

Company Registration Number: 07617529 (England & Wales)

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Creative Education Charitable Trust, Principal Sponsor David Anderson William Richardson
Sponsor Trustees	Abbie Rumbold MA, Chair Lucy Becque, Chair of People and Remuneration (appointed 1 September 2023) Nicholas Bull BSc, FCA, Chair of Finance Simon Figgis LLB, FCA, Chair of Audit and Risk Diana Gerald BA, Chair of Safeguarding Merlin Joseph, Director (appointed 1 September 2022) Emily McDonald MA, MEng, MICE, Chair of Estates and Property Dr William Richardson BA, D.Phil, Vice Chair, Chair of Education Standards Frances Soul, Director (appointed 1 September 2022) Didem Un Ates BA, BS, MBA, Director (resigned 12 December 2022) Peter Walls MA, FCIPD (resigned 31 August 2023) Creative Education Charitable Trust, Principal Sponsor
Company registered number	07617529
Company name	Creative Education Trust
Principal and registered office	67-68 Long Acre London WC2E 9JD
Company secretary	Catherine Hughes
Ex Officio Trustee	Marc Jordan
Senior management team	Marc Jordan, Chief Executive Toni Bailey, Director of SEND (appointed 2 May 2023) Luke Bowers, Director of Performance Louis Donald, Director of Safeguarding Dr Jason Howard, Director of Quality Assurance Catherine Hughes, Director of Finance Nicole McCartney, Director of Education Ash Mudaliar, Director of IT Dena Smart, Director of Human Resources (resigned 31 August 2023) Victoria Tricarico, Director of Human Resources (appointed 29 August 2023) Jon Ward, Director of Estates & Facilities Gwayne Webb, Director of Teaching and Learning
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL

**CREATIVE EDUCATION TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Solicitors	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
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**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2023. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Creative Education Trust (the "Trust") operates eleven secondary academies and six primary academies across the East and West Midlands and the East coast of England. The Trust had pupils on roll of 14,461 in the October 2022 school census (2021 – 14,394 pupils).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Creative Education Trust are also the directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

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 he/she is a Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

The Trust participates in the Department for Education's Risk Protection Arrangement; a mechanism similar to commercial insurance, through which the cost of risks that arise are covered by government funds. The Risk Protection Arrangement provides protection for Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and in any one Membership year.

Method of recruitment and appointment of Trustees

The Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 10 Sponsor Trustees who are appointed by the Principal Sponsor; Creative Education Charitable Trust.
- A minimum of 2 Parent Trustees if the Trust does not make provision for each academy to have 2 Parents on the Academy Council for each academy.
- the Chief Executive Officer who is treated for all purposes as being an ex officio Trustee.
- any Staff Trustees appointed by the Members, provided that the number of staff Trustees that are employees of the charitable company (including the Chief Executive Officer) does not exceed one third of the total number of Trustees.
- any additional directors appointed by the Secretary of State in the circumstances set out in the Trust's Articles of Association.
- Up to 3 co-opted Trustees appointed by the other Trustees set out above.

The number of Trustees shall not be less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

**CREATIVE EDUCATION TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer or the Principal Sponsor. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board gives consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development and to ensure a suitably experienced Chair for each Board Committee.

Policies and Procedures adopted for the Induction and Training of Trustees

All Trustees are inducted when appointed. This induction includes a meeting with the Executive Team, visits to a selection of the Trust Academies and provision of relevant documentation. They continue to receive appropriate training throughout their appointment, including briefings by specialists throughout the year. The Trust ensures that Trustees are fully briefed and that they participate in setting the strategic plan for the Trust.

Organisational Structure

The Board of Trustees normally meets four times per year (twice in the Autumn Term, once in the Spring Term and once in the Summer Term) for a two-day strategy meeting. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of its Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through reports from the Committee Chair, presented at each full Board meeting. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Board delegates some of its powers via the Scheme of Delegation to local Academy Councils, each of which functions as a sub-committee of the Board. Academy Councils, which comprise community stakeholders as well as representatives of staff and the parent body, provide local intelligence to the Board and exercise oversight of designated areas of accountability on its behalf.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Chief Executive Officer, to approve whether to acquire new schools, and to approve the annual budget and 3-year plan.

The Board of Trustees approves a Scheme of Delegation annually and this is published on the Trust's website.

The Trust has six established committees, each of which met four times in the year. The remit of each Committee is as follows:

- Audit and Risk Committee; this Committee is responsible for compliance with reporting and regulatory requirements, receiving reports from the internal auditor and external audit, and the oversight of risk management.
- Education Standards Committee; this Committee monitors, evaluates and reviews Trust policy, practice, and performance in relation to curriculum planning, communications, target setting and assessment, examinations, Ofsted activity and all pastoral issues.
- Estates and Property Committee; holds responsibility for the non-executive strategic consideration of the property of the Trust, its academies, and associated undertakings. That strategic oversight includes recommendations and reports to the Board on acquisition, disposal, development, and management strategies. The Committee also has responsibility to oversee the health and safety systems and controls relating to the property of the Trust and its academies.
- Finance Committee; this Committee is responsible for monitoring, evaluating, and reviewing policy and performance in relation to financial management, in addition to reviewing the annual budget and 3-year plan and recommending its approval to the Board.

**CREATIVE EDUCATION TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- People and Remuneration Committee; this Committee is responsible for monitoring a clear and fair process for the review of all aspects of remuneration and organisational culture. This includes setting the remuneration of the Chief Executive Officer and reviewing proposals for any pay increases for Head Office and senior staff including Principals and Head Teachers.
- Safeguarding Committee; this Committee monitors, evaluates and reviews Safeguarding oversight, compliance, and practice within Trust schools.

The Board of Trustees has appointed a Chief Executive Officer (who is also the Trust's Accounting Officer) and an Executive team (see "Senior Management Team" in the Reference and Administrative Details pages to these accounts) to support the management and development of the Trust's 17 academies.

In addition, the Trustees have devolved responsibility for day-to-day management of each academy to a Principal/ Headteacher and their Senior Leadership Team (SLT). Operational oversight, accountability and support to each academy and its leadership team are provided through the Trust's Academy Improvement Boards (AIB), which meet regularly with academy leaders to review progress against improvement plans and annual targets. The Academy Improvement Boards are a tool of management, however the Trust is also working towards ensuring each AIB has at least one member of the relevant Academy Council in attendance to ensure good communication and consistency.

Overall executive leadership of the Trust is provided by the Chief Executive Officer and the Trust's Senior Management Team. The Chief Executive's Group (comprising CEO, and Directors of Finance, Education, Estates, HR and IT) meets regularly to deal with strategic decision making. Day-to-day operational decision making is devolved to the Executive Operations Group, chaired by the Director of Finance.

Arrangements for setting pay and remuneration of key management personnel

The Trust's "Key management personnel" are its Trustees, and those to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the Trust. This includes the Chief Executive Officer, and the Senior Management Team (as set out on page 1).

No Trustees are remunerated for their services as Trustees. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking their role as Chief Executive Officer.

Throughout the year, the People and Remuneration Committee was chaired by a Trustee who was a senior Human Resources professional in a large privatised former public sector company. Considerable effort has been put into consulting widely with colleagues in the academy sector, to establish appropriate criteria and benchmarks for setting remuneration for senior employees that are fair and transparent, and which enable the Trust to attract and retain the best professional talent to enable it to fulfil its aims, whilst providing value for the expenditure of public monies.

The pay of key management personnel is reviewed annually against their level of responsibility, performance against strategic objectives, and benchmarking across the sector. Performance reviews take place in the Autumn Term, with a mid-year review in the Spring Term.

Trustees are satisfied that adequate processes are in place to ensure that remuneration proposals are rigorously scrutinised and approved by the Board.

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
9	8.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£16,760.04
Total pay bill	£72,003,707
Percentage of the total pay bill spent on facility time	0.023%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.00%
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Related Parties and other Connected Charities and Organisations

The Trust's Principal Sponsor is Creative Education Charitable Trust; a registered charity and a company limited by guarantee. Creative Education Charitable Trust is one of the Trust's three Members and under the Trust's Articles of Association is responsible for appointing up to five other Members. As Principal sponsor, Creative Education Charitable Trust is also a Trustee of the Trust and is responsible for appointment of the Sponsor Trustees (see Method of recruitment and appointment or election of Trustees on page 3).

Creative Education Charitable Trust raises funds that are donated to support programmes within the Trust. Details of transactions that took place during the year are provided in note 31 to the financial statements.

Engagement with employees (including disabled persons)

The Trust is currently developing a revised and refreshed organisational strategy document through to 2030. In September 2023, the first Head Office Inset day took place, focused on engaging the Head Office team with the Trust's initial plans for the Trust's new organisational strategy and the strategic priorities for each functional team. Once the new strategy has been finalised by the Board, the strategic direction of the Trust will be cascaded within our schools to fully re-engage every member of staff in our mission and vision; values and ethos; and strategic objectives.

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

Work has also commenced on developing the third People Strategy for the Trust. In June, the People and Remuneration Committee were engaged to provide initial feedback on the potential themes of the new strategy. These include employee-wellbeing and engagement, and leadership and professional development. The People Strategy will provide focus and direction in order to continue to make the Trust a great place to work for all of our employees. As part of the People Strategy, an Equality, Diversity and Inclusion Strategy will be developed, setting out the Trust's commitment to developing, maintaining and supporting an inclusive culture and environment for the benefit of the Trust's employees and the communities the Trust serves.

The Trust's Learning and Development programme is calibrated to the Trust's strategic priorities and informed by our schools' requirements. Many of the central sessions are led by, or involve, expert input from staff across our networks. Regular events that bring together professions such as middle and senior leadership, colleagues new to the teaching profession, subject and pastoral specialist areas and finance, are yet another mechanism by which groups of staff are engaged in improving in the performance of the Trust, through skills and knowledge transfer. The Trust has also provided practical training for managers in areas such as HR and GDPR. Work is ongoing to expand the Trust's offer to encourage the professional development of all staff in order to support the achievement of the strategic priorities of the Trust.

The summer months of academic year 2022/3 saw the appointment of a new Learning and Development manager. This coincided with the decision to include in the remit of the Director of Research and Development the strategic oversight of Learning and Development activities and opportunities for all employees in the organisation. This approach strengthens the bond between Human Resources and the Education team. We are currently recruiting administrative support to this partnership to further bolster strategic learning and development plans for the new academic year; including the launch of our online Centre for Professional Learning and Development. Supporting our Recruit, Train, Retain strategy, these initiatives advance our ambition to provide our employees with access to personalised development opportunities, research and best practice.

