

**THE 3-18 EDUCATION TRUST**  
(formerly known as The Priory School Trust)  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

Mr D Coull  
Mr P Duffy  
Mr J Hamilton  
Mr C Johnson  
Mr G Turner (resigned 8 July 2020)  
Mrs Y Rimmer (appointed 24 May 2019)

**Trustees**

Mr G Turner, Chair<sup>1</sup>  
Mr S Ramtuhul  
Mrs K Burbridge  
Mr P Paes  
Mr D Burgess, Vice Chair<sup>1</sup>  
Mr J Halliday (resigned 29 June 2020)<sup>1</sup>  
Mrs A O'Brien (appointed 12 November 2019)  
Mr M J Barratt, Accounting Officer and CEO<sup>1</sup>

<sup>1</sup> Members of The Finance Committee

**Company registered number**

08064698

**Company name**

The 3-18 Education Trust (formerly known as The Priory School Trust)

**Principal and registered office**

The Priory School Shrewsbury  
Longden Road  
Shrewsbury  
Shropshire  
SY3 9EE

**Company secretary**

Mr A Burns

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Senior management team**

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust consists of the following 4 schools, all located in Shropshire:

Coleham Primary School  
St Martins 3 16 School  
The Priory School  
Thomas Adams 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 , 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 2020**

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**Structure, governance and management (continued)**

**e. Organisational structure**

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

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

This year the Trust has grown, which has resulted in the appointment of the CEO (formerly the Executive Principal) on a 0.6 contract. A new Headteacher has been appointed at The Priory School. Each school within the Trust has a Senior Leadership Team (SLT) consisting of a Headteacher, a Deputy and Assistant Headteachers. 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 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 2020**

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**Structure, governance and management (continued)**

**g. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	<b>3</b>
Full-time equivalent employee number	<b>3</b>

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	<b>3</b>
1%-50%	-
51%-99%	-
100%	-

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

Total cost of facility time	<b>702</b>	
Total pay bill	<b>11,741,744</b>	
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.

**i. Engagement with employees (including disabled persons)**

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

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

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

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

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

**Objectives and activities**

**a. Objects and aims**

The principle objects and activity of the Trust is to:

- provide education in co-educational setting for students between the ages of 3 and 18;
- advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum;
- 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.

**b. Objectives, strategies and activities**

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

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

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

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

Strategic Objectives:

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

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**TRUSTEES' REPORT (CONTINUED)**  
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**Objectives and activities (continued)**

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

**Shape, size and scope of our Trust:**

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

**c. Public benefit**

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

The Trust continues to provide high quality education to students of all backgrounds at each of the four 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 2019-20.

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

**Strategic report**

**Achievements and performance**

**a. Review of activities**

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

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

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

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

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

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

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

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

Our fourth school, Thomas Adams, joined the Trust on 1st March 2020. Thomas Adams is an 11-18 state boarding school about 20 miles north of Shrewsbury, connected to the Worshipful Company of Drapers.

**Impact of COVID**

The Covid 19 pandemic has had an unprecedented impact on education. This was felt hardest at the schools who missed out on taking exams, with centre assessed grades deciding the future paths for our students. Our schools remained open during the national lockdown with staff supporting our most vulnerable students. Throughout the lockdown, our staff maintained contact with all students on a regular basis and work was undertaken remotely by students.

Student attendance on return to our schools in September has been significantly above both the county and national average. Feedback from parents in relation to the health & safety procedures introduced at our schools has been well received and we continue to make tweaks to improve efficiency for our staff and students.

We are extremely conscious of the wellbeing of our staff. Having to fundamentally change the way they deliver lessons will have a significant impact on their mental health. Therefore, the Trust is offering dedicated HR support for all staff and any concerns raised are addressed swiftly.

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**TRUSTEES' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

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

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

**c. Promoting the success of the company**

The Trust continues to perform successfully from both an educational and financial viewpoint. The lack of educational performance data from this year's summer exams has meant that publicly we cannot formerly benchmark our outcomes in comparison to similar schools, nor previous years' performances. However, our internal KPIs suggest results were in line with expectations.

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

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

**d. Key performance indicators**

Exam Results (Centre assessed Grades)

The sections of the Trust that delivered Key stages 4 and 5 went through a Trust wide, moderated exam assessment process in the summer. There were some changes to the submitted grades in two of the three schools that provide these key stages.

Performance management has since retained the necessary focus on academic outcomes (inter alia) for the exam sitting in 2021; this is notwithstanding the possibility of further changes to the assessment methodology (in the light of anticipated school closures due to the virus). This is because work on this area was commenced in September 2019, but was curtailed in March 2020 due to school closure.

Main achievements: all the schools have either remained full or have grown. Significant work took place to support our vulnerable students and children of key workers, which was broadly received very well indeed.

