

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 2021

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	David Anderson MA, Chair Nicholas Bull BSc, FCA Karen Forster MA(resigned 31/08/2021) Simon Figgis LLB, FCA Dr William Richardson BA, D.Phil., Deputy Chair Marc Jordan BA, MA, MBA, FSA Creative Education Charitable Trust Sasha Bhavan BA, Dip Arch, RIBA (resigned 13/02/2021) Diana Gerald BA Peter Walls MA, FCIPD Abbie Rumbold MA Didem Un Ates BA, BS, MBA Emily McDonald MA, MEng, MICE (appointed 15/02/2021)
Company registered number	07617529
Company name	Creative Education Trust
Registered office	7 Sicilian Avenue London WC1A 2QR
Company secretary	Catherine Hughes (appointed 01/09/2021) Nicholas Brann (resigned 31/08/2021)
Senior management team	Marc Jordan, Chief Executive Officer Nicholas Brann, Chief Operating Officer (resigned 31/08/21) Catherine Hughes, Acting Director of Finance (appointed 01/09/21) Emily Campbell, Director of Programmes Nicole McCartney, Director of Education Mark Mumby, Director of Standards and Primary Education (retired 31/08/2021) Dena Smart, Director of Human Resources Luke Bowers, Director of Performance Gwayne Webb, Director of Teaching and Learning Dr Jason Howard, Director of Quality Assurance (appointed 01/09/21)

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

Auditors	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
Solicitors	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
Clerk to the Board	Christine Abad (resigned 31/08/21)

STATEMENT BY THE CHAIR OF TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The chairman presents his statement for the year.

The tenth anniversary of the foundation of Creative Education Trust took place against the background of continuing disruption to schools around the world because of the global pandemic. As in the previous academic year, there was a sustained period (January to March 2021) during which most pupils in England were required to remain at home during term time. Summer public exams were abandoned for students in Years 11 and 13.

The sudden improvisation and innovation in all aspects of school life that had been thrust upon us in the first year of the pandemic meant that we were well-served by tried and tested systems of some sophistication in its second year. These enabled us to deal effectively with remote learning, the provision of free school meals for those in need and ensuring safe and hygienic workplaces for those children and staff who were in school.

That this should be so is a tribute to the persistent, intelligent hard work and resilience of all Creative Education Trust staff, who continued to give their all to support the education and welfare of our children and their families. It also demonstrated the inherent benefits to our schools of being part of a Multi-Academy Trust. Clear and expert professional guidance was available from the centre on emergency planning for remote learning, risk assessment, people issues, the re-deployment of finances to support new ways of delivering education, and a host of other on-going challenges.

It is particularly gratifying to me and the Board of Creative Education Trust that the prudent and efficient management of our finances over a period of years meant that we had the resources to buy laptop computers and dongles in quantity to continue to ensure that all our pupils had access to remote learning when they couldn't attend school, and to invest in a range of education recovery programmes when all were able to return to school after the Easter break.

No one should underestimate the challenges that this return posed to pupils and staff. All schools across the country recorded a big increase in pupil mental health and well-being issues caused by extended periods of national lockdown. In the kinds of communities Creative Education Trust serves these were exacerbated by the financial worries and increased levels of distress experienced by many families. This was evidenced by the increase in the numbers of our pupils who became eligible for Pupil Premium. I am pleased that we were able to provide funds from reserves for mental health and well-being initiatives for those of our pupils in need. These will continue throughout AY2021-22 and are in addition to educational activities funded by Covid catch-up grants provided by Government.

For our staff, the end of lockdown did not mean a return to the *status quo ante*. They had to deal with assessing the extent of learning loss, re-integrating pupils into school life, setting up Covid-testing stations in school, managing year-group hygiene 'bubbles', and providing accurate and fair summative assessments for teenagers who were unable to sit the normal GCSE and A-level exams. The work seemed never-ending, but the wells of commitment and uncomplaining professionalism seemed bottomless. Once again, my Board colleagues and I would like to thank all Creative Education Trust staff for the heroic work that they undertook during the year.