Formal engagement with employee representatives takes place at national, regional, and local level through consultation and negotiation with seven recognised trade unions. Our well-established recognition agreement sets out the areas that will be considered at national level, including terms and conditions of employment; operational matters affecting the deployment, security and prospects of staff and staff training and development. There is a substantial policy framework in place including Equality, Diversity, and Inclusion (EDI); family friendly policies; health and safety; safeguarding; flexible working and employee relations policies. In accordance with the Trust's EDI Policy, The Trust has long-established fair employment practices in recruitment, selection, and training of disabled staff. This includes the use of disability passports, which allow staff to discuss and fully explain their disability with managers and team members so that they can understand the best ways to support their colleague.

Periodically, we run engagement surveys and pulse surveys at our schools as a temperature check and to allow us to understand more about the key issues affecting our staff. We also invite all staff who are leaving the Trust to complete an exit interview. The results from this staff feedback then inform any further work that needs to be conducted at Trust or school level.

The Trust's new HR/Payroll system has now been implemented, and work has commenced in September 2023 to determine how the system can be improved and enhanced. This work is focused on developing metrics that will align with the strategic priorities of the Trust and improve data driven decision making. Diversity data (including disability information) of new staff is now systematically collected through our electronic onboarding process, and work will commence shortly to analyse the diversity profile of the Trust's staff. This will allow the Trust to understand more about its workforce and target any positive action if required.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the Trust is to advance education in the United Kingdom for the public benefit, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The Trust's mission is to improve standards of education, knowledge and skills for children and young people, equipping them to be successful adults in the competitive, globalised world of the future. We hope to achieve these aims within our academies, as well as to share best practice within the sector.

The Trust seeks to deliver its mission through exciting innovations in curriculum and teaching and learning, which drive educational improvement and develop students with modern, employable skills in the Trust's primary and secondary academies across England. The Trust believes that creativity is the ability to recognise or to make new connections between things. Connecting knowledge is at the heart of an effective education and is what will make young people employable in the world of tomorrow.

Objectives, Strategies and Activities

This report opened last year with an acknowledgement that nationally the world of schools had not returned to the pre-pandemic status quo. The reality of academic and financial year 2022-23 for schools across the country was that the impact of the two years of covid disruption has continued to have a deep and lasting effect on children and communities. This has been amplified by economic pressures – rising inflation and interest rates – that have had a disproportionately stressful effect on poorer communities of the kind served by Creative Education Trust schools.

Significant levels of pupil absence and behaviour issues have continued to be national problems, and ones that have required redoubled professional efforts and focus of resources at Trust and school level to address. In addition, in the course of the year schools have also had to deal with an unprecedented degree of financial pressure and uncertainty about funding within an already stretched envelope.

There were exponential increases in energy prices driven by international factors, lack of clarity about the application of government support schemes for publicly funded bodies, and further confusion about national pay negotiations for teachers and support staff, compounded by delays in announcements of government's position on the extent to which it would fund pay settlements if they were above the sector's reasonable budget assumptions and its own guidance.

Once again, the Board of Creative Education Trust would like to draw attention to the extraordinary efforts of staff on the central team and within its schools to rise to the educational, attendance, behaviour and financial challenges of the year. Due to the endeavours and professionalism of staff across the Trust we ended the year having maintained our target reserves position of 5%, without having to make cuts or postponements to educational programmes, our school improvement agenda or investments in our estate; we reviewed and enhanced our approach to behaviour management and invested in the expansion of our dedicated in-school attendance teams to good effect; and in aggregate we increased our GCSE outcomes compared with 2019, the pre-covid benchmark set by Ofqual for the 2022-23 exam series. We were particularly pleased that we bucked the national trend and closed the gap for SEND pupils and pupil premium pupils, thereby realising one of our key strategic aims.

In the year to 31 August 2023 the principal activity of the Trust was the continuing operation and improvement of educational standards in its existing portfolio of primary and secondary schools in the East and West Midlands and on the East Coast through the implementation of the goals set out in our Strategic Plan 2019 to 2023. This work was not without its challenges given that Creative Education Trust has chosen to work with sponsored academies with all that that implies in terms of prior condition and on-going fragility.

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

In the course of the year we had nine Ofsted inspections. The majority of our schools retained their hard-earned 'good' designation. It was particularly pleasing to see Milton Keynes Academy judged as 'requires improvement' but with 'good' for leadership and management – an encouraging pointer to the future, and the designation of Ellis Guilford Academy in Nottingham, one of our most challenged schools, as 'good' for the first time was an immense tribute to the skillful work of its leadership and staff over an extended period. The Bulwell Academy, Nottingham, and Ash Green School, Bedworth, two of our most challenged schools, have been on strenuous journeys of improvement, which were made more difficult by the disruption of the pandemic. They were flagged to the Board at the beginning of the year as schools at risk of downgrading to a category of concern by Ofsted, depending on the timing of their inspections. Despite the significant progress in addressing their weaknesses, reflected in both cases by rapidly rising standards of attainment and energetic new leadership, they were deemed to be Grade 4. The schools nevertheless continue to make impressive and accelerating progress supported by the Trust's central team towards the high standards achieved by our other secondary schools.

The number of schools within Creative Education Trust during the year was seventeen, between them educating about 14,500 children and young people, employing over 1,800 staff and with income of £105 million. In addition to the schools noted above, Creative Education Trust secondary schools were Abbeyfield School, Northampton; Caister Academy, Great Yarmouth; The Hart School, Rugeley; Lynn Grove Academy, Great Yarmouth; Thistley Hough Academy, Stoke-on-Trent; Weavers Academy, Wellingborough; The Wrenn School, Wellingborough. The Trust's primary schools were Harpfield Primary Academy, Stoke-on-Trent; Queen Eleanor Primary Academy, Northampton; Three Peaks Primary Academy, Tamworth; Woodlands Primary Academy Great Yarmouth; and Wroughton Infants and Junior Academies, Great Yarmouth.

The Board continued to be mindful throughout the period of the need to grow the group further from a position of strength and with careful consideration of the demands upon and contributions to the resources and capacity of the Trust of potential joiners. They remained mindful also of the need to further consolidate the Trust's geography, as well as the need to ensure that the more challenging schools in the current portfolio are solidly established on a trajectory of sustainable improvement.

2022-23 was a year of continuing development of Creative Education Trust's capacity and a review and refreshment of its strategic plan and operating model for the post-covid era and in anticipation of a period of considered growth. In conjunction with these initiatives, new strands of co-creative work were undertaken to further leverage the benefits of being a multi-academy trust and to embed high-grade and shared approaches to key aspects of our work.

Within the year the following enabling developments took place in pursuit of the Board and management's agreed priorities and future ambitions:

- Review and refreshment of the Strategic Plan 2019-2023 with a focus on the organisation Creative Education Trust wishes to be by 2030 and the steps to achieve this.
- Complementary review of the Trust's Operating Model to enable the implementation of the refreshed strategy and to prepare for growth.
- Further developments to our in-house training and development programmes in anticipation of the launch of a virtual Centre for Learning and Development in 2023-24, with the introduction of an on-line induction portal, a wide-ranging programme of development conferences and an inaugural two-day Creative Education Trust National Conference.
- Across our secondary academies our co-constructed and ambitious curriculum has been implemented effectively and this has been recognised by our own quality assurance and external validation.

**CREATIVE EDUCATION TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- In our primary academies we have successfully implemented a revised curriculum for foundation subjects and fully embedded the Read Write Inc. programme for the delivery of phonics.
- During this year we have co-constructed a Teaching & Learning Framework for Excellence, and this is being rolled out in 2023/24 academic year. This research-informed framework (and the supportive instructional coaching model) over time will ensure that all teachers at Creative Education Trust are supported to be outstanding practitioners, and ensure that all CET pupils have an expert in every classroom.
- Successful launch of the new MIS system procured in the previous year with positive impact on administrative efficiency and staff workload.
- Further integration of the new automated, trust-wide HR system and payroll system, with HR staff self-service features, reduction of three payrolls across the Trust's regions to one, and the collection of HR data to feed into people management.
- Implementation of a new trust-wide budgeting system, procured in the previous year, generating significant efficiencies in the preparation of budgets and 3-year plans.
- Commencement of integration programme for key MIS and HR systems.
- Commissioning of an external review of Safeguarding Governance which produced a very favourable outcome in respect of oversight and operational practice.
- Commissioning of an external developmental review (ongoing) of local governance' and holding of inaugural Academy Council Development Day.
- Roll out of Service Desk solution to process and prioritise customer IT and estates workflows.
- Development and implementation of a tailored Curriculum-led Financial Planning process for primary schools to complement that for secondary schools.
- Step-change in culture and process of energy saving across the Trust leading to significant financial savings to re-invest in education.
- Tender of the Trust's internal audit provider, to provide comprehensive assurance across the Trust's risk management framework.

Public Benefit

In setting objectives and planning its activities the Trustees have given careful consideration to the Charity Commission's general guidelines on public benefit. The Trust seeks to promote, for the benefit of the communities in the areas surrounding its academies, the provision of facilities for learning and recreation with the object of improving the condition of life of those communities.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The continuing challenges posed by the after-effects of the global pandemic on children, communities and schools, exacerbated by extreme financial pressures, have been remarked upon above. Creative Education Trust staff at all levels have risen to multiple challenges with remarkable fortitude and inventiveness. Our children have continued to receive high-quality education and pastoral care because of the resilience and capability of staff, and the quality of underlying processes and systems, which we continue to adapt and evolve to support our educational endeavours.

School staff and leaders have been able to draw on robust and sophisticated central support from our professional teams in Education, Finance, Human Resources, IT and Estates. Staff surveys confirm how much this support and guidance is valued and allow us to continue to develop and refine our central services. The considerable investments in new and more powerful management software that the Board authorised in FY2021-22 began to have important and positive real-time impacts on our work in 2022-23. The next phase in development is to ensure full interoperability between our MIS, HR, Finance and Education management and data systems, with a single dashboard for management purposes.

Pupil numbers across Creative Education Trust continued to increase with 14,461 on roll in the October 2022 census, our highest number yet, with many of our schools full and oversubscribed. This is a reflection of the status that they have in their communities, with all our schools reporting high levels of attendance by prospective pupils and their parents at open evenings and similar events. Increasingly, one of the draws to Creative Education Trust schools is our co-constructed and ambitious cross-trust secondary curriculum. This has been recognised favourably in Ofsted reports and during 2022-23 was complemented by the introduction of a revised curriculum in all Creative Education Trust primary schools.

Our work on staff development programmes gained significant pace during the year with a variety of online, face-to-face and residential events intended to increase professional skills, capacity and confidence across a range of subjects, ranging from safeguarding to attendance. Perhaps the most significant development of the year was the co-construction of a Teaching & Learning Framework for Excellence, which is now live from September 2023. In addition, a new and fully integrated on-line induction portal was introduced for new staff. All these people-focused initiatives will be part of our ambitious Centre for Learning and Professional Development to be launched in AY2023-24.