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

One area that has developed has been the approach to blended learning, and there will be further work on this. New to our schools was the need (which grew during closure) to educate our students remotely, and this evolved through some very useful, relevant and helpful sharing of best practice between the schools.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Achievements and performance (continued)**

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

Staff also defined themselves by their level of care and consideration (at a distance). Their education was delivered in a supportive and creative manner. Schools were involved in both physical and artistic activity, as a collective. HR support was very strong to our staff – there was consultation on the school re opening plan in June, advice on well being (given the potential risks that isolation and school closure presented) and clear guidance on isolation, procedure and the support mechanism available.

If anything, we have emerged from these virus control measures more cautious and careful, but also more determined to continue our work. Students returning to school have shown an excellent attitude to learning and the staff's resilience is matched by the students' willingness to involve themselves back in education and to make the most of their time in our schools.

**Financial review**

The Trust was hit financially by Covid-19. The most significant impact was the closure of the 40 place boarding house at Thomas Adams School during the summer term which meant a loss of £130,000 in fees. Although the Government's Job Retention Scheme enabled the Trust to furlough staff working in the Boarding House, this only covered half of the lost income. Further, variable income streams across the Trust (Breakfast & After School Clubs / Lettings) were hit although savings in areas such as energy costs and learning resources were achieved to help offset some of this lost income.

Additional supply costs have been included in the 20-21 budget as the Trust is conscious of covering for staff who are either absent with Covid-19, or are required to self-isolate. Teaching remotely is still in its infancy with a physical teacher presence still required in the classroom.

The Trust has achieved an in year revenue deficit of £134,770 (excluding pensions reserve and fixed asset movement). The total net movement in funds was a surplus of £7,604,442 which includes an actuarial loss on the pension scheme of £1,336,000 and conversion balances transferred of £9,946,644.

**a. Reserves policy and principle funding**

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total funds of the Trust are £29,597,607 (2019: £21,993,165). Of the funds, £Nil (2019: £389,122) are restricted and not available for general purposes of the Trust. The Trust's revenue reserves are £513,304 (2019: £648,074). This is made up of total reserves less fixed asset reserve and pension reserve.

During the period ending 31 August 2020 total expenditure of the Trust (excluding the Teaching School) £14,524,417 was covered by the recurrent grant funding from the ESFA when depreciation and the FRS102 pension costs are taken into account. The excess of restricted income over expenditure for the same period (excluding the restricted fixed asset fund and pension reserve) was £417,336. Total unrestricted reserves (free reserves) were £513,304 (2019: £258,952).

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**TRUSTEES' REPORT (CONTINUED)**  
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At 31 August 2020 the net book value of the fixed assets was £38,650,303 and movements in tangible fixed assets are shown in note 15 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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

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

**b. Investment policy**

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

**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 the 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.

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

- Comprehensive budgeting and monitoring systems with an annual budget for each school and regular financial reports which are reviewed by the Senior Leadership Team, the relevant finance link Governor at LGB level and the Finance and Audit Committee, and in the case of the setting the school budget the Board.
- Regular consideration by the Finance and Audit Committee of tenders for contracts, buildings work, ICT provision and capital programmes.
- Termly reports are provided to the Finance & Audit Committee by external auditors for their consideration and the review of the Trust's actions.
- Trustees setting targets to measure financial and educational performance.
- A redrafted 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.

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**THE 3-18 EDUCATION TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
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**Fundraising**

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

**Streamlined energy and carbon reporting**

**UK energy use and associated greenhouse gas emissions**

The 3-18 Education Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions 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 within the UK only for all assets that come under an operational control boundary. This includes all 4 schools controlled during the reporting period along with personal vehicles used for business mileage ("grey fleet").

**Reporting period**

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

**Quantification and reporting methodology**

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed and the 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. This report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas data were all compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet. On site renewable solar photovoltaic electricity figures are reported without subtracting the electricity exported to the grid since all the generated electricity is consumed on site. 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 combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

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

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

<b>Energy type</b>	<b>2019/20</b>
<b>Mandatory energy:</b>	
Gas	2,760,483
Purchased electricity from the grid	1,100,964
Transport fuel	21,265
<b>Total mandatory energy</b>	<b>3,882,712</b>
<b>Voluntary energy:</b>	
Consumed electricity from on-site renewable sources	46,668
<b>Total voluntary energy</b>	<b>46,668</b>
<b>Total mandatory &amp; voluntary energy</b>	<b>3,929,380</b>

**Intensity ratio**

The primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

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

**Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):**

<b>Emission source</b>	<b>2019/20</b>
<b>Mandatory emissions:</b>	
<u>Scope 1</u>	
Natural gas	507.6
Transport - Company owned vehicles (mini-buses)	3.0
<u>Scope 2</u>	
Purchased electricity (location-based)	256.7
<u>Scope 3</u>	
Transport – Business travel in employee owned vehicles	2.3
<b>Total gross mandatory emissions</b>	<b>769.6</b>
<u>Intensity ratios (mandatory emissions only)</u>	
Tonnes of CO <sub>2</sub> e per pupil	0.253
Tonnes of CO <sub>2</sub> e per square meter floor area	0.031

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**Energy efficiency action during current financial year**

It is worth noting that energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. Despite this temporary reduction in energy use, the Trust is committed to reducing longer term emissions and this year has seen the implementation of energy efficiency measures. Throughout this reporting year the Trust has conducted a thorough review of the control settings of all the heating, hot water and air conditioning systems across the whole estate. The settings have all been optimised on both the timing and temperatures to ensure energy is consumed in the most efficient manner. In addition to this, the normal servicing of the heating plant is regularly undertaken.

