,270	749,169	494,603
Repairs & Maintenance	275,815	36,690	312,505	340,074
Cleaning and Caretaking	494,158	36,502	530,660	425,082
Operating Leases	60,836	-	60,836	-
Security	18,796	-	18,796	11,107
Transport	561,566	-	561,566	560,799
Catering	356,872	-	356,872	546,014
Other Premises Costs	241,815	-	241,815	171,090
Legal and Professional	-	-	-	330,881
Auditor Costs	21,028	-	21,028	14,255
Total 2023	<u>7,076,035</u>	<u>149,556</u>	<u>7,225,591</u>	<u>8,234,205</u>
<i>Total 2022</i>	<u>7,928,057</u>	<u>306,148</u>	<u>8,234,205</u>	

The Trust adopted the DfE chart of accounts in 2023 therefore current year figures have been analysed in line with this. Prior year figures have not been reclassified.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	60,836	131,671
Depreciation of tangible fixed assets	637,392	645,124
Fees paid to auditors for:		
- audit	15,700	13,000
- other services	6,320	5,900
	637,392	645,124

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	16,318,267	14,914,528
Social security costs	1,558,497	1,406,009
Pension costs	3,925,061	4,204,792
	21,801,825	20,525,329
Agency staff costs	312,215	291,301
Staff restructuring costs	49,829	79,789
	22,163,869	20,896,419

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	49,829	79,789
	49,829	79,789

b. Severance payments

Included in staff restructuring costs are severance payments totalling £49,829 (2022: £79,789) which were paid to 2 members (2022: 7 members) of staff. In the year the individual payments were £40,000 and £9,829 (2022: £39,923, £20,000, £10,118, £4,586, £3,524, £938 and £700).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff (continued)

c. Staff numbers

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Teachers	254	232
Admin & Support staff	313	344
Management	29	29
	596	605

d. Higher paid staff

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

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	13	8
In the band £70,001 - £80,000	3	4
In the band £80,001 - £90,000	4	2
In the band £120,001 - £130,000	1	1

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 £986,956 (2022 £663,854).

THE 3-18 EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Central services

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

- Finance Support
- HR Support
- IT Support
- Educational Welfare Officer
- Staff Insurance
- Payroll
- Legal
- School Improvement
- Governance Support

The Trust charges for these services on the following basis:

The costs of the work performed by the MAT is recharged at a flat rate of 4% of General annual grant funding.

The actual amounts charged during the year were as follows:

	2023	<i>2022</i>
	£	£
Priory School	186,745	<i>182,808</i>
St Martins School	139,420	<i>125,604</i>
Coleham School	72,164	<i>70,560</i>
Thomas Adams School	230,857	<i>227,868</i>
William Brookes School	188,292	<i>136,944</i>
Much Wenlock School (April 23 onwards)	13,275	<i>-</i>
Total	830,753	<i>743,784</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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:

		2023	2022
		£	£
Mr M J Barratt, CEO and Accounting Officer (resigned 31 August 2022)	Remuneration		120,000 -
	Pension contributions paid		125,000 -
Mr D O'Toole, CEO and Accounting Officer (appointed 1 September 2022)	Remuneration	120,000 -	25,000 -
	Pension contributions paid	125,000 -	30,000

During the year ended 31 August 2023, expenses totalling £2,478 were reimbursed or paid directly to 1 Trustee (2022 - £1,409 to 1 Trustee). The expenses were reimbursed to the CEO for travel and phone expenditure.

14. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Tangible fixed assets

	Long-term leasehold and freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2022	61,128,597	1,115,324	561,462	62,805,383
Additions	1,674,225	438,026	70,586	2,182,837
At 31 August 2023	<u>62,802,822</u>	<u>1,553,350</u>	<u>632,048</u>	<u>64,988,220</u>
Depreciation				
At 1 September 2022	1,870,179	928,982	413,372	3,212,533
Charge for the year	461,649	116,314	59,431	637,394
At 31 August 2023	<u>2,331,828</u>	<u>1,045,296</u>	<u>472,803</u>	<u>3,849,927</u>
Net book value				
At 31 August 2023	<u><u>60,470,994</u></u>	<u><u>508,054</u></u>	<u><u>159,245</u></u>	<u><u>61,138,293</u></u>
At 31 August 2022	<u><u>59,258,418</u></u>	<u><u>186,342</u></u>	<u><u>148,090</u></u>	<u><u>59,592,850</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	14,737	35,124
Other debtors	397,356	254,190
Prepayments and accrued income	539,422	78,665
	951,515	367,979

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,093,337	582,499
Other taxation and social security	693,208	630,724
Other creditors	481	-
Accruals and deferred income	268,970	257,157
	2,055,996	1,470,380