Academic outcomes for Year 11 and Year 13 pupils were strong in the context of a return to 2019 levels. More detail is reported below under KPIs. But it is worth remarking here that 2022-23 saw a 2% increase in the headline English and mathematics measures compared to 2019 levels. Gratifyingly we saw significant increases for disadvantaged pupils (+10%) and pupils with Education Health Care Plans (EHCP) (+8%). Across the post-16 cohort we saw a narrowing of the gap across all attainment thresholds, with the average A-level grade in 2023 being a C, compared to the D+ of 2019. Primary results also saw pleasing progress, which is set out below, as are Ofsted outcomes.

To complement progress in academic standards, much effort has been put into our co-curricular programmes work, with a full return to live, cross-trust events including old favourites such as the Creative Education Trust Shakespeare Festival and Primary Day of Poetry, as well as the re-introduction of the cross-trust orchestra and choir, which had been victims of lockdown. Planning was undertaken for the introduction of new and challenging events to the co-curricular programme in 2023-24, including a primary Art Prize, during preparation for which all our Year 4 children will attend workshops with practising artists.

In a period of exponentially rising energy costs, it is gratifying to be able to report that capital investments in energy-saving and energy-generating technology combined with the education of staff and pupils in the importance of reduction in energy consumption and building a sustainable future have resulted in reductions in CO2 emissions and energy consumption, generating substantial financial savings to be re-invested in educational initiatives in 2023-24. Streamlined energy and carbon reporting is provided on page 20.

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

The Trust has an EduTech Academic Community that formed during the pandemic as a forum for senior educators in schools and senior IT staff to exchange insights and best practices concerning the technological advancement of teaching and learning. Initially concentrating on remote learning during the pandemic, the forum has since expanded its scope to explore emerging technological possibilities, such as Generative AI.

Notable achievements so far include:

- The roll out of Microsoft Teams across all schools as a platform to enable remote learning
- Delivery of training for educators to enable them to make best use of the continuously evolving tools within the Microsoft M365 platform, with an aim to enhance student engagement and optimise educators' efficiency
- Piloting of Generative AI technology built into the Management Information System (MIS) as a way of reducing staff workload and improving communication with parents

Building upon the work of the EduTech Academic Community and looking at best practice from other MATs that are leading the way with EdTech, the Trust is aiming to develop a new EdTech strategy that aligns with and supports education and school improvement agendas.

Key Performance Indicators

The Trust employs a variety of key performance indicators to measure performance in the various areas of its operations and these key performance indicators are closely monitored by both the Trust's senior management team and the Trustees.

The key financial performance indicators (KPIs) are:

- Achievement of a recurring operating surplus on our operations (excluding expenditure from designated reserves, movements in pension liabilities and amounts attributable to funds acquired on transfers of academies into the Trust during the year); and
- Maintenance of a level of unrestricted and restricted income funds that is in line with the Reserves policy of the Trust (excluding amounts attributable to transfers of academies into the Trust).

Both measures were achieved in the year. More details are provided in the Financial Review and Reserves Policy sections on pages 16-17.

The most significant non-financial KPIs are as set out below:

- Pupil numbers across Creative Education Trust continue to grow with over 14,600 on roll for 2023-24 academic year, the highest number to date. Many of our academies are full and oversubscribed and we regularly support local authorities in taking additional pupils into our schools.
- Academic outcomes for pupils in Y11 and Y13 across England showed a return to 2019 levels. For CET we saw a 2% increase in the headline GCSE English and mathematics measures compared to 2019 levels. However, for disadvantaged pupils (+10%) and pupils with an Education Health Care Plan (+8%) we saw significant increases.
- The overall percentage of GCSE examination entries graded at 5+ has increased by 5.4% and for those graded at 4+ there has been an increase of 7.9%.
- The progress made by pupils across a range of subjects (using the government Progress 8 score) shows an increase of +0.11 from the 2019 results.
- Across our Y13 cohort we saw a consistent narrowing of the gap across all attainment thresholds with 5% increases at A*-B, A*-C and A*-E grades. Our average A-Level grade in 2023 was a C, which represents an improvement on the D+ average in 2019.
- Across our primary academies we have seen some very pleasing outcomes. We saw a 13% increase in the percentage of Year 1 pupils passing the phonics screening in 2023 compared to the 2022 outcome and a 4.4% increase in the percentage of pupils in EYFS achieving a good level of development.

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

- In the KS2 SATS we saw a 2% increase in the percentage of pupils achieving the expected standard in Reading, Writing and mathematics from 2022. The national picture remained the same as in 2022 so the performance gap has reduced.
- The 2022-2023 academic year saw nine inspections across Creative Education Trust, all under the Education Inspection Framework (EIF).

Academy	Previous inspection grade	New inspection grade
Ash Green School	Good	Serious Weaknesses
The Bulwell Academy	Inadequate (pre-conversion)	Inadequate
The Bulwell Academy	Inadequate	Taking effective action
Ellis Guilford School	Requires Improvement	Good
The Hart School	Good	Good
Milton Keynes Academy	Good	Requires Improvement
Queen Eleanor Primary Academy	Good	Good
Three Peaks Primary Academy	Good	Good
Woodlands Primary Academy	Good	Good

- Ellis Guilford School has improved from 'inadequate' to 'good' since joining Creative Education Trust.
- The issues that inspectors found to be of concern at Ash Green School and The Bulwell Academy were known to education directors and being addressed with urgency, prior to their graded inspections. During the subsequent HMI-led monitoring visit at The Bulwell Academy, inspectors judged safeguarding to be effective and the school to be taking effective action towards it being removed from a category of concern. Ash Green School continues to make progress as it awaits its first Ofsted monitoring visit.
- In all inspections the intent behind the co-constructed curriculum was heralded as a strength, even when inspectors noted the curriculum's implementation to be uneven as yet. In primary phase, inspectors validated the strengths of CET's phonics programme, and the recently-introduced curriculum for the foundation subjects.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

The likely consequences of any decision in the long term:

- The Board and management of Creative Education Trust have a number of mechanisms for ensuring that their decisions are informed by due consideration of their potential longer-term consequences, and for understanding the educational, political and financial contexts in which the organisation operates, as well as the range of possible future outcomes which may impact upon the organisation. In the first instance, all decisions are guided by the Trust's long-term five-year Strategic Plan, which is itself the result of extensive and informed consideration of the strengths and weaknesses of the organisation in relation to current and possible future government policy, public sector funding, educational debate, and other relevant factors. The Strategic Plan is in turn linked to the Trust's rolling three-year financial forecast, and shapes decisions about both short-term funding and longer-term investment.

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

- The Board ensures that it is kept abreast of thinking in a wide variety of areas that may impact on its strategic and tactical decision-making. It receives regular intelligence from senior management on policy developments and invites confidential briefings as required from independent individuals in the worlds of education and public policy to coincide with board meetings and at its annual two-day strategy retreat. Members of the Board have been selected to represent a variety of perspectives of value to Creative Education Trust's strategic decision making, with experienced senior figures from education, finance, audit, law, HR, digital media and artificial intelligence, and design and the built environment.
- Some of the Board's sub-committees, including Education Standards and Estates and Property, have co-opted professionals to expand further the range of knowledge available for informed decision making. Creative Education Trust was a founder member of The Queen Street Group (QSG), a voluntary association of 36 mature and successful Multi-Academy Trusts across England. During the year, Creative Education Trust's CEO was Vice-Chair of the group. QSG provides a forum for like-minded educational organisations to share best practice through regular meetings of CEOs and other senior executives, and to support one another with experience and intelligence. QSG has a regular programme of meetings with education ministers, senior civil servants, the CEOs of education regulators and funders, as well as other senior decision makers and policy experts. Feedback from these interactions forms an invaluable background to the horizon-gazing and decision-making of Creative Education Trust's Board and senior management. In the course of the year Creative Education Trust also became a member of the Larger MATs Group of the Confederation of School Trusts (CST).

The interests of the company's employees:

- Though the national landscape is a difficult one, Creative Education Trust schools have had a positive year in terms of recruiting into vacancies. We have explored several routes to ensure that each of our classrooms has strong practitioners available and have seen our Initial Teacher Training offer improve, with 100 applications from trainees wanting to start their teaching career at Creative Education Trust. This will be furthered with the offer being extended to cover more of our schools for September 2024. With the education sector facing several challenges in recruiting staff at all levels, it is vital that we continue to explore new avenues to find the expertise that our students require.
- Our new web recruitment system, which feeds into our HR and Payroll system, has enabled our schools to streamline their processes and receive applications all in one place, helping us capture data for all vacancies and applicants. This year, that data will be assessed and analysed to provide tailored and specific support to each of our schools and a co-created tailored recruitment plan will be put in place.
- There has been considerable progress on the consolidation of the Trust's learning and professional development offer to staff. New induction material, policies and information have been brought together in a 'Learning and Development' area of the intranet.
- Over the course of the last academic year, ten strands of professional development and learning opportunities were provided, as follows:
 1. Onboarding and induction
 2. Early career support and development; Initial Teacher Training and the Early Careers Framework
 3. Academic Communities; subject and remit network groups from across the Trust
 4. Bespoke cohort training packages; subject knowledge enhancement, Deep Diving and middle and senior leadership training
 5. Access to online learning resources through the National College and TES Develop
 6. Research activities: Evidence-Based Education and the Science of Learning
 7. Specialist external support; specialist consultancy support where it added value and provided sustainable impact
 8. Personalised packages including peer-representation on Academy Improvement Boards, National Professional Qualifications, Career Conversations and pathways, leadership exposure experiences, secondments and peer-work
 9. In-school training as determined and co-ordinated by each academy's CPD leaders
 10. In-house Trust-wide collaborative conferences and seminars as follows:

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

- Learning and Teaching forums and conferences
- CET National Conference
- Subject leaders' conference
- Ebacc and Foundation subjects conferences
- Safeguarding conference
- Attendance conference
- SEND conference
- Behaviour conference
- Trust-wide September and January staff development days
- This year has also seen a focus on supporting the health and well-being (including financial well-being) of our staff. A new Health and Well-Being Policy has been launched demonstrating the Trust's commitment to ensuring that all employees are valued, supported and encouraged to develop personally and professionally within a responsible and purposeful learning community.
- A new employee benefits platform has been implemented at the Trust, which offers a range of benefits to employees including an employee assistance programme, lifestyle savings and information about the pension plans offered by the Trust.
- The Trust now has access to TES Develop, which provides an additional resource to provide whole-school training in one place, enabling the raising of teaching standards and ensuring our schools are up-to-date and compliant with the latest training requirements.
- The Learning and Development team will increase their capacity to deliver exceptional learning and development opportunities to staff through the creation of an additional Learning and Development Administrator role.
- The Trust now has an established HR/Payroll system in place, and the focus will be on improving the employee data and will give easy access to staff and line managers through self-service portals.