**Plans for future periods**

The Trust is keen to continue with its growth plans despite the issues faced with Covid 19. Discussions are at an advanced stage for an 11-18 Single Academy Trust (SAT) to join the Trust in 2021. This process has slowed as a result of Covid 19.

The Trust is keen to develop a hub model of schools in Shropshire in order to develop curriculum continuity, improve transition (Year 6 to Year 7), share resources and to achieve further economies of scale within the MAT. However, Trustees are conscious of expanding too quickly, and decisions about increasing the size of the Trust are carefully debated and considered.

**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)**  
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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:



**Mr G Turner**  
Chair of Trustees

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**THE 3-18 EDUCATION TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that The 3-18 Education Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The 3-18 Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

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

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

Trustee	Meetings attended	Out of a possible
Mr G Turner, Chair	5	5
Mr S Ramtuhul	3	5
Mrs K Burbridge	3	5
Mr P Paes	5	5
Mr D Burgess, Vice Chair	4	5
Mr J Halliday	5	5
Mrs A O'Brien	5	5
Mr M J Barratt, Accounting Officer and CEO	5	5

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Halliday, Chair of Finance	5	5
Mr D Burgess	5	5
Mr M Barratt	5	5
Mr G Turner	5	5

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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**Review of value for money**

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

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

1. Ensuring only permanent staffing appointments are made when absolutely necessary
2. Made staffing restructure changes which have had clear educational and financial benefits
3. Renewed/tendering contracts when best value is clearly demonstrated
4. Looked to increase size of the Trust which will create economies of scale

**Robust Governance and Financial Oversight**

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

The Finance & Audit sub committee meet 5 times throughout the year to review termly accounts and budget monitoring, approve larger capital expenditure and comply with the Academy Trust's delegated power and tender arrangements.

**Achieving Best Value**

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

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

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

**Reviewing Control & Managing Risk**

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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Maximising Income**

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

- **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The 3-18 Education Trust for the year 1 September 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

- **The Risk and Control Framework**

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

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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Maximising Income (continued)**

The Board of Trustees has considered the need for a specific internal audit function and has opted for a bought-in internal audit service in line with the AFH 2019/2020. The Board considered the output from external audit interim visits, and other compliance visits, in conjunction with the Trust's assessment of risk in confirming the scope of the internal audit work.

The internal auditor's role included performing a range of checks on areas of the Trust's finance systems and controls which included:

- the operations of the systems of controls;
- then proper use of public funds;
- systems, procedures and policies in place; and
- reporting on their findings.

In addition to the internal audit, the external auditors reported to the Board the results of the interim visits performed during the year, which comprise part of the statutory year end audit; reporting on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf by:



**Mr G Turner**  
Chair of Trustees



**Mr M J Barratt**  
Accounting Officer

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The 3-18 Education Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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



**Mr M J Barratt**  
Accounting Officer  
Date: 15 December 2020

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

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 . 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 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:



**Mr G Turner**  
Chair of Trustees

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

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

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**Opinion**

We have audited the financial statements of The 3-18 Education Trust (the 'Trust') for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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**

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

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

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

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

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees report (incorporating the strategic and directors report), other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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.

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

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

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Malpass BA FCA (Senior statutory auditor)**  
for and on behalf of

**WR Partners**  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
SY2 6LG

Date:

*16 December 2020*

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

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

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In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The 3-18 Education Trust's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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.

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

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

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**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 2019 to 31 August 2020 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**  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
SY2 6LG

Date:

*16 December 2020*

**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 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	279,707	(2,265,000)	12,158,094	10,172,801	981,947
Educational Operations	4	-	13,027,391	-	13,027,391	9,321,284
Teaching school	30	-	656,522	-	656,522	841,287
Other trading activities	6	21,344	317,166	-	338,510	327,924
Investments	7	2,590	-	-	2,590	1,984
<b>Total income</b>		<b>303,641</b>	<b>11,736,079</b>	<b>12,158,094</b>	<b>24,197,814</b>	<b>11,474,426</b>
<b>Expenditure on:</b>						
Charitable activities	8,9	-	14,203,460	320,957	14,524,417	10,471,974
Teaching school	30	-	732,955	-	732,955	830,805
<b>Total expenditure</b>		<b>-</b>	<b>14,936,415</b>	<b>320,957</b>	<b>15,257,372</b>	<b>11,302,779</b>
<b>Net income/ (expenditure)</b>		<b>303,641</b>	<b>(3,200,336)</b>	<b>11,837,137</b>	<b>8,940,442</b>	<b>171,647</b>
Transfers between funds	18	(49,289)	28,214	21,075	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>254,352</b>	<b>(3,172,122)</b>	<b>11,858,212</b>	<b>8,940,442</b>	<b>171,647</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	26	-	(1,336,000)	-	(1,336,000)	(1,478,000)
<b>Net movement in funds</b>		<b>254,352</b>	<b>(4,508,122)</b>	<b>11,858,212</b>	<b>7,604,442</b>	<b>(1,306,353)</b>

**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 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
<b>Reconciliation of funds:</b>					
Total funds brought forward	258,952	(5,057,878)	26,792,091	21,993,165	23,299,518
Net movement in funds	254,352	(4,508,122)	11,858,212	7,604,442	(1,306,353)
<b>Total funds carried forward</b>	<b>513,304</b>	<b>(9,566,000)</b>	<b>38,650,303</b>	<b>29,597,607</b>	<b>21,993,165</b>

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

The notes on pages 32 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 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	<b>38,650,303</b>	26,792,091
		<u>38,650,303</u>	<u>26,792,091</u>
<b>Current assets</b>			
Debtors	16	<b>348,708</b>	281,361
Cash at bank and in hand		<b>1,064,562</b>	1,028,984
		<u>1,413,270</u>	<u>1,310,345</u>
Creditors: amounts falling due within one year	17	<b>(899,966)</b>	(662,271)
<b>Net current assets</b>		<b>513,304</b>	648,074
<b>Total assets less current liabilities</b>		<b>39,163,607</b>	27,440,165
<b>Net assets excluding pension liability</b>		<b>39,163,607</b>	27,440,165
Defined benefit pension scheme liability	26	<b>(9,566,000)</b>	(5,447,000)
<b>Total net assets</b>		<b>29,597,607</b>	21,993,165

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

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	<b>38,650,303</b>	26,792,091
Restricted income funds	18	-	389,122
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	<b>38,650,303</b>	27,181,213
Pension reserve	18	<b>(9,566,000)</b>	(5,447,000)
		<hr/>	<hr/>
<b>Total restricted funds</b>	18	<b>29,084,303</b>	21,734,213
<b>Unrestricted income funds</b>	18	<b>513,304</b>	258,952
		<hr/>	<hr/>
<b>Total funds</b>		<b>29,597,607</b>	21,993,165
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 27 to 64 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:



**Mr G Turner**  
Chair

The notes on pages 32 to 64 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	<b>Note</b>	<b>2020</b> £	<b>2019</b> £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>231,149</b>	1,147,435
<b>Cash flows from investing activities</b>	21	<b>(195,571)</b>	(1,445,030)
<b>Change in cash and cash equivalents in the year</b>		<b>35,578</b>	(297,595)
Cash and cash equivalents at the beginning of the year		<b>1,028,984</b>	1,326,579
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u><b>1,064,562</b></u>	<u>1,028,984</u>

The notes on pages 32 to 64 form part of these financial statements

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**1.3 Income**

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

• **Grants**

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

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

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

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**THE 3-18 EDUCATION TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.6 Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.7 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

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

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

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.10 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.11 Provisions**

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

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

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

**1.13 Operating leases**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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**  
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**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 26, 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 2020. 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 conversion based on the ESFA valuation reports.

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**3. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Conversion balances</b>					
Fixed assets on conversion	-	-	11,931,937	<b>11,931,937</b>	-
Pension on conversion	-	(2,265,000)	-	<b>(2,265,000)</b>	-
Surplus funds	279,707	-	-	<b>279,707</b>	-
<b>Subtotal detailed disclosure</b>	<b>279,707</b>	<b>(2,265,000)</b>	<b>11,931,937</b>	<b>9,946,644</b>	-
Donations	-	-	51,661	<b>51,661</b>	17
Capital Grants	-	-	174,496	<b>174,496</b>	981,930
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>226,157</b>	<b>226,157</b>	<b>981,947</b>
<b>Total 2020</b>	<b>279,707</b>	<b>(2,265,000)</b>	<b>12,158,094</b>	<b>10,172,801</b>	<b>981,947</b>
<i>Total 2019</i>	<i>-</i>	<i>-</i>	<i>981,947</i>	<i>981,947</i>	

**4. Income from charitable activities**

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Activities	12,913,086	<b>12,913,086</b>	9,321,284
Boarding Activities	114,305	<b>114,305</b>	-
	<b>13,027,391</b>	<b>13,027,391</b>	<b>9,321,284</b>
<i>Total 2019</i>	<i>9,321,284</i>	<i>9,321,284</i>	