What is remarkable is that against this demanding background, we made significant progress against our strategic aims. These are set out in more detail in the main text of this report. During the course of the year we realised a long-held ambition to expand the capacity and range of skills of our central education team, which grew from three to 11 members, allowing us to bring in-house areas of activity previously carried out by consultants. This also enabled us to embark on important new initiatives in accordance with our strategy.

Among the highlights were the development and implementation of an aligned curriculum across all 11 of our secondary schools; the institution of an ambitious programme of professional development for our teachers – a joint venture between our central Education and HR teams; the review and development of our SEND provision and the training of our SENDCOs; and the further development of our safeguarding provision through the appointment of two new senior executive Directors with extensive experience in this crucial area – a step that has served us in good stead in responding to the increasingly salient issue of harmful sexual behaviour in schools. We also mobilised the professional experience across the Trust in raising attendance to support our

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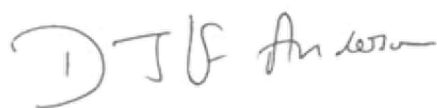
STATEMENT BY THE CHAIR OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

newer schools which have legacy issues in this area.

As an organisation we have always put high value on providing efficient and uplifting working environments for pupils and staff. I am pleased to report that we were able to accelerate our investment in the maintenance and refurbishment of our buildings and grounds through the provision by the Board of an additional £1 million from reserves to top up our School Condition Allocation funding.

The Board has continued to examine on a regular basis its performance and the match of the skills and experience around the table to the current needs of Creative Education Trust. This included planning for both executive and non-executive succession. Newer members of the Board play a full part in its deliberations and that of its committees, bringing fresh perspectives and energy. I am confident that through this iterative process of Board reflection and renewal we are ensuring the longevity of Creative Education Trust and the continuing success of our schools.

The next few years will continue to be challenging to all schools as the full extent of the educational and societal damage inflicted by the pandemic years becomes apparent. I have every confidence, however, that Creative Education Trust will be able to play a full and positive role in addressing these challenges through its schools.



David Anderson

Chair of Trustees

Date: 17 December 2021

CREATIVE EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company and the Group for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law and also covers the matters required to be disclosed under Section 172(1) of the Companies (Miscellaneous Reporting) Regulations 2018.

Structure, governance and management

a. Constitution

Creative Education Trust (the 'Trust') is a charitable company limited by guarantee and an exempt charity.

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

The Trustees referred to on page 1 are also the Directors of the Trust, and the term "Trustee" and "Director" are used interchangeably in this report.

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 (the "Academies") offering a broad and balanced curriculum.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The management of the Group and the Trust is the responsibility of the Trustees who are co-opted under the terms of the Memorandum of Association. In appointing Trustees, the Trust gives due regard to the background and experience of suitable candidates in order to achieve an appropriate balance of skills and a suitably experienced Chair for each Board committee.

During the year, the Trust had the following categories of Trustee who are, in company law terminology, Directors:

- Sponsor Directors nominated by the sponsor;
- The Chief Executive Officer (CEO); and
- Other Directors, who may be co-opted or appointed.

d. Policies 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.

The Trust is committed to the provision of information to its employees and the consideration of its employees' views.