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	454,592	162,060	-	-	-	616,652
Restricted general funds						
General Annual Grant (GAG)	-	22,211,357	(22,211,357)	-	-	-
Pupil Premium	-	884,322	(884,322)	-	-	-
Other Restricted Income	81,593	4,373,136	(4,376,138)	262,957	-	341,548
Teaching School	53,874	876,986	(825,205)	(36,389)	-	69,266
Boarding School	46,183	464,849	(455,416)	-	-	55,616
Pension reserve	(5,944,000)	-	(296,000)	-	3,003,000	(3,237,000)
	(5,762,350)	28,810,650	(29,048,438)	226,568	3,003,000	(2,770,570)
Restricted fixed asset funds						
Restricted Fund	59,592,850	1,135,000	(637,392)	1,047,835	-	61,138,293
School Condition Allocation	683,170	994,195	(131,405)	(916,270)	-	629,690
Other capital	-	258,669	-	(258,669)	-	-
CIF	-	99,464	-	(99,464)	-	-
	60,276,020	2,487,328	(768,797)	(226,568)	-	61,767,983
Total Restricted funds	54,513,670	31,297,978	(29,817,235)	-	3,003,000	58,997,413
Total funds	54,968,262	31,460,038	(29,817,235)	-	3,003,000	59,614,065

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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 funders 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 2023.

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds	537,561	143,159	-	(226,128)	-	454,592
Restricted general funds						
General Annual Grant (GAG)	-	20,913,119	(20,913,119)	-	-	-
Pupil Premium	-	824,653	(824,653)	-	-	-
School fund	-	611,442	(611,442)	-	-	-
Other Restricted Income	101,775	2,527,981	(2,548,163)	-	-	81,593
Teaching School	286,478	555,402	(788,006)	-	-	53,874
Boarding School	31,133	411,044	(395,994)	-	-	46,183
Pension reserve	(13,926,000)	-	(1,114,000)	-	9,096,000	(5,944,000)
	<u>(13,506,614)</u>	<u>25,843,641</u>	<u>(27,195,377)</u>	<u>-</u>	<u>9,096,000</u>	<u>(5,762,350)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

**Restricted fixed
asset funds**

Restricted Fund	59,363,704	-	(645,126)	874,272	-	59,592,850
School Condition Allocation	-	1,331,314	-	(648,144)	-	683,170
	<u>59,363,704</u>	<u>1,331,314</u>	<u>(645,126)</u>	<u>226,128</u>	<u>-</u>	<u>60,276,020</u>
Total Restricted funds	<u>45,857,090</u>	<u>27,174,955</u>	<u>(27,840,503)</u>	<u>226,128</u>	<u>9,096,000</u>	<u>54,513,670</u>
Total funds	<u><u>46,394,651</u></u>	<u><u>27,318,114</u></u>	<u><u>(27,840,503)</u></u>	<u><u>-</u></u>	<u><u>9,096,000</u></u>	<u><u>54,968,262</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
The Priory School	467,250	447,531
Coleham Primary School	128,391	123,488
St Martins School	41,013	(25,580)
Teaching School	69,266	57,935
Central MAT	(193,895)	(147,458)
Thomas Adams School	101,683	118,729
William Brookes School	36,303	61,597
Much Wenlock Primary School	433,071	-
Total before fixed asset funds and pension reserve	<u>1,083,082</u>	<u>636,242</u>
Restricted fixed asset fund	61,767,983	60,276,020
Pension reserve	(3,237,000)	(5,944,000)
Total	<u><u>59,614,065</u></u>	<u><u>54,968,262</u></u>

Central MAT – the Trust has undertaken a number of projects (IT & Trust expansion) that has required up front funds. The healthy reserves at the schools means that these projects can take place. This deficit will reduce back to zero within three years.

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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
The Priory School	3,730,530	395,572	163,083	870,781	5,159,966	4,831,461
Coleham Primary School	1,559,752	249,862	68,626	393,165	2,271,405	2,139,037
St Martins School	2,985,530	338,514	123,186	780,732	4,227,962	3,655,312
Teaching School	37,176	133,034	-	654,995	825,205	783,945
Central MAT	536,288	249,289	19,160	414,568	1,219,305	851,685
Thomas Adams School	5,373,153	621,754	360,951	2,036,989	8,392,847	8,084,666
William Brookes School	4,157,889	918,786	225,968	1,011,381	6,314,024	5,735,271
Much Wenlock Primary School	308,715	70,965	14,968	78,481	473,129	-
Trust pension	-	296,000	-	-	296,000	1,114,000
Trust	18,689,033	3,273,776	975,942	6,241,092	29,179,843	27,195,377

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	61,138,293	61,138,293
Current assets	616,652	2,522,426	629,690	3,768,768
Creditors due within one year	-	(2,055,996)	-	(2,055,996)
Provisions for liabilities and charges	-	(3,237,000)	-	(3,237,000)
Total	616,652	(2,770,570)	61,767,983	59,614,065

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	59,592,850	59,592,850
Current assets	454,592	1,652,030	683,170	2,789,792
Creditors due within one year	-	(1,470,380)	-	(1,470,380)
Provisions for liabilities and charges	-	(5,944,000)	-	(5,944,000)
Total	454,592	(5,762,350)	60,276,020	54,968,262