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**5. Funding for the Trust's educational activities**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	11,155,108	<b>11,155,108</b>	8,015,769
Other DfE / ESFA Grant Income	611,462	<b>611,462</b>	190,635
Pupil Premium	426,949	<b>426,949</b>	360,199
Rates reclaim	90,023	<b>90,023</b>	39,152
	<hr/>	<hr/>	<hr/>
	12,283,542	<b>12,283,542</b>	8,605,755
<b>Other government grants</b>			
Local Authority - SEN	209,844	<b>209,844</b>	195,612
Government - Other Grants	206,739	<b>206,739</b>	142,537
COVID support grant	15,326	<b>15,326</b>	-
	<hr/>	<hr/>	<hr/>
	431,909	<b>431,909</b>	338,149
<b>Other income</b>			
School Fund	197,635	<b>197,635</b>	374,624
Catering Income	-	-	2,756
	<hr/>	<hr/>	<hr/>
<b>Total 2020</b>	<b>12,913,086</b>	<b>12,913,086</b>	<b>9,321,284</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2019</i>	<i>9,321,284</i>	<i>9,321,284</i>	

In 2020, the Trust received £87,619 COVID support grant from the government for the Coronavirus job retention scheme, £72,293 of this is in relation to the Boarding School and included in note 3 above.

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**6. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Other Trading Income	-	204,327	<b>204,327</b>	245,187
Insurance Income	-	85,787	<b>85,787</b>	27,113
Lettings	21,344	-	<b>21,344</b>	51,273
Income from Music	-	3,175	<b>3,175</b>	4,351
Bus Income	-	23,877	<b>23,877</b>	-
<b>Total 2020</b>	<u>21,344</u>	<u>317,166</u>	<u><b>338,510</b></u>	<u>327,924</u>
<i>Total 2019</i>	<u>51,273</u>	<u>276,651</u>	<u>327,924</u>	

**7. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Investment income - Bank Interest	2,590	<b>2,590</b>	1,984
<b>Total 2020</b>	<u>2,590</u>	<u><b>2,590</b></u>	<u>1,984</u>
<i>Total 2019</i>	<u>1,984</u>	<u>1,984</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<i>Total 2019 £</i>
Educational Activities:					
Direct costs	9,023,974	-	1,889,406	<b>10,913,380</b>	7,376,402
Support costs	2,430,895	823,906	153,180	<b>3,407,981</b>	3,095,572
Boarding Activities:					
Allocated support costs	146,820	-	56,236	<b>203,056</b>	-
Teaching school	140,055	-	592,900	<b>732,955</b>	830,805
<b>Total 2020</b>	<u>11,741,744</u>	<u>823,906</u>	<u>2,691,722</u>	<u><b>15,257,372</b></u>	<u>11,302,779</u>
<i>Total 2019</i>	<u>8,217,023</u>	<u>473,728</u>	<u>2,612,028</u>	<u>11,302,779</u>	

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Educational Activities	10,913,380	3,407,981	<b>14,321,361</b>	10,471,974
Boarding Activities	-	203,056	<b>203,056</b>	-
<b>Total 2020</b>	<u>10,913,380</u>	<u>3,611,037</u>	<u><b>14,524,417</b></u>	<u>10,471,974</u>
<i>Total 2019</i>	<u>7,739,447</u>	<u>2,732,527</u>	<u>10,471,974</u>	

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**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational Activities 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Staff costs	9,538,974	<b>9,538,974</b>	6,492,614
Depreciation	320,957	<b>320,957</b>	354,632
Educational Supplies	92,441	<b>92,441</b>	127,807
Examination Fees	142,243	<b>142,243</b>	89,402
Technology Costs	315,518	<b>315,518</b>	241,308
Educational Consultancy	46,758	<b>46,758</b>	(2,714)
Other costs	456,489	<b>456,489</b>	436,398
<b>Total 2020</b>	10,913,380	<b>10,913,380</b>	7,739,447
<i>Total 2019</i>	<i>7,376,402</i>	<i>7,739,447</i>	

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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Educational Activities 2020 £	Boarding Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,915,894	146,821	<b>2,062,715</b>	1,593,640
Technology Costs	22,399	-	<b>22,399</b>	3,599
Other Staff Costs	56,986	-	<b>56,986</b>	45,953
Other costs	213,982	-	<b>213,982</b>	193,408
Rates	55,809	-	<b>55,809</b>	39,113
Energy	184,606	-	<b>184,606</b>	167,144
Maintenance of Premises	233,512	-	<b>233,512</b>	101,504
Cleaning and Caretaking	163,711	-	<b>163,711</b>	65,767
Security	8,058	-	<b>8,058</b>	5,400
Transport	20,259	-	<b>20,259</b>	16,382
Catering	191,448	56,235	<b>247,683</b>	183,975
Other Premises Costs	143,446	-	<b>143,446</b>	78,418
Legal and Professional	183,636	-	<b>183,636</b>	223,199
Auditor Costs	14,235	-	<b>14,235</b>	15,025
<b>Total 2020</b>	<b>3,407,981</b>	<b>203,056</b>	<b>3,611,037</b>	<b>2,732,527</b>
<i>Total 2019</i>	<i>2,732,527</i>	<i>-</i>	<i>2,732,527</i>	