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

Structure, governance and management (continued)

The Trust is committed to equal opportunities for disabled people in recruitment and employment, and aims to create an environment which enables them to work effectively as part of the Trust.

e. Organisational structure

The following were the various committees of the Trust operating as at the date of this annual report in the year and their principal objects. As noted more fully in the Governance Statement on pages 23 - 27, various changes to committees were made during the year. Where these resulted in changes to the objects of the committees, such changes are noted below:

Education Standards Committee (Chaired by William Richardson)

- a. To receive and scrutinise, on behalf of the Board, the Trust's education strategy, as from time to time submitted to it by the Chief Executive Officer and the Director of Education;
- b. To ensure that there is an appropriate action plan for the implementation of the agreed education strategy and to review progress in its implementation against agreed milestones and timetable on a regular basis;
- c. To ensure that there is in place an appropriate and robust school improvement methodology and a clear and forensic system of data reporting to be able to give the Board confidence in the information it receives about the progress of the Trust's schools;
- d. To ensure that appropriate Key Performance Indicators are put in place for each of the Trust's schools and the Education Team, including, but not limited to, achievement in public tests and exams, in Ofsted inspection and in national league tables;
- e. To hold to account the Chief Executive and the Director of Education for the achievement of the agreed performance indicators; and
- f. To exercise oversight on behalf of the Board on matters pertaining to the pedagogies and curricula adopted by the Trust in its schools, ensuring that these are appropriate for the delivery of the Trust's strategy for Education and Creativity.

Finance Committee (Chaired by Nicholas Bull)

- 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 accept the three-year plan of the Trust including each academy's budget 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;
- 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;
- f. To review the Trust's plans for the management of its IT function and to make recommendations as appropriate; and
- g. To review major items of capital spending.

Audit and Risk Committee (Chaired by Simon Figgis)

- a. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures;
- b. To review the financial statements that will form part of the annual report of the Board that will be filed in accordance with Companies Act and other legal requirements;
- 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;

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

Structure, governance and management (continued)

- 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 (both financial and non-financial) of the risks that are associated with the key processes and to monitor the effectiveness of recovery plans if appropriate.

In the course of the year the committee also monitored the implementation of policies relating to health and safety, safeguarding and child protection. These matters are now dealt with by the Education Standards Committee, the Estates and Property Committee, the Safeguarding Committee and the People and Remuneration Committee as appropriate.

People and Remuneration Committee (Chaired by Peter Walls)

- a. To consider, scrutinise and approve the Trust's employment policies and the success in balancing its aim to be an employer of choice and to ensure financial control;
- b. To consider, scrutinise and approve proposals for the implementation of teacher and support staff annual pay awards;
- c. To consider and scrutinise, before they are implemented, the Chief Executive Officer's decisions for Principal, Headteacher and Head Office employees' performance related pay decisions, ensuring that these have been arrived at in a fair and transparent manner, are supported by performance data, and are within the agreed budgets for the year;
- d. To consider and decide, having previously sought the views of the wider Board, the remuneration package and terms of service for the Chief Executive Officer. This will include provisions for any other benefits including pensions, arrangements for termination of employment and other contractual terms; and
- e. To consider the Chief Executive Officer's annual objectives at the beginning and end of the appraisal year, assess the end of year performance appraisal and make a determination regarding any pay increase.

Estates and Property Committee (Chaired by Sasha Bhavan to 13/02/2021, Emily McDonald from 15/02/2021)

- a. To oversee the Trust's management of its property portfolio and, where necessary or appropriate, to make recommendations to the Board;
- b. To monitor the implementation of all policies relating to Safety; and
- c. To advise on the appointment of relevant professionals (architects, engineers etc.).

Safeguarding Committee (Chaired by Karen Forster to 31/08/2021, Diana Gerald from 01/09/2021)

- a. To assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of fulfilling Trustees' responsibility to ensure that all pupils are properly safeguarded, and that the Trust and its academies are compliant with the latest statutory safeguarding requirements and guidance;
- b. To maintain oversight, on behalf of the Board, of the regular cycle of auditing of the organisation's safeguarding, and to reassure itself that appropriate training and development of staff and improvement of processes and systems are undertaken in response to audit findings to ensure the highest standards of safeguarding of pupils, and so that the Trust and its academies are fully prepared for external review; and
- c. To give appropriate advice and make recommendations on such matters to the Board on a regular basis.