The need to foster the company's business relationships with suppliers, customers, and others in a business relationship with the academy trust:

Creative Education Trust considers its stakeholders to be as follows:

- Pupils, parents/ carers and local communities;
- Employees (discussed above);
- Local and central government agencies, local councillors, external education providers, local primary, and secondary schools; and
- Suppliers including catering, cleaning, and payroll providers.

Stakeholder engagement is extremely important to the Trust and is delivered through a range of means depending on the circumstances. Pupils, parents, and carers are provided with key school information via letters from the Principal / Headteacher, text messages, e-mails, the school website, and social media. This group of stakeholders is fully consulted in terms of developments within individual schools such as changes to uniform and changes to curriculum. Key school changes, such as decreases in the Published Admissions Number (PAN), are subject to full consultation with all relevant stakeholders. Their views are welcomed, encouraged, and listened to, and the impact of decisions taken into consideration before implementation.

Creative Education Trust's relationship with suppliers is of great importance to the successful operation of the Trust. The Board is mindful of the need to maintain the highest standards of integrity and practice in the Trust's procurement processes, as well as to ensure that suppliers are treated fairly, particularly where they are smaller businesses, often closely linked with the local communities served by the Trust's schools.

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

The Trust ensures that suppliers are only accepted after a proper scrutiny process involving GDPR checks to ensure that the Trust's data security is not compromised. When goods and services are procured, the Trust ensures that it follows sector rules that ensure the best value for money. Controls are in place to ensure that procurement is subject to obtaining an appropriate number of competitive quotes for goods and services. In addition, staff or Trustees who may have the ability to influence buying decisions are required to disclose all outside directorships and shareholdings to ensure that there are no conflicts of interest.

As a publicly-funded organisation, the Trust is mindful of its obligation to treat suppliers fairly, in particular in the context of the recent pandemic and its aftermath. Payment terms are adhered to, and support has been provided to suppliers whose businesses have been negatively affected. In the case of major suppliers to the Trust, such as caterers and cleaning companies, the Trust maintains regular dialogue to ensure that there is a good level of understanding of issues for both sides. This process helps to maintain the security of supply in key areas for the ultimate benefit of schools, pupils, and the suppliers themselves.

The impact of the company's operations on the community and the environment:

- Creative Education Trust's schools are community assets often situated in places with high levels of deprivation and multiple challenges. It is a strategic objective of Creative Education Trust that its schools be active and valued participants in their localities, with a central role in community renewal and pride. Pupils in the Trust's schools are taught to value their community's identity and encouraged to contribute actively to its life and its enhancement when at school and in adult life.
- The Covid period heavily impacted wider community engagements and access to events, 2022-23 saw the increasing return of sports activities, performing arts and other community engagements.
- Creative Education Trust's school-level governance arrangements specifically ensure parental and other local representation in the oversight of the management of each school's affairs, and it tries to ensure that its investments recognise local needs and community priorities.
- Environmental considerations are at the forefront of curriculum design and delivery in Creative Education Trust schools. The Trust has had a specific focus on reducing energy consumption in 2022-23 and all capital investments scrutinise carbon reduction opportunities.
- In the management of its Estates and Facilities operational responsibilities and in the management of extensive holdings of land and buildings, the Trust pays particular attention to the guidance of the DfE's Good Estates Management Strategy (GEMS).
- One aspect of GEMS is to enable focus upon environmental concerns and efficiencies – ranging from the removal of legacy asbestos and other harmful materials from its older building stock to the replacement of traditional oil-fired boilers, carbon offset from planting in grounds, installing energy efficient windows and roofing materials, to an extensive rolling programme of replacement of fluorescent light fittings with LED. September 2022 saw the opening of the Trust's first new Net Zero building at the Hart School. This was a £1.6m investment made in the previous year.

The desirability of the company maintaining a reputation for high standards of business conduct:

- Creative Education Trust is a philanthropic organisation expressly dedicated to improving standards of public education and building social equity and cultural capital, particularly in relation to young people in poorly performing schools in 'left-behind' communities. This social objective and philanthropic ethos govern its conduct in relation to all stakeholders, internal and external. To these ends it is constituted as an exempt charity regulated by the Secretary of State for Education. Creative Education Trust is obliged to follow the stipulations of the Academy Trust Handbook and other applicable government guidance for publicly-funded organisations.
- The Board and management take very seriously their ethical duty to abide by the Nolan Principles for standards in public life. In addition, Creative Education Trust is a founder member of The Queen Street Group of Multi-Academy Trusts (QSG). As such it has signed up to QSG's Statement of Ethical Commitment, which obliges it to endorse formally two recent frameworks of ethical leadership:
- ASCL Leadership Commission: Framework for Ethical Leadership in Education; and
- ICSA/CST Guidance on Healthy Organisational Culture in Academy Trusts.

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

FINANCIAL REVIEW

During the year ended 31 August 2023, the Trust received income of £110 million (2022: £104 million) of which £103 million (2022: £94 million) related to restricted income funds, £3 million (2022: £3 million) related to unrestricted funds, and £4 million (2022: £7 million) related to restricted capital grants. The principal source of funding during the year continued to be the General Annual Grant received from the Trust's regulator, the Education and Skills Funding Agency (ESFA), which is an Executive Agency of the UK Government, sponsored by the Department for Education (DfE). General Annual Grant of £83 million was received in the year to 31 August 2023 (2022: £79 million) and other grants including pupil premium, capital grants and other funding from the ESFA/ DfE totalled £20 million (2022: £15 million).

The Trust had expenditure (excluding expenditure allocated to the pension reserve) of £113 million (2022: £109 million) including £106 million (2022: £103 million) of expenditure from restricted and unrestricted income and £7 million (2022: £7 million) of depreciation allocated directly against the restricted fixed asset fund. In addition, the Trust invested £1.3 million (2022: £4 million) of restricted general funds into the purchase of fixed assets, including a £0.5m (2022: £1.6 million) strategic investment from reserves to accelerate school condition projects.

As a result of the above, the Trust's surplus on restricted general funds and unrestricted general funds (excluding deficit on the pension reserve) for the year to 31 August 2023 totalled £30,000 (2022: deficit of £0.1 million).

Reserves Policy

The Trustees' policy is to carry forward a prudent level of reserves to facilitate cashflow, strategic developments, planned investment and improvement and support unforeseen contingencies. The Trustees' normal policy is to hold a level of unrestricted and restricted general funds (excluding those funds that are designated) equal to around five percent of the total income of the Trust. In October 2022, the Trustees' approved a temporary reduction to four percent, due to the unprecedented situation regarding unfunded pay rises and energy increases. Subsequently, following the government's Autumn Statement 2022, the funding position improved, and the policy was returned to its normal level of around five percent at the year-end.

At 31 August 2023, the Trustees' have designated reserves of £2 million for the Centre for Professional Learning and Development, School Improvement initiatives and various other strategic projects approved by the Board's Finance Committee. The Trust's available unrestricted and restricted general reserves (excluding reserves designated by Trustees) at the 31 August 2023 total £5.3 million (2022: £5.3 million), which equates to five percent of total income.

In addition to the above restricted and unrestricted general funds, the Trust is holding reserves of £209 million (2022: £211 million) of restricted fixed asset funds and £2.8 million (2022: £3 million) of endowment funds. The endowment funds relate specifically to Milton Keynes Academy and The Bulwell Academy, and the application of these endowment funds takes place in accordance with the endowment deeds, which stipulate that funds should be applied in the advancement of public benefit education at these schools.

The defined benefit pension scheme reserve has a negative balance of £3.4 million (2022: £11 million). The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be eliminated immediately, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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

Investment Policy

During the year all of the Trust's restricted and unrestricted funds were held by UK banks in current and fixed term deposit accounts, in accordance with the Trust's investment policy. Endowment funds were held in an appropriate range of equity and fixed interest investments managed by an experienced fund manager in accordance with the Trust's Endowment investment policy.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust has identified nine principal risks on its strategic risk register, as detailed below. These areas are closely monitored via an established risk management process under the oversight of the Board and its sub-committees. Each strategic risk has a detailed operational risk register.

- **Safeguarding**

Risk: Failure to maintain appropriate safeguarding procedures or follow safeguarding guidance could result in the injury or death of a child. Safeguarding being judged as inadequate by Ofsted which would present risk of rebrokerage.

Response: The Trust attaches the greatest importance to the safeguarding of children at its schools.

The Trust has a Director of Safeguarding and has an experienced Safeguarding in Education professional on the Board.

Its policies and procedures are kept under constant review and the Board ensures that the Trust keeps safeguarding at the forefront of its activities.

The Trust has a robust scheme of quality assurance in place, when ensures that the Trust meets its statutory obligations under The Education (Independent School Standards) Regulations 2014.

- **Estates and Facilities**

Risk: Failure of one or more of systems, infrastructure or equipment gives rise to closure, interruption, damage or injury.

Response: The Trust undertakes regular, standardised risk assessment of all known and reasonably foreseeable health and safety hazards covering all premises, people, equipment, and activities to control risks and to plan and prioritise the implementation of the identified control measures. Specific responsibilities are assigned to Estates Team, Principals and Headteachers, teaching staff, other staff, pupils, and contractors.

- **Educational Performance**

Risk: Underperformance in key performance related measures leading to inadequate inspection outcomes, poor representation in performance tables and reputational damage.

Response: The Trust maintains accurate and complete school performance data and continuously trains staff in different academies to maintain and improve standards. Remedial action is taken to reduce risk where concerns arise.

- **Financial management**

Risk: The challenge of delivering the Trust's strategic plans, within the constraints of government funding, in addition to the risks of closure and heightened regularity risk, which arise from poor financial management/ non-compliant financial reporting.

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

Response: The Trust's business model is highly sensitive to changes in funding and the impact of national pay awards. During 2022-23 there was significant uncertainty due to new external cost pressures including tripled energy prices, and unfunded pay awards. The Trust's response was monitored closely by the Board, and following additional funding awarded in the Autumn Statement 2022 and the announcement of the Energy Bill Relief Scheme, the uncertainty in the short-term was resolved. Uncertainty over funding streams for the second and third year of the Trust's 3-year plan remains a significant risk, and this presents a substantial challenge to the preparation of realistic 3-year plans to inform strategic decision-making. The Trust's 3-year plan and the impact of changes to government policy will continue to be monitored closely by the Trust's Finance Committee and the Board, alongside ongoing consideration of the Trust's reserves policy. In addition, the Trust is focused on reviewing its income generation strategy, to ensure all income streams are maximised and further review of procurement processes is underway to explore whether further economies of scale can be realised.