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	<b>64,187</b>	44,347
Depreciation of tangible fixed assets	<b>320,957</b>	354,632
Fees paid to auditors for:		
- audit	<b>10,700</b>	9,600
- other services	<b>3,800</b>	4,575

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	8,569,646	6,199,302
Social security costs	764,456	532,649
Pension costs	2,280,761	1,387,668
	<u>11,614,863</u>	<u>8,119,619</u>
Agency staff costs	59,457	63,112
Staff restructuring costs	67,424	34,292
	<u>11,741,744</u>	<u>8,217,023</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	67,424	34,292
	<u>67,424</u>	<u>34,292</u>

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

Included in staff restructuring costs are severance payments totalling £67,424 which were paid to 6 members of staff. Individually the payments were £10,000, £6,173, £5,937, £30,000, £11,064 and £4,250.

**c. Staff numbers**

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

	2020 No.	2019 No.
Teachers	146	120
Admin & Support staff	217	145
Managment	19	15
	<u>382</u>	<u>280</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**11. Staff (continued)**

**d. Higher paid staff**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>
In the band £80,001 - £90,000	<b>1</b>	<i>-</i>
In the band £110,001 - £120,000	<b>1</b>	<i>1</i>

**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 £481,496 (*2019 £350,653*).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**12. Central services**

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

- Financial Oversight
- School Improvement
- HR Support
- IT Support
- Payroll
- Educational Welfare Officer
- H&S Support
- General Insurance
- Staff Insurance
- Legal Support

The Trust charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Priory School	<b>161,568</b>	<i>176,409</i>
St Martins School	<b>101,319</b>	<i>113,916</i>
Coleham School	<b>62,249</b>	<i>70,385</i>
Thomas Adams School	<b>84,201</b>	<i>-</i>
<b>Total</b>	<b>409,337</b>	<i>360,710</i>

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**13. Trustees' remuneration and expenses**

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

		<b>2020</b>	<i>2019</i>
		<b>£</b>	<b>£</b>
Mr M J Barratt, CEO and Accounting Officer	Remuneration	<b>115,000 -</b>	<i>110,000 -</i>
		<b>120,000</b>	<i>115,000</i>
	Pension contributions paid	<b>25,000 -</b>	<i>15,000 -</i>
		<b>30,000</b>	<i>20,000</i>
Mr P Kitchener, Staff Trustee (resigned 5 July 2019)	Remuneration		<i>15,000 -</i>
	Pension contributions paid		<i>20,000</i>
Mrs C Jones, Staff Trustee (resigned 25 January 2019)	Remuneration		<i>0 - 5,000</i>
			<i>60,000 -</i>
	Pension contributions paid		<i>65,000</i>
			<i>10,000 -</i>
			<i>15,000</i>

During the year, retirement benefits were accruing to 1 Trustees (*2019 - 1*) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, no Trustee expenses have been incurred (*2019 - £NIL*).

**14. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was £39,292 (*2019 - £39,285*). The cost of this insurance is included in the total insurance cost.

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**15. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	27,404,568	819,840	361,420	28,585,828
Additions	12,083,208	65,238	30,723	12,179,169
At 31 August 2020	<u>39,487,776</u>	<u>885,078</u>	<u>392,143</u>	<u>40,764,997</u>
<b>Depreciation</b>				
At 1 September 2019	776,680	712,352	304,705	1,793,737
Charge for the year	221,208	66,123	33,626	320,957
At 31 August 2020	<u>997,888</u>	<u>778,475</u>	<u>338,331</u>	<u>2,114,694</u>
<b>Net book value</b>				
At 31 August 2020	<u><u>38,489,888</u></u>	<u><u>106,603</u></u>	<u><u>53,812</u></u>	<u><u>38,650,303</u></u>
At 31 August 2019	<u><u>26,627,888</u></u>	<u><u>107,488</u></u>	<u><u>56,715</u></u>	<u><u>26,792,091</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	18,900	17,821
Other debtors	122,668	153,271
Prepayments and accrued income	207,140	110,269
	<u>348,708</u>	<u>281,361</u>

**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	346,511	222,124
Other taxation and social security	452,289	230,725
Accruals and deferred income	101,166	209,422
	<u>899,966</u>	<u>662,271</u>