Executive Committee (Chaired by Marc Jordan)

- a. With the CEO, to give detailed consideration to strategic matters in preparation for later deliberation by the Board as a whole;
- b. To provide a mechanism for making decisions on, and for responding to, urgent matters which arise between meetings of the Board; and
- c. To support the CEO in the development of strategic planning for the Group.

The Creative Education Trust Board normally meets four times a year. Each meeting is usually preceded by a more discursive strategy meeting. During the COVID-19 pandemic, the Board has met more frequently as the

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

Structure, governance and management (continued)

need has arisen. The Finance Committee and the Audit and Risk Committee each meet four times per year to exercise detailed oversight on behalf of the Board of the Trust's finances and management of risk. The Trust's Education Standards Committee, the People and Remuneration Committee, the Safeguarding Committee and the Estates and Property Committee also meet four times per year. Every other year the Board normally holds a two-day residential meeting with the senior executive team and principals and headteachers to review performance and develop strategy.

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

- The strength of the committee structure;
- Regular strategy meetings;
- The active involvement of Board members on school academy councils;
- The dissemination of management accounts to all Board members on a monthly basis; and
- Regular informal meetings between the Chair and the Chief Executive.

f. Oversight of remuneration of key management personnel

The People and Remuneration Committee is 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 world of academies and independent schools, as well as with remuneration consultants, 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. 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 2021

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	12
Full-time equivalent employee number	11

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	31,113	
Total pay bill	65,293,094	
Percentage of total pay bill spent on facility time	0.05	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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h. Engagement with employees (including disabled persons)(Section 172 Statement)

Employee engagement is one of the main strands of the Trust's People Strategy. This is delivered at a national and local level through consultation with national trade unions and at a local level with trade union and staff representatives. The Trust has a recognition agreement in place with trade unions and consults on new and amended policies before implementation. There is a substantial policy framework in place including equal opportunities, family friendly policies, health and safety, safeguarding, flexible working and employee relations policies. In accordance with the Group and the Trust's equal opportunities policy, the Group and the Trust have long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

The Trust recruited a Director of Teaching and Learning in June 2020 with responsibility for teaching staff development programmes as it recognised the need to embed a structured approach to the continuing professional development of all staff. In 2020 the Trust conducted an employee engagement survey with an external engagement organisation – Best Companies – and it was rated as a one star employer which demonstrates a very good level of employee engagement. The feedback from the survey was communicated to staff and incorporated into our on-going communications processes. The survey has been repeated in 2021 and the Trust is in the process of collating and analysing the responses. Following feedback from the Trust's initial engagement survey, it has developed an approach towards Trust-wide staff briefings to ensure that everyone understands the Trust Strategy and where they fit into the delivery of the strategy.

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

Structure, governance and management (continued)

**i. Engagement with suppliers, customers and others in a business relationship with the Academy Trust
(Section 172 Statement)**

Creative Education Trust considers its stakeholders to be as follows:

- Pupils, parents/carers, local communities;
- Teachers/employees';
- 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, text messages, emails and Facebook updates containing links to the school website. This group of stakeholders is fully consulted in terms of changes within individual schools such as change of uniform and changes to curriculum or to timetable. Consultation on key school changes, such as decrease to the Published Admission Number, 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.

Objectives and activities

a. Objects and aims

The Trust's primary object is to establish, maintain, carry on and develop primary and secondary schools ("the Academies") that are open to all children and offer a broad and balanced curriculum. It aims to improve and maintain standards with the intention that all schools should be judged at least 'Good' by Ofsted.

b. Objectives, strategies and activities

The Trust's mission is to improve standards of education, knowledge and skills for children and young people across the UK, equipping them to be successful adults in the competitive, globalised world of the future.

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.

c. Public benefit

In setting objectives and planning 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.