The Trust has comprehensive systems, policies and processes in place to ensure financial management processes are robust.

The Trust's exposure to financial risk is largely through bank balances, cash and trade creditors, with limited trade and other debtors. The Trust has inherited various Local Government Defined Benefit Pension Scheme deficits for support staff. Changes to Employer contribution rates are closely monitored to ensure they are built into the Trust's 3-year plan.

- **Insufficient pupil intake**

Risk: Low pupil recruitment causing diseconomies of scale and financial challenges.

Response: Pupil numbers, particularly at key entry points, are closely monitored and the financial impact modelled and discussed at each Finance Committee. In addition, the Trust provides targeted marketing to support pupil recruitment and retention.

- **IT integrity**

Risk: Outage or cyber-attacks give rise to risk of school closures, safeguarding risks, negative PR and disruption to Head Office and school operations.

Response: The Trust has in place comprehensive policies and processes to ensure it manages its risks in this area. The Trust employs security controls such as multi-factor Authentication, Cyber Security training for staff and other controls in line with Cyber Essentials standards to combat risk of data loss and service outage. A specialist Data Protection officer ensures compliance with GDPR rules.

- **Staff recruitment and retention**

Risk: The Trust is unable to recruit or retain key posts within Head Office or schools; leading to delivery failures at an operational or strategic level.

Response: The Trust works to keep pace with the employment market and continuously develops new initiatives to support recruitment and to ensure that the Trust is an employer of choice. In addition, the Trust focuses on various initiatives to support staff retention including a targeted focus on professional learning and development and staff well-being initiatives. The Trust also identifies individuals who have a material impact on day-to-day running of the Trust and its schools and has developed contingency plans for replacement of those staff in the event of those staff leaving the Trust.

- **HR Compliance**

Risk: Organisational policies are inconsistent with employment legislation or Trust policies are not followed consistently by the whole organisation.

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

Response: The Trust engages a Director of Human Resources and has an experienced Human Resources professional on the Board. A comprehensive set of policies and procedures are in place to ensure compliance at all times, and regular checks are carried out to ensure that key controls have been operated throughout the year.

- Governance

Risk: Ineffective or inconsistent Governance arrangements hinder organisational progress, interactions with stakeholders and heighten legal, regulatory or reputational risks including the risk of the DfE appointing members to the Board or issuing an "academy trust notice to improve".

Response: The Trust has a considered governance structure to ensure clear lines of sight and accountability. The Trust maintains a comprehensive system of internal reporting, with regular meetings of all stakeholders, including Board members, Principals, Headteachers and the Senior Management Team.

FUNDRAISING

During the year, the Trust did not use any external professional fundraisers. However, during the year the Trust bid for and was awarded various grants in support of its charitable objects.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	17,775,598	20,553,870
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	2,147	2,569
Owned transport – mini-buses	28	22
<u>Total scope 1</u>	<u>2,175</u>	<u>2,591</u>
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	1,221	1,260
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee-owned vehicles	73	67
Total gross emissions in metric tonnes CO ₂ e	3,469	3,918
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.24	0.27

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

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

Measures taken to improve energy efficiency

Energy cost increases are now an important feature for all schools and consequently, the Trust is accelerating strategies and investments to support consumption reduction. We have seen a substantial periodic reduction in energy consumption of 2,778,272 Kwh through wise investment in new equipment such as LED lighting, IT infrastructure, Solar and PV investment and more efficient boilers and pumps. We are also working with suppliers to ensure that all future capital investments do consider energy efficiency and carbon impact.

Nationally, supply chain costs have increased significantly. The increased labour, materials and equipment costs mean that we can do less with the funding available, whether that be capital investment for condition or revenue expenditure for maintenance. We continue to ensure that the Trust's investment activities using School Condition Allocation funding remain focused on strategies to support consumption reduction and sustainability.

2022-23 shows improved performance in energy consumption and this is due to more effective monitoring. Overall carbon reduction continues, and this is being achieved through widespread LED investment and upgrading of inefficient equipment. Moreover, the work of the Estates' function has critically focused on waste.

The impact of the ageing condition of many of our buildings will limit the improvements we can make to reduce carbon impact. Whilst we can work with designers and technical resources to modify, refit and refurbish our ageing stock, a number of buildings are beyond life and require replacement and will necessitate significant further investment.

PLANS FOR FUTURE PERIODS

Last year's report noted that Creative Education Trust's Strategic Plan 2019-23 was successfully reaching its terminal point despite the extraordinary external challenges and changes that could not have been envisaged when it was first written. We stated that in 2022-23 time would be devoted by the Board and senior leaders of the Trust to reviewing and refreshing the plan through to 2030. Through the year we worked collectively on:

- Reviewing and refreshing our strategic goals through to 2030
- Identifying the leadership behaviours that underpin success
- Evaluating the skills, processes, and cultures through which we deliver
- Identifying what we need to develop or do differently to be the best
- Setting the priorities for our next step-change in quality of delivery
- Ensuring our approach and documents are aligned with Department for Education expectations of a high-performing MAT

To this end, the Board and senior leaders set out what kind of organisation Creative Education Trust should be by 2030. Creative Education Trust aims to be recognised as a system-leading multi-academy trust because:

- We serve a growing number of challenged communities across England by transforming schools into beacons of excellence and agents of opportunity and renewal through our own endeavours and partnering with others
- Through the rigour and innovation of our school improvement work we raise attainment and progress in line with government targets and then beyond, ensuring that all pupils' needs are addressed in schools that Ofsted has rated at least 'good'
- We give our children unique insights into how academic rigour combined with creative thinking and creative practices can help them to embrace successfully the challenges of the 21st century

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

- We ensure our children are safe, happy and well-behaved in our schools, that they learn effectively in school and understand how to manage the difficulties that may confront them beyond the school gate
- We are ambitious for our children and committed to making them confident, resilient and active citizens whatever their starting point
- Our children have access to a global cultural heritage that stimulates curiosity and respect, and we deepen our children's understanding of the past, present and future potential of their communities
- Our ideals, inclusive culture, respect for evidence-based professional learning models and innovation, as well as the professional development opportunities we provide make Creative Education Trust a place where the best talent wants to work
- We provide capacity and development opportunities back into the wider schools sector through example, through our professional learning programmes and through secondments
- We put sustainability at the heart of the way we educate our children and manage our assets
- We embrace new technologies to deliver the best educational experience for our children
- Our governance and leadership are among the very best in the sector
- We manage our finances and utilise our assets resourcefully to deliver our goals as educators
- We are an employer of choice because we recognise and utilise best practice, providing further opportunities wherever possible

At the time of writing, work is well advanced in turning these ambitions into strategic goals each with its own delivery plans. At the same time work has been progressing on a review and development of our operating model to enable the full and effective delivery of our new strategic plan, including our growth ambitions. These plans will be considered and finalised at the December 2023 Board Meeting, with a view to commencing implementation from the start of calendar year 2024.

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14th December 2023 and signed on its behalf by:



Abbie Rumbold
Chair of Trustees

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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Creative 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.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Creative Education Trust and the Secretary of State for Education. The Accounting Officer is 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 met formally 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Abbie Rumbold (Chair)	4	4
Merlin Joseph	3	4
Nicholas Bull	4	4
Simon Figgis	4	4
Diana Gerald	3	4
Marc Jordan	4	4
Emily McDonald	3	4
William Richardson	4	4
Frances Soul	3	4
Peter Walls	4	4

Every year the Board holds a two-day residential conference with the senior executive team and the Trust's Principals and Headteachers to review performance and develop strategy. This took place in July 2023 with a focus on joint working with the Board of Trustees on Creative Education trust's strategy to 2030 and the evolving operating model to support it. Members of the Board also undertook a cycle of visits to Creative Education Trust schools in the course of the year.

Trustee Abbie Rumbold formally took over the Chair of Creative Education Trust from long-serving Chair David Anderson on his retirement from the Board on 31 July 2022. Academic year 2022-23 was thus Ms Rumbold's first full year as Chair of the Trust. The year saw the appointment of three new Trustees to the Board after a skill needs analysis and competitive search processes: Frances Soul, an experienced education leader and former Director of Education for one of England's largest MATs; Merlin Joseph, a former Director of Children's Services in several large local authorities; and Lucy Becque, Director of People at England's second biggest Building Society. Ms Soul will take over as Chair of the Trust's Education Standards Committee on the retirement from the Board of Dr William Richardson on 31 December 2023. Ms Beque succeeded Peter Walls as Chair of the People and Remuneration Committee on his retirement from the Board on 31 August 2023.

Didem un Ates resigned from the Board in December 2022. A search is underway for a new Trustee with digital and EdTech experience.

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Conflicts of interest

The Trust has a comprehensive process in place to manage conflicts of interest. An annual declaration of business interests is provided by Members, Trustees, the Executive team, Principals / Headteachers, members of School leadership teams, Budget holders and finance staff involved in procurement. If the Trust intends to initiate a transaction with a declared business interest, it must be reviewed and approved by the Trust's Financial Controller. In addition, if a transaction meets the criteria of a "related party transaction" or "connected party transaction", these are also reviewed by the Director of Finance, who would co-ordinate ESFA approval and oversight by the Audit and Risk Committee.

Meetings

The Board is of the opinion that it is sufficient for it to meet four times per year. This opinion is based on:

- The strength of the committee structure and frequency of meetings;
- Regular strategy meetings;
- An annual 2-day residential strategy meeting;
- The dissemination of management accounts to all Board members on a monthly basis; and
- Regular informal meetings between the Chair and the Chief Executive and between the Chair of each Committee and the relevant Lead Executive

Governance Review

Trustees consider their individual and collective skills and effectiveness on an ongoing basis. They are also mindful of diversity and succession. They have used recruitment for vacancies over the past five years to ensure that the composition of the board better reflects the Trust's inclusive values and supports the longevity of the Trust. Retirements and new appointments are noted above.

During 2022-23 the Board initiated a cycle of external expert reviews of various aspects of its governance. This began with a review of Safeguarding Governance carried out by Browne Jacobson LLP. The outcome of this was confirmation of the wide scope and incisiveness of the Board's oversight of the central safeguarding team and safeguarding in the Trust's schools via its designated Safeguarding Committee, as well as praise for the quality of operational safeguarding across the Trust. A small number of recommendations for further improvements to both oversight and operational matters have been adopted.

Governance consultancy LeadTo were engaged to work with the Trust's governance professionals to review and make recommendations for the further development of the operational implementation of Creative Education Trust's programme to provide support to its Academy Councils in recruitment, induction and on-going training, and to ensure that there are regular bilateral communication opportunities between the local Chairs and the Board of Trustees. The first phase of the work, which is ongoing, culminated in a successful and well-attended National Development Day for our Academy Council members in July.