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**18. Statement of funds**

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

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

General funds have been used for school improvements in the year.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The Priory School	<b>119,872</b>	166,029
Coleham Primary School	<b>29,553</b>	91,174
St Martins School	<b>(122,502)</b>	37,043
Teaching School	<b>248,693</b>	325,126
Central MAT	<b>65,997</b>	28,702
Thomas Adams School	<b>171,691</b>	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>513,304</b>	648,074
Restricted fixed asset fund	<b>38,650,303</b>	26,792,091
Pension reserve	<b>(9,566,000)</b>	(5,447,000)
	<hr/>	<hr/>
<b>Total</b>	<b>29,597,607</b>	<b>21,993,165</b>
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds (continued)**

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2020</b>	<i>Total 2019</i>
	£	£	£	£	£	£
The Priory School	3,323,901	473,164	223,761	574,633	<b>4,595,459</b>	4,444,948
Coleham Primary School	1,372,184	217,732	36,317	355,336	<b>1,981,569</b>	1,870,522
St Martins School	2,432,226	319,739	146,868	394,878	<b>3,293,711</b>	3,002,317
Teaching School	140,055	-	-	592,903	<b>732,958</b>	830,805
Central MAT	47,554	121,536	20,314	237,468	<b>426,872</b>	341,555
Thomas Adams School	2,363,106	265,723	122,942	636,075	<b>3,387,846</b>	-
Trust pension	-	518,000	-	-	<b>518,000</b>	458,000
<b>Trust</b>	<b>9,679,026</b>	<b>1,915,894</b>	<b>550,202</b>	<b>2,791,293</b>	<b>14,936,415</b>	<b>10,948,147</b>

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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>						
General Funds	608,971	53,257	-	(403,276)	-	258,952
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	8,015,769	(8,015,769)	-	-	-
Pupil Premium	-	360,199	(360,199)	-	-	-
Other Restricted Income	125,403	1,221,967	(1,283,374)	-	-	63,996
Teaching School	314,644	841,287	(830,805)	-	-	325,126
Pension reserve	(3,511,000)	-	(458,000)	-	(1,478,000)	(5,447,000)
	(3,070,953)	10,439,222	(10,948,147)	-	(1,478,000)	(5,057,878)
<b>Restricted fixed asset funds</b>						
Restricted Fund	25,761,500	981,947	(354,632)	403,276	-	26,792,091
<b>Total Restricted funds</b>	22,690,547	11,421,169	(11,302,779)	403,276	(1,478,000)	21,734,213
<b>Total funds</b>	23,299,518	11,474,426	(11,302,779)	-	(1,478,000)	21,993,165

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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

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

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	26,792,091	26,792,091
Current assets	258,952	1,051,393	-	1,310,345
Creditors due within one year	-	(662,271)	-	(662,271)
Provisions for liabilities and charges	-	(5,447,000)	-	(5,447,000)
<b>Total</b>	<b>258,952</b>	<b>(5,057,878)</b>	<b>26,792,091</b>	<b>21,993,165</b>

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

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	<b>8,940,442</b>	171,647
<b>Adjustments for:</b>		
Depreciation	<b>320,957</b>	354,633
Defined benefit pension scheme cost less contributions payable	<b>(529,000)</b>	-
Defined benefit pension scheme finance cost	<b>1,047,000</b>	458,000
Increase in debtors	<b>(67,347)</b>	(44,152)
Increase in creditors	<b>237,695</b>	207,307
Fixed assets transferred on conversion	<b>(11,983,598)</b>	-
Pension transferred on conversion	<b>2,265,000</b>	-
<b>Net cash provided by operating activities</b>	<b>231,149</b>	1,147,435

**21. Cash flows from investing activities**

	2020 £	2019 £
Purchase of tangible fixed assets	<b>(195,571)</b>	(1,445,030)
<b>Net cash used in investing activities</b>	<b>(195,571)</b>	(1,445,030)

**22. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	<b>1,064,562</b>	1,028,984
<b>Total cash and cash equivalents</b>	<b>1,064,562</b>	1,028,984

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**23. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,028,984	35,578	1,064,562
	<u>1,028,984</u>	<u>35,578</u>	<u>1,064,562</u>

**24. Conversion to an academy trust**

On 1 March 2020 Thomas Adams 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	11,931,937	<b>11,931,937</b>
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	279,707	-	-	<b>279,707</b>
<b>Non-current liabilities</b>				
Pension liability	-	(2,265,000)	-	<b>(2,265,000)</b>
<b>Net assets/(liabilities)</b>	<u>279,707</u>	<u>(2,265,000)</u>	<u>11,931,937</u>	<u><b>9,946,644</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Capital commitments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	54,277
	<u>                    </u>	<u>                    </u>

The capital commitment in the prior year related to committed expenditure for the fire safety project at the Trust.

**26. 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 £216,998 were payable to the schemes at 31 August 2020 (2019 - £86,562) 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.