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

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

Objectives and activities (continued)

d. Activities for achieving objectives

The financial and academic year 2020-21 – which was the tenth year of operation for Creative Education Trust - continued to see the impact and disruptions caused to education by the global pandemic. As in 2019-20, the second year of the Covid-19 pandemic included a sustained period (January to March) during which most pupils were required to remain at home during term time, as well as the abandonment of summer public examinations for students in Years 11 and 13.

The continuing closure of schools nationally to all but vulnerable pupils and the children of key workers extended the period of challenge for all schools. Unlike at the outbreak of the pandemic, however, Creative Education Trust already had in place sophisticated and tried and tested systems for dealing with remote learning, the provision of free school meals to those in need, and for providing a safe and hygienic workplace for those children and staff who were in school.

The return of all pupils to school after the Easter break brought its own set of challenges. In addition to managing a far from normal set of physical arrangements for classrooms, movement around buildings and the intricacies of 'bubbles' and in-school testing of children for Covid-19, was the challenge of re-aculturating the mass of children to the school environment, assessing the extent of learning loss, developing appropriate remediation strategies and dealing effectively with a steep rise in mental health conditions among pupils. These efforts had to be maintained alongside the unpredictable absence of children and staff from school due to illness or because of a child testing positive within their 'bubble'. Finally, teachers faced the unprecedented task of allocating summative achievement grades to teenagers who had followed courses of study during 2019-21 designed to be assessed through final examinations and compromised by school closures. The Board would like – for a second year in a row - to take the opportunity offered by this report to note that the staff and management of Creative Education Trust and its schools rose to these continuing challenges without complaint, and with intelligence, perseverance, and fortitude.

Despite these unprecedented disruptions, during the year to 31 August 2021 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 Midlands and East Anglia. There was a particular and ongoing focus on three of the four large secondary schools that were its most recent joiners – Bulwell Academy, Nottingham, Ellis Guilford School, Nottingham and Milton Keynes Academy, Milton Keynes – each with long-term and deeply entrenched issues with educational standards and poor financial management. Financial issues at these schools are now part of the past and significant strides were made with raising educational standards, reflected in both internal assessments and early in AY2021-22, with the resumption of inspections by Ofsted, in a positive outcome for Ellis Guilford School.

The number of schools within Creative Education Trust during the year under review was seventeen, between them educating over 14,000 children and young people, employing 1,800 staff and with revenue of £94 million. In addition to the schools noted above, Creative Education Trust secondary schools were Abbeyfield School, Northampton; Ash Green School, Bedworth; Caister Academy, Great Yarmouth; The Hart School, Rugeley; Lynn Grove Academy, Great Yarmouth; Thistley Hough Academy, Stoke-on-Trent; Weavers Academy and 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 Academy and Wroughton Junior Academy, Great Yarmouth.

The Board was mindful throughout the period of the need to ensure that the demands of its new acquisitions on the Trust's resources and management capacity were properly balanced with the need to support the continuing development and improvement of its existing portfolio of schools, particularly given the continuing demands placed on resources by the Covid pandemic. Board and management were also clear about the need to continue to leverage the advantages of being a Multi-Academy Trust, through accelerating the development and adoption of common standards across the schools in a range of areas including curriculum, human resource

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

Objectives and activities (continued)

management, care of the estate and provision of school meals. The view was taken that no further expansion should take place until more 'normal' conditions should once again prevail in a post-pandemic world, when it would be responsible to reactivate in a considered way the Trust's medium-term strategy to grow to some 25 schools.