Also during the year, Creative Education Trust's legal advisors, Veale Wasburgh Vizards LLP, refreshed the Board's Terms of Reference and reviewed the Scheme of Delegation. It is intended that a wide-ranging external review of the Trust's governance will be commissioned during autumn term 2023 to be undertaken in spring term 2024. It is planned that this will be repeated on a triennial basis to complement the annual Board self-evaluation.

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Finance Committee

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is:

- a) To consider the Trust's indicative funding, drawing any matters of significance or concern to the attention of the Board;
- b) To consider and recommend to the Board the three-year plan of the Trust and any reforecast thereof;
- c) To consider the projections for the level of reserves within the Trust to ensure that they fall within agreed Trust policies and advise the board of reserves in excess of its target which can then be effectively deployed within the Trust;
- d) To consider the opportunities and threats faced by the Trust in achieving agreed targets and recommend appropriate actions to exploit or mitigate such opportunities and threats, as the case may be;
- e) To review the performance of the endowment funds and make recommendations as to any payments out of either fund; and

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Nicholas Bull (Chair)	4	4
Simon Figgis	4	4
Marc Jordan	4	4
Abbie Rumbold	4	4

Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- a) Monitor and review procedures for ensuring the effective implementation and operation of financial procedures;
- b) To review the financial statements and recommend their approval to the Board;
- c) To receive both internal and external auditors' reports and recommend to the Board action as appropriate in response to audit findings;
- d) To recommend to the Board the appointment or reappointment of the auditors (both internal and external as deemed appropriate) of the Trust;
- e) To review the audit plans and reports of the external auditors and internal auditors, and consider the effectiveness of the actions taken by management on the auditors' recommendations;
- f) To review management's control framework and auditor assessments of controls and report to the Board on the findings and recommendations for improvements; and
- g) To review management's analysis of the Trust's strategic and operational risks and to monitor the implementation of additional controls where applicable.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Simon Figgis (Chair)	4	4
Nicholas Bull	4	4
Merlin Joseph	2	2
Abbie Rumbold	4	4

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Implementation of a new Trust-wide budgeting system to provide greater financial insight and to ensure greater consistency and efficiency in the budgeting process;
- Significant reprioritisation of budgets, to ensure that emerging priorities could be facilitated, despite external uncertainty in funding and unprecedented cost pressures;
- A more rigorous approach to integrated curriculum and financial planning for the Trust's primary schools to ensure that staffing of the curriculum is effective and efficient;
- The Trust has continued to give careful consideration to the application of both School Condition Allocation funding, revenue funding and reserves, to ensure the Trust's estate is safe, well-maintained and complies with regulations; and
- Further use of Government backed framework agreements for procurement.

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 the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Creative Education Trust for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating, and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance Committee and Estates and Properties 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 (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and during the year, PKF Smith Cooper continued as internal auditor.

The internal auditor's role for this academic year included giving advice on financial matters and performing a range of checks on the Trust's financial and relevant operational systems, and a review of IT asset management processes. The financial areas tested include purchasing, payroll, expense claims, credit card transactions, bank, and cash, connected party transactions, financial reporting and control account reconciliations, and submission of ESFA returns and other compliance matters (Head office only).

On a yearly basis, the internal auditor reports to the Board of Trustees through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The report outlines the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year-on-year progress.

The internal auditors have delivered their schedule of work as planned and there were no significant control issues noted. A small number of minor recommendations were noted, and the Trust has immediately taken action to rectify these issues.

In advance of the 2023-24 academic year, the Board of Trustees have tendered the internal audit service, and with effect from September 2023, RSM are now the internal auditors for the Trust. Following RSM's appointment, the Board are now working with RSM to develop a comprehensive internal audit strategy. This will include an expanded remit for internal audit, focused on obtaining independent assurance regarding the Trust's risk management framework, and the controls that are central to managing the Trust's key strategic risks.

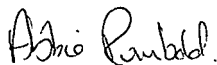
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal auditor
- The work of the external auditor
- The work of the executive leaders within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

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



Abbie Rumbold
Chair of Trustees



Marc Jordan
Accounting Officer

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Creative Education Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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



Marc Jordan
Accounting Officer
Date: 14th December 2023

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Abbie Rumbold
Chair of Trustees
Date: 14th December 2023

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CREATIVE EDUCATION TRUST**

Opinion

We have audited the financial statements of Creative Education Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- these matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academy Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

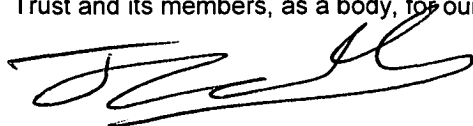
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



Joseph Scaife FCA DChA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 15/12/2023

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CREATIVE EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 April 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Creative Education Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF CREATIVE EDUCATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Creative Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issues April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 15/12/2023

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE) ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income and endowments from:							
Donations and capital grants	3	-	-	4,468	-	4,468	6,824
Other trading activities		2,760	-	-	-	2,760	2,532
Investments	6	161	-	-	65	226	66
Charitable activities		-	103,027	-	-	103,027	94,164
Other income		70	154	-	-	224	534
Total income and endowments		2,991	103,181	4,468	65	110,705	104,120
Expenditure on:							
Raising funds		-	-	-	51	51	52
Charitable activities		2,991	103,341	6,752	-	113,084	109,437
Other expenditure		-	2	-	-	2	-
Total expenditure		2,991	103,343	6,752	51	113,137	109,489
Net (expenditure)/income before net gains/(losses) on investments		-	(162)	(2,284)	14	(2,432)	(5,369)
Net gains/(losses) on investments		-	-	-	11	11	(242)
Net (expenditure)/income		-	(162)	(2,284)	25	(2,421)	(5,611)
Transfers between funds	20	-	(645)	808	(163)	-	-
Net movement in funds before other recognised gains/(losses)		-	(807)	(1,476)	(138)	(2,421)	(5,611)
Other recognised gains/(losses):							

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Actuarial gains on defined benefit pension schemes	28	-	9,362	-	-	9,362	62,028
Pension surplus not recognised	28	-	(639)	-	-	(639)	(415)
Net movement in funds		-	7,916	(1,476)	(138)	6,302	56,002
Reconciliation of funds:							
Total funds brought forward		2,031	(5,978)	211,040	3,025	210,118	154,116
Net movement in funds		-	7,916	(1,476)	(138)	6,302	56,002
Total funds carried forward		2,031	1,938	209,564	2,887	216,420	210,118

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

The notes on pages 41 to 73 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07617529

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	14		207,556		209,559
Investments	15		2,887		3,025
			<u>210,443</u>		<u>212,584</u>
Current assets					
Stocks	16	-		3	
Debtors	17	3,123		4,374	
Cash at bank and in hand		18,998		16,754	
		<u>22,121</u>		<u>21,131</u>	
Creditors: amounts falling due within one year	18	(12,697)		(12,189)	
Net current assets			<u>9,424</u>		<u>8,942</u>
Total assets less current liabilities			<u>219,867</u>		<u>221,526</u>
Creditors: amounts falling due after more than one year	19		(64)		(96)
Net assets excluding pension liability			<u>219,803</u>		<u>221,430</u>
Defined benefit pension scheme liability	28		(3,383)		(11,312)
Total net assets			<u><u>216,420</u></u>		<u><u>210,118</u></u>

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07617529

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Funds of the Academy Trust					
Endowment funds	20		2,887		3,025
Restricted funds:					
Fixed asset funds	20	209,564		211,040	
Restricted income funds	20	5,321		5,334	
Restricted funds excluding pension reserve	20	214,885		216,374	
Pension reserve	20	(3,383)		(11,312)	
Total restricted funds	20		211,502		205,062
Unrestricted income funds	20		2,031		2,031
Total funds			216,420		210,118

The financial statements on pages 36 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Abbie Rumbold
Chair of Trustees

Date: 14th December 2023

The notes on pages 41 to 73 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	2,281	884
Cash flows from investing activities	25	(263)	(568)
Cash flows from financing activities	24	226	67
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		2,244	383
Cash and cash equivalents at the beginning of the year	26	16,754	16,371
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	26, 27	18,998	16,754
		<hr/>	<hr/>

The notes on pages 41 to 73 form part of these financial statements

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

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

1.3 INCOME

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **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.

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Sponsorship income**

Sponsorship income provided to the Academy 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.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy 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 Academy 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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS

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

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

Depreciation is provided on all tangible fixed assets other than leasehold 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 basis:

Property	-	2% straight line
Furniture and equipment	-	13% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line
Motor vehicles	-	20% 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.

1.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 DEBTORS

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

1.10 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.

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES

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

1.12 PENSIONS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Under FRS 102 an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore when a pension scheme is valued at a surplus, it is recognised at a £Nil value.

1.13 FUND ACCOUNTING

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

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Capital Grants	4,468	4,468	6,824
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2022	6,824	6,824	
	<u> </u>	<u> </u>	

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

4. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
EDUCATION			
DfE/ESFA GRANTS			
GAG funding	83,499	83,499	79,459
OTHER DfE/ESFA GRANTS			
Pupil Premium	5,131	5,131	4,866
Universal Infant Free School Meals	177	177	178
16-19 Funding	3,875	3,875	3,776
Mainstream School Additional Grant	1,303	1,303	-
Schools Supplementary Grant	2,554	2,554	-
Teachers Pay & Pension Grant	167	167	-
Rates Relief	442	442	396
Other DfE Group Grants	662	662	1,894
	97,810	97,810	90,569
OTHER GOVERNMENT GRANTS			
SEN Funding	1,818	1,818	1,142
Local Authority Grants	1,652	1,652	1,186
Other Grants received	150	150	51
	3,620	3,620	2,379
COVID-19 ADDITIONAL FUNDING (DfE/ESFA)			
Recovery Premium	1,296	1,296	682
Other Covid Funding	301	301	-
Summer School Allocation	-	-	378
12-15 Vaccination Grants	-	-	19
	1,597	1,597	1,079
COVID-19 ADDITIONAL FUNDING (NON-DfE/ESFA)			
Mass Testing Funding	-	-	137
	-	-	137
TOTAL 2023	103,027	103,027	94,164

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Uniforms	12	12	6
Trip Income	571	571	433
Catering Income	1,417	1,417	1,277
Music Services Income	41	41	34
Other Income	526	526	592
Lettings Income	193	193	190
TOTAL 2023	2,760	2,760	2,532

6. INVESTMENT INCOME

	Unrestricted funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Investment income	161	65	226	66
TOTAL 2022	9	57	66	