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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023	2022
	£	£
Net income/(expenditure) for the year (as per Statement of financial activities)	1,642,803	(522,389)
Adjustments for:		
Depreciation	637,394	645,124
Defined benefit pension scheme cost less contributions payable	(1,066,000)	(956,000)
Defined benefit pension scheme finance cost	1,362,000	2,070,000
Increase in debtors	(583,536)	(38,746)
Increase in creditors	585,616	344,352
Net cash provided by operating activities	2,578,277	1,542,341

21. Cash flows from investing activities

	2023	2022
	£	£
Purchase of tangible fixed assets	(2,182,837)	(874,270)
Net cash used in investing activities	(2,182,837)	(874,270)

22. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	2,817,253	2,421,813
Total cash and cash equivalents	2,817,253	2,421,813

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23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,421,813	395,440	2,817,253
	<u>2,421,813</u>	<u>395,440</u>	<u>2,817,253</u>

24. Conversion to an academy trust

On 1 April 2023 Much Wenlock Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The 3-18 Education Trust from Shropshire Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Leasehold land and buildings	-	1,135,000	1,135,000
Current assets			
Cash - representing budget surplus on LA funds	380,279	44,481	424,760
Net assets	<u>380,279</u>	<u>1,179,481</u>	<u>1,559,760</u>

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25. 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 £305,573 were payable to the schemes at 31 August 2023 (2022 - £288,799) 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 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £2,551,275 (2022 - £2,350,589).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.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.

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,349,000 (2022 - £976,888), of which employer's contributions totalled £1,066,000 (2022 - £730,976) and employees' contributions totalled £ 283,000 (2022 - £245,911). The agreed contribution rates for future years are 19 per cent for employers and 5.5 - 9.9 per cent for employees.

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

	2023	2022
	%	%
Rate of increase in salaries	4.05	4.15
Rate of increase for pensions in payment/inflation	2.90	3.00
Discount rate for scheme liabilities	5.30	4.30
Inflation assumption (CPI)	2.80	2.90

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.7	22.9
Females	24.1	25.1
<i>Retiring in 20 years</i>		
Males	23.0	24.1
Females	25.9	26.7

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25. Pension commitments (continued)

Sensitivity analysis

	2023	<i>2022</i>
	£000	<i>£000</i>
Discount rate +0.5% (2022: +0.1%)	1,885	<i>5,606</i>
Mortality assumption - 1 year increase	3,535	<i>6,283</i>
CPI rate +0.25% (2022: +0.1%)	3,961	<i>6,288</i>
Pay Growth +0.25% (2022: +0.1%)	3,372	<i>5,984</i>

Share of scheme assets

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£	<i>£</i>
Equities	6,355,000	<i>5,028,000</i>
Other Bonds	2,130,000	<i>2,056,000</i>
Property	402,000	<i>458,000</i>
Cash and other liquid assets	170,000	<i>213,000</i>
Other	3,117,000	<i>2,898,000</i>
Total market value of assets	12,174,000	<i>10,653,000</i>

The actual return on scheme assets was £161,000 (2022 - £40,000).

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

	2023	<i>2022</i>
	£	<i>£</i>
Current service cost	(1,091,000)	<i>(1,816,000)</i>
Interest income	485,000	<i>173,000</i>
Interest cost	(718,000)	<i>(402,000)</i>
Administrative expenses	(38,000)	<i>(25,000)</i>
Total amount recognised in the Statement of Financial Activities	(1,362,000)	<i>(2,070,000)</i>

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25. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	16,597,000	23,535,000
Interest cost	718,000	402,000
Employee contributions	283,000	246,000
Actuarial gains	(3,188,000)	(9,310,000)
Benefits paid	(90,000)	(92,000)
Current service cost	1,091,000	1,816,000
At 31 August	15,411,000	16,597,000

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

	2023 £	2022 £
At 1 September	10,653,000	9,609,000
Interest income	485,000	173,000
Actuarial losses	(185,000)	(214,000)
Employer contributions	1,066,000	956,000
Employee contributions	283,000	246,000
Benefits paid	(90,000)	(92,000)
Admin expenses	(38,000)	(25,000)
At 31 August	12,174,000	10,653,000

26. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	126,798	110,714
Later than 1 year and not later than 5 years	218,183	71,188
	344,981	181,902

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27. Members' liability

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

28. 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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the 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 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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29. Boarding school trading account

	2023	2023	2022	2022
	£	£	£	£
Income				
Fee income	464,849		411,044	
Total income	464,849		411,044	
Total income		464,849		411,044
Expenditure				
Direct expenditure				
Staff costs	201,060		178,680	
Other costs	104,800		217,314	
Total direct expenditure	305,860		395,994	
Other expenditure				
Cleaning	36,502		-	
Utilities	38,270		-	
Rent and rates	6,081		-	
Administration services	22,913		-	
Buildings maintenance	36,690		-	
Other indirect costs	9,100		-	
Total other expenditure	149,556		-	
Total expenditure		455,416		395,994
Surplus from all sources		9,433		15,050
Boarding school balances at 1 September 2022		46,183		31,133
Boarding school balances at 31 August 2023		55,616		46,183