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**26. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,372,391 (2019 - £654,003).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £525,948 (2019 - £475,440), of which employer's contributions totalled £391,274 (2019 - £373,921) and employees' contributions totalled £ 134,674 (2019 - £101,520). The agreed contribution rates for future years are 17.9 per cent for employers and variable per cent for employees.

As described in note 24 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.

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**26. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2020</b>	<i>2019</i>
	%	%
Rate of increase in salaries	<b>3.65</b>	3.60
Rate of increase for pensions in payment/inflation	<b>2.50</b>	2.20
Discount rate for scheme liabilities	<b>1.80</b>	1.80
Inflation assumption (CPI)	<b>2.40</b>	2.10

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

	<b>2020</b>	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>22.9</b>	23.2
Females	<b>25</b>	26.4
<i>Retiring in 20 years</i>		
Males	<b>24.2</b>	25.4
Females	<b>26.6</b>	28.7

**Sensitivity analysis**

	<b>2020</b>	<i>2019</i>
	£000	£000
Discount rate +0.1%	<b>9,272</b>	5,278
Mortality assumption - 1 year increase	<b>9,991</b>	5,595
CPI rate +0.1%	<b>9,866</b>	5,619
Pay Growth +0.1%	<b>9,614</b>	5,474

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**26. Pension commitments (continued)**

**Share of scheme assets**

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

	2020 £	2019 £
Equities	2,552,000	1,400,000
Other Bonds	1,168,000	581,000
Property	223,000	131,000
Cash and other liquid assets	90,000	50,000
Other	1,274,000	631,000
<b>Total market value of assets</b>	<b>5,307,000</b>	<b>2,793,000</b>

The actual return on scheme assets was £81,000 (2019 - £93,000).

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

	2020 £	2019 £
Current service cost	(918,000)	(526,000)
Past service cost	(3,000)	(200,000)
Interest income	76,000	70,000
Interest cost	(188,000)	(165,000)
Administrative expenses	(14,000)	(11,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,047,000)</b>	<b>(832,000)</b>

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**26. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>8,240,000</b>	<b>5,834,000</b>
Interest cost	188,000	165,000
Employee contributions	135,000	102,000
Actuarial losses	787,000	1,503,000
Benefits paid	12,000	(90,000)
Past service costs	3,000	200,000
Current service cost	918,000	526,000
Business combinations	4,590,000	-
<b>At 31 August</b>	<b>14,873,000</b>	<b>8,240,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,793,000</b>	<b>2,323,000</b>
Interest income	76,000	70,000
Actuarial (losses)/gains	(549,000)	25,000
Employer contributions	529,000	374,000
Employee contributions	135,000	102,000
Benefits paid	12,000	(90,000)
Admin expenses	(14,000)	(11,000)
Business combinations	2,325,000	-
<b>At 31 August</b>	<b>5,307,000</b>	<b>2,793,000</b>

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**27. Operating lease commitments**

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	63,936	43,732
Later than 1 year and not later than 5 years	123,661	61,394
	<u>187,597</u>	<u>105,126</u>

**28. 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.

**29. Related party transactions**

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

Expenditure Related Party Transaction

During the year the Spouse of the CEO was employed by the Trust within the Maths Hub.

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

During the year the Mother and Father of the Finance Director were employed by the Trust as Exam invigilators.

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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**30. Teaching School and Maths Hub Trading Account**

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
<b>Direct income</b>				
Government Grants	638,347		815,044	
Other Income	18,175		26,243	
<b>Total direct income</b>	<u>656,522</u>		<u>841,287</u>	
<b>Total income</b>		<b>656,522</b>		<b>841,287</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	140,055		130,769	
Other direct costs	563,819		643,409	
<b>Total direct expenditure</b>	<u>703,874</u>		<u>774,178</u>	
<b>Other expenditure</b>				
Other support costs	29,081		56,627	
<b>Total expenditure</b>		<u>732,955</u>		<u>830,805</u>
<b>(Deficit)/surplus from all sources</b>		<b>(76,433)</b>		<b>10,482</b>
<b>Teaching school balances at 1 September 2019</b>		<b>325,126</b>		<b>314,644</b>
<b>Teaching school balances at 31 August 2020</b>		<b><u>248,693</u></b>		<b><u>325,126</u></b>

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**31. Academy Board Trading Account**

	<b>2020</b>
	<b>£</b>
<b>Income</b>	
Fee Income	42,012
COVID support grant	72,293
<b>Total Income</b>	<u>114,305</u>
<b>Expenditure</b>	
Wages and salaries	130,383
Social security costs	5,496
Pension costs	10,942
Other costs	56,235
	-
<b>Total Expenditure</b>	<u>203,056</u>
<b>Surplus / (Deficit) on Boarding</b>	<u>(88,751)</u>
<b>Boarding School Funds</b>	
Surplus / (Deficit) brought forward as at 1 September 2019	-
<b>Surplus / (Deficit) carried forward at 31 August 2020</b>	<u><u>(88,751)</u></u>