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

7. EXPENDITURE

	Staff Costs	Premises	Other	Total	Total
	2023	2023	2023	2023	2022
	£000	£000	£000	£000	£000
Expenditure on investment management	-	-	51	51	52
EDUCATION:					
Direct costs	64,759	4,717	9,563	79,039	74,840
Allocated support costs	14,169	9,048	10,828	34,045	34,597
Other expenditure	-	-	2	2	-
TOTAL 2023	78,928	13,765	20,444	113,137	109,489
TOTAL 2022	78,655	13,322	17,512	109,489	

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations	79,039	34,045	113,084	109,437
TOTAL 2022	74,840	34,597	109,437	

ANALYSIS OF DIRECT COSTS

	Total funds 2023 £000	Total funds 2022 £000
Pension finance costs	109	394
Staff costs	62,491	59,829
Agency supply teachers	2,321	1,973
Depreciation	4,717	4,693
Educational supplies	3,327	3,495
Examination fees	1,384	1,125
External education and fees	1,243	1,136
Technology costs	32	18
Educational consultancy	1,648	1,282
Other direct costs	1,767	895
	79,039	74,840

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £000	Total funds 2022 £000
Pension finance costs	198	749
Staff costs	12,338	15,225
Depreciation	2,035	2,152
Other Costs	1,792	663
Agency Supply - support staff	1,404	880
Recruitment and other staff costs	791	615
Maintenance of premises and equipment	2,526	3,132
Cleaning	1,223	1,162
Rent and rates	884	827
Energy costs	2,188	1,202
Insurance	342	300
Security and transport	192	155
Catering	3,553	3,009
Technology costs	889	928
Office overheads	630	502
Legal & professional	1,100	1,247
Bank interest and charges	1	4
Profit/Loss on disposal of fixed assets	-	4
PFI charges	1,847	1,723
Governance costs	112	118
	34,045	34,597

9. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2023 £000	2022 £000
Operating lease rentals	258	228
Depreciation of tangible fixed assets	6,735	6,844
Fees paid to auditors for:		
- audit	61	55
- other services	10	16

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

10. STAFF

a. STAFF COSTS

Staff costs during the year for the Academy Trust were as follows:

	2023 £000	2022 £000
Wages and salaries	56,136	52,046
Social security costs	6,005	5,519
Pension costs	12,689	17,489
	74,830	75,054
Agency staff costs	3,726	2,852
Staff restructuring costs	535	748
	79,091	78,654

Staff restructuring costs comprise:

	2023 £000	2022 £000
Severance payments	181	314
	181	314

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

10. STAFF (CONTINUED)

b. SEVERANCE PAYMENTS

The Academy Trust paid 38 severance payments in the year, disclosed in the following bands:

	2023	2022
£0 - £25,000	33	32
£25,001 - £50,000	4	2
£50,001 - £100,000	1	-
£150,000+	-	1
	<u><u>38</u></u>	<u><u>35</u></u>

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

Included in staff restructuring costs are special severance payments totalling £180,917 (2021/22: £313,568). Individually, the payments were: £100, £1,224, £3,775, £4,022, £4,762, £5,100, £7,653, £8,000, £8,813, £9,573, £10,000, £10,000, £12,169, £13,000, £21,862, £27,500, £33,364.

d. STAFF NUMBERS

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

	2023	2022
	No.	No.
Teachers	784	785
Administration and support	912	918
Management (including school leadership teams)	134	134
	<u><u>1,830</u></u>	<u><u>1,837</u></u>

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

10. STAFF (CONTINUED)

e. HIGHER PAID STAFF

The number of employees whose employee benefits (including pay in lieu of notice and termination payments and excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	50	23
In the band £70,001 - £80,000	24	5
In the band £80,001 - £90,000	6	3
In the band £90,001 - £100,000	7	5
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	3	2
In the band £120,001 - £130,000	1	3
In the band £130,001 - £140,000	3	2
In the band £140,001 - £150,000	2	-
In the band £170,001 - £180,000	-	1
In the band £180,001 - £190,000	1	-
In the band £210,001 - £220,000	-	1
In the band £220,001 - £230,000	1	-

In 2023, there was a general increase of employees in the band £60,000 - £70,000 due to standard teachers' pay rises.

In 2022, there was one employee who departed in the year who would have been in the £80,001 - £90,000 banding. Payments in 2022 included salary, pay in lieu of notice and contractual redundancy (including a pension strain accrual of £223,000) which moved this employee into the £410,001 - £420,000 banding.

f. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,677,031 (2022 - £1,944,941).

For 2022 this amount includes a contractual redundancy cost (including actuarial pension strain).

One Trustee has been paid remuneration and has received other benefits from an employment with the Academy Trust. The value of the Trustee's remuneration and other benefits was as follows:

Marc Jordan (CEO and Trustee)

Remuneration £220,001 - £230,000 (2022: £210,001 - £220,000)

Employer's pension contribution paid £30,001 - £40,000 (2022: £30,001 - £40,000).

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

11. CENTRAL SERVICES

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

- Financial services
- Legal services
- Human resources
- Education support services
- Governance support services
- ICT support services
- Other as arising

The Academy Trust charges for these on a percentage of GAG income that is appropriate to the individual academy:

The actual amounts charged during the year were as follows:

	2023 £000	2022 £000
Abbeyfield Academy	409	386
Ash Green Academy	312	284
Bulwell Academy	369	354
Caister Academy	232	211
Ellis Guilford School	459	438
Harpfield Primary Academy	49	47
Hart School	386	340
Lynn Grove Academy	362	327
Milton Keynes Academy	422	390
Queen Eleanor Academy	50	47
Thistley Hough Academy	323	293
Three Peaks Primary Academy	85	84
Weavers Academy	397	372
Woodlands Primary Academy	93	87
Wrenn School	422	370
Wroughton Infant Academy	55	53
Wroughton Junior Academy	81	80
TOTAL	4,506	4,163

**CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

12. TRUSTEES' REMUNERATION AND EXPENSES

During the years ended 31 August 2022 and 2023, respectively, remuneration and retirement benefits in respect of defined benefit pension schemes were accruing to the Chief Executive Officer, see note 11f. No other Trustee received any remuneration in either year.

During the year ended 31 August 2023, travel expenses totalling £4,072 were reimbursed or paid directly to 6 Trustees (2022 - £869 to 4 Trustees). The Chief Executive Officer's expenses are excluded from this disclosure, as they were incurred in his role as an Executive Director.

13. TRUSTEES' AND OFFICERS' INSURANCE

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

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

14. TANGIBLE FIXED ASSETS

	Leasehold Property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
COST OR VALUATION					
At 1 September 2022	240,315	8,970	9,435	142	258,862
Additions	1,200	2,405	1,145	-	4,750
Disposals	-	-	(19)	-	(19)
At 31 August 2023	241,515	11,375	10,561	142	263,593
DEPRECIATION					
At 1 September 2022	37,864	4,105	7,215	119	49,303
Charge for the year	3,915	1,085	1,724	11	6,735
At 31 August 2023	41,779	5,190	8,939	130	56,038
NET BOOK VALUE					
At 31 August 2023	199,736	6,185	1,622	12	207,555
At 31 August 2022	202,451	4,865	2,220	23	209,559

Included within Property is freehold land and buildings with net book value of £34,979,136 (2022: £35,652,942).

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

15. FIXED ASSET INVESTMENTS

	Listed investments £000
COST OR VALUATION	
At 1 September 2022	3,025
Revaluations	(138)
	<u>2,887</u>
AT 31 AUGUST 2023	<u><u>2,887</u></u>
NET BOOK VALUE	
AT 31 AUGUST 2023	<u><u>2,887</u></u>
AT 31 AUGUST 2022	<u><u>3,025</u></u>

16. STOCKS

	2023 £000	2022 £000
Finished goods and goods for resale	-	3
	<u>-</u>	<u>3</u>

17. DEBTORS

	2023 £000	2022 £000
DUE WITHIN ONE YEAR		
Trade debtors	50	1,249
Other debtors	37	17
Prepayments and accrued income	2,618	2,419
Tax recoverable	418	689
	<u>3,123</u>	<u>4,374</u>

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18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£000	£000
Other loans	32	32
Trade creditors	3,339	3,388
Other taxation and social security	1,454	1,325
Other creditors	2,026	1,958
Accruals and deferred income	5,846	5,486
	12,697	12,189

	2023	2022
	£000	£000
Deferred income at 1 September 2022	1,758	3,151
Resources deferred during the year	2,240	1,758
Amounts released from previous periods	(1,758)	(3,151)
	2,240	1,758

Other loans comprise an Energy Efficient Loan from Salix Finance Limited which is a concessionary loan. The loan is unsecured, interest free and the repayment period is 8 years at £32,000 per annum. The initial loan was for £257,000.

At the balance sheet date the Trust was holding funds received in advance for 2023/24 which included Universal Free School Meal Funding, Rates, Trip Income, Bursary, Higher Level Needs, and SEN Grant.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£000	£000
Other loans	64	96

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
UNRESTRICTED FUNDS						
General Funds	2,031	2,991	(2,991)	-	-	2,031
ENDOWMENT FUNDS						
Endowment Fund	3,025	65	(51)	(163)	11	2,887
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	5,334	83,499	(82,162)	(1,350)	-	5,321
16-19 Funding	-	3,875	(3,875)	-	-	-
Pupil Premium	-	5,131	(5,131)	-	-	-
Schools Supplementary Grant	-	2,554	(2,554)	-	-	-
DfE Covid-19 Funding	-	1,597	(1,597)	-	-	-
Mainstream School Additional Grant	-	1,303	(1,303)	-	-	-
Other government grants	-	3,620	(3,620)	-	-	-
Other EFA Grants: Excluding Capital	-	662	(662)	-	-	-
Other restricted funds	-	940	(940)	-	-	-
Capital funding/Revenue expenditure	-	-	(705)	705	-	-
Pension reserve	(11,312)	-	(794)	-	8,723	(3,383)
	(5,978)	103,181	(103,343)	(645)	8,723	1,938

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

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets Fund	209,559	-	(6,752)	4,749	-	207,556
SCA and other capital grants	1,481	4,268	-	(3,941)	-	1,808
Sale of Land at Wrenn School	-	200	-	-	-	200
	<u>211,040</u>	<u>4,468</u>	<u>(6,752)</u>	<u>808</u>	<u>-</u>	<u>209,564</u>
TOTAL RESTRICTED FUNDS	<u>205,062</u>	<u>107,649</u>	<u>(110,095)</u>	<u>163</u>	<u>8,723</u>	<u>211,502</u>
TOTAL FUNDS	<u>210,118</u>	<u>110,705</u>	<u>(113,137)</u>	<u>-</u>	<u>8,734</u>	<u>216,420</u>

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

Unrestricted 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 funds (excluding pension reserve) represent funds received from the Department for Education, local authorities and other bodies and are specifically spent on the running of the academies:

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs.

Pupil Premium - This represents funding received from the ESFA for children that qualify for free school meals to enable the Trust to address the current inequalities between those children and their wealthier peers.

Other DfE/ESFA Grants - This represents funding received from the DfE and ESFA for other specific purposes.

Other restricted funds - This includes other grants and donations and income received from parents to contribute towards educational trips and other activities.

DfE Covid-19 Funding - This represents funding received by the Academy Trust relating to costs incurred due to Covid-19 such as recovery premium, mass testing funding, summer school allocation and 12-15 vaccination grants.

Pension reserve represents the movements on the Local Government Pension Schemes' Liabilities.

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20. STATEMENT OF FUNDS (CONTINUED)

Endowment funds represent an amount gifted to the Bulwell Academy and to Milton Keynes Academy by their former sponsor to "advance for the public benefit education" in those schools.

SCA and other capital grants - This represents funding from the ESFA used to cover the purchase of the Trust's assets. The fixed asset fund at the year end represents the NBV of assets and any unspent grant amounts.

The transfers represent monies spent on fixed assets, moved to restricted fixed asset funds, and revenue expenditure spent on capital.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
UNRESTRICTED FUNDS						
General Funds	1,532	2,679	(2,180)	-	-	2,031
ENDOWMENT FUNDS						
Endowment Fund	3,442	57	(52)	(180)	(242)	3,025
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	5,925	83,235	(80,287)	(3,539)	-	5,334
16-19 Funding	-	5,027	(5,027)	-	-	-
Pupil Premium	-	1,894	(1,894)	-	-	-
Schools Supplementary Grant	-	3,188	(3,188)	-	-	-
DfE Covid-19 Funding	-	1,216	(1,216)	-	-	-
Capital funding/Revenue expenditure	-	-	(1,665)	1,665	-	-
Pension reserve	(65,793)	-	(7,132)	-	61,613	(11,312)
	(59,868)	94,560	(100,409)	(1,874)	61,613	(5,978)
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets Fund	209,010	-	(6,848)	7,397	-	209,559
SCA and other capital grants	-	6,824	-	(5,343)	-	1,481
	209,010	6,824	(6,848)	2,054	-	211,040

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
TOTAL RESTRICTED FUNDS	149,142	101,384	(107,257)	180	61,613	205,062
TOTAL FUNDS	154,116	104,120	(109,489)	-	61,371	210,118

Total funds analysis by academy

The Trust manages the reserves of all schools centrally, to ensure that resources can be strategically utilised in the most effective way to support school improvement. As a result, reserves have only been disclosed at Trust level.

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
Abbeyfield Academy	5,636	447	232	2,760	9,075	9,346
Ash Green Academy	4,076	566	179	1,855	6,676	6,747
Bulwell Academy	4,757	1,030	179	3,042	9,008	8,576
Caister Academy	3,376	682	186	1,066	5,310	5,728
Ellis Guilford School	5,796	763	442	3,267	10,268	10,481
Harpfield Primary Academy	882	149	35	322	1,388	1,477
Hart School	5,301	738	206	1,805	8,050	7,992
Lynn Grove Academy	5,101	863	226	1,445	7,635	7,888
Milton Keynes Academy	5,260	626	299	2,546	8,731	9,265
Queen Eleanor Academy	828	133	92	399	1,452	1,475
Thistley Hough Academy	4,056	625	254	2,206	7,141	7,121
Three Peaks Primary Academy	1,407	222	71	583	2,283	2,366
Weavers Academy	5,273	1,024	339	2,272	8,908	9,283
Woodlands Primary Academy	1,363	407	65	636	2,471	2,495
Wrenn School	6,138	1,077	241	1,544	9,000	8,902
Wroughton Infant Academy	1,043	228	31	254	1,556	1,548
Wroughton Junior Academy	1,237	188	53	478	1,956	1,998
Central Services	958	2,570	196	1,735	5,459	6,801
ACADEMY TRUST	62,488	12,338	3,326	28,215	106,367	109,489

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	207,556	-	207,556
Fixed asset investments	-	-	-	2,887	2,887
Current assets	2,031	18,082	2,008	-	22,121
Creditors due within one year	-	(12,697)	-	-	(12,697)
Creditors due in more than one year	-	(64)	-	-	(64)
Provisions for liabilities and charges	-	(3,383)	-	-	(3,383)
TOTAL	2,031	1,938	209,564	2,887	216,420

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	209,559	-	209,559
Fixed asset investments	-	-	-	3,025	3,025
Current assets	2,031	17,618	1,481	-	21,130
Creditors due within one year	-	(12,189)	-	-	(12,189)
Creditors due in more than one year	-	(96)	-	-	(96)
Provisions for liabilities and charges	-	(11,312)	-	-	(11,312)
TOTAL	2,031	(5,979)	211,040	3,025	210,117

**CREATIVE EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

22. Total return on Permanent Endowment

	Permanent Endowment £000	Unapplied total return £000	Total funds £000
As at 1 September 2022			
Trust for investment/permanent endowment	1,737	-	1,737
Unapplied total return	-	(91)	(91)
Total as at 1 September 2022	1,737	(91)	1,646
Movements in the reporting period			
Investment return: dividends and interest	-	27	27
Investment return: realised and unrealised gains	-	48	48
Less investment management fees	-	(25)	(25)
Total	-	50	50
Unapplied total return allocated to investment fund	110	(110)	-
Net movements in the reporting period	110	(60)	50
As at 31 August 2023			
Trust for investment/permanent endowment	1,847	-	1,847
Unapplied total return	-	(151)	(151)
Total as at 31 August 2023	1,847	(151)	1,696

As shown above, in 2023, the trustees have allocated a further £110,000 (2022: £237,000) of the unapplied total return to the investment fund. This allocation reflects the indexation of 23.1% (2022: 15.8%) (cumulative CPI) for the period from the date of the original investment, to 31 August 2023. Going forward this allocation will take place annually.

The unapplied total return was negative last year, due to unrealised losses on the value of the investment resulting from the global downturn in the market.

Other endowment funds

The above note includes permanent endowment funds only, in line with Charities Commission guidance.

In addition to the above funds, the Trust is holding expendable endowment funds of £1,191,000 (2022: £1,378,000)

The total endowment funds for the Trust are therefore £2,887,000 (2022: £3,025,000).

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

23. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of financial activities)	(2,421)	(5,611)
ADJUSTMENTS FOR:		
Depreciation	6,735	6,844
Capital grants from DfE and other capital income	(4,468)	(6,824)
Defined benefit pension scheme cost less contributions payable	487	7,132
Defined benefit pension scheme finance cost	307	-
Decrease/(increase) in debtors	1,251	(1,259)
(Decrease)/Increase in creditors	510	301
(Decrease)/Increase in creditors due after one year	(32)	(49)
Returns on investments and servicing of finance	(226)	(67)
Revaluation of investments	138	417
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,281	884

24. CASH FLOWS FROM FINANCING ACTIVITIES

	2023 £000	2022 £000
Interest received	226	67
NET CASH PROVIDED BY FINANCING ACTIVITIES	226	67

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £000	2022 £000
Purchase of tangible fixed assets	(4,750)	(7,396)
Proceeds from the sale of tangible fixed assets	19	4
Capital grants	4,468	6,824
NET CASH USED IN INVESTING ACTIVITIES	(263)	(568)

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

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£000	£000
Cash in hand and at bank	18,998	16,754
TOTAL CASH AND CASH EQUIVALENTS	18,998	16,754

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1		At 31
	September	Cash flows	August 2023
	2022	£000	£000
	£000		
Cash at bank and in hand	16,753	2,245	18,998
Debt due within 1 year	(32)	-	(32)
Debt due after 1 year	(96)	32	(64)
	16,625	2,277	18,902

28. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire County Council, Warwickshire County Council, Norfolk County Council, Northamptonshire County Council, Westminster City Council, Buckinghamshire County Council and Nottinghamshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

**NOTES TO THE FINANCIAL STATEMENTS
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28. 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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £6,352,350 (2022 - £7,852,437).

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>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £5,192,000 (2022 - £4,355,000), of which employer's contributions totalled £4,062,000 (2022 - £3,359,000) and employees' contributions totalled £1,130,000 (2022 - £996,000). The agreed contribution rates for future years are 16 - 27.6 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2023	2022
	%	%
Rate of increase in salaries	3.87	3.95
Rate of increase for pensions in payment/inflation	2.87	2.95
Discount rate for scheme liabilities	5.30	4.25
Commutation of pensions to lump sums	50	50

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

	2023	2022
	Years	Years
RETIRING TODAY		
Males	20.4	21.5
Females	23.8	24.2
RETIRING IN 20 YEARS		
Males	21.4	22.7
Females	25.2	25.9

SHARE OF SCHEME ASSETS

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

	At 31 August 2023	At 31 August 2022
	%	%
Equities	60	61
Government bonds	20	17
Property	11	12
Other bonds	2	3
Cash and other liquid assets	7	7
TOTAL MARKET VALUE OF ASSETS	100	100

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

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

	2023	2022
	£000	£000
Current service cost	(4,518)	(9,205)
Past service cost	-	(210)
Interest income	2,869	1,034
Interest cost	(3,176)	(2,151)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(4,825)	(10,532)

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

	2023	2022
	£000	£000
AT 1 SEPTEMBER	73,172	127,074
Current service cost	4,518	9,205
Interest cost	3,176	2,151
Employee contributions	1,130	996
Actuarial gains	(11,213)	(64,926)
Benefits paid	(1,359)	(1,471)
Past service costs	-	210
Curtailments	31	(67)
AT 31 AUGUST	69,455	73,172

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

	2023	2022
	£000	£000
AT 1 SEPTEMBER	62,275	61,281
Expected return on assets	2,730	1,034
Actuarial losses	(1,851)	(2,898)
Employer contributions	4,062	3,359
Employee contributions	1,130	996
Benefits paid	(1,359)	(1,471)
Administration expenses	139	(26)
AT 31 AUGUST	67,126	62,275

The Academy Trust has an unrecognised pension surplus of £1,054,000 (2022 - £415,000) as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan. This is in respect of three defined benefit pension schemes operated by local authorities where the Trust has schools.

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**NOTES TO THE FINANCIAL STATEMENTS
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29. OPERATING LEASE COMMITMENTS

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

	2023 £000	2022 £000
Not later than 1 year	325	258
Later than 1 year and not later than 5 years	454	564
	779	822

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

31. RELATED PARTY TRANSACTIONS

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

Creative Education Charitable Trust, a member and the sponsor of Creative Education Trust, made a donation of nil (2022: £24,000) to Creative Education Trust during the academic year.

32. POST BALANCE SHEET EVENTS

There were no post balance sheet events to report this year.

33. CONTROLLING PARTY

There is no ultimate controlling party.