The following were the areas that Board and management agreed as priorities at the beginning of the year, to which are added those that of necessity became urgent priorities as a result of pandemic conditions:

- Continuing to manage the Trust's schools effectively through partial closure and reopening whilst minimising disruption to learning and ensuring staff and student welfare;
- Continuing to ensure that vulnerable children's needs were met, especially during periods when they were prevented from coming to school;
- Continuing to ensure its schools are viewed as community assets and that they should inspire local confidence and be beacons of reliability during the pandemic period;
- Continuing to deal with the deep-seated challenges of its more recently onboarded schools;
- Continuing to ensure that due attention was devoted to further improvements at schools within its prior portfolio so that they would be well prepared for inspection in the next academic year;
- Continuing the implementation of the Trust's five-year Strategic Plan and regularly assessing its progress and appropriateness as the contours of the post-Covid educational landscape became better defined;
- Continuing to increase the capacity of the Trust's central team to enable successful implementation of the Strategic Plan and to ensure that future growth could be undertaken successfully;
- Further developing its employee engagement, training and development, and staff welfare programmes;
- Integrating its unique 'Knowledge Connected' programme fully into a curriculum model aligned across all the Trust's secondary schools;
- Continuing to ensure that pupils had an ever expanding access to cross-trust events designed to build pupil confidence, self-worth and cultural capital with considerable investment in virtual events;
- Utilising the Trust's proprietary finance and curriculum analysis tool with ever increasing sophistication to ensure the most productive balance between operating efficiency, value for money and high educational outcomes;
- Continuing to use up-to-date condition surveys to inform the maintenance and development strategy for the Trust's extensive holdings of buildings and land and to implement its medium-term, prioritised plans for the allocation of resources; and
- Continuing to implement uniform cross-trust standards and protocols for Health and Safety, and the delivery of services such as presentation and cleaning of buildings, maintenance of grounds and provision of meals.

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

Strategic report

Achievements and performance

a. Key performance indicators

The Trust employs a variety of key performance indicators to measure performance in the various areas of its operations.

The most important measures for financial purposes are:

- Achievement of a surplus on its operations (excluding 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 equal to at least five per cent of the total income of the Trust for the year (excluding amounts attributable to transfers of academies into the Trust).

Both measures were achieved in the year.

Other KPIs employed include:

- Percentage attendance across all phases compared to national and reference individual academies which have either performed well or improved;
- The breadth and quality of our curriculum;
- Progress 8 compared to national standard (in terms of gap closing) or improvements;
- Average grade for A-Level and Vocational at Post-16 compared to national and reference individual academies which have either performed well or improved;
- Reading, Writing, Maths (RWM) attainment scores for primary academies (expected standard), highlighting improvements at individual level or trust-wide, reference to national outcomes where appropriate;
- Ofsted judgements – including overall %, individual outcomes and progress journeys;
- Average days sickness per employee; and
- Staff turnover.

We are prioritising the intelligent use of Covid catch-up funding to ensure that all children have access to the support they need to achieve positive social and educational outcomes.

b. Going concern

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

c. Promoting the success of the company (Section 172 Statement)

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 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

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

Strategic report (continued)

Achievements and performance (continued)

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.

- 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, by having confidential briefings at its regular pre-board meeting strategy events and at its biennial two-day policy retreat from well-informed individuals from the worlds of education and public policy. 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 further expand 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 25 mature and successful Multi-Academy Trusts across England. Its CEO is currently 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.

The interests of the company's employees:

- This year has seen further implementation of the People Strategy and in particular the development of the Recruit, Train, Retain strategy which aims to ensure the Trust is fully staffed with high quality people. The Trust's approach has been to promote itself through high quality advertising and promotion of opportunities on the website plus the increased use of social media opportunities to profile the Trust's brand. This has increased the applicant pool and resulted in a reduced vacancy rate.
- There has been a significant step forward in the Trust's approach to learning and development for teaching and support staff. The Trust has contracted with the National College as a source of training material applicable to all staff.
- Employee engagement is a high priority for the Trust and to ensure that all staff understand the part they play there have been two Trust-wide events during the year; the first was a strategy workshop delivered to every school which set out the Trust's five-year strategy. This was followed up in September with a briefing on the key priorities for the year and an introduction to Head Office leaders. The level of employee engagement will again be measured by the Best Companies survey in the autumn term 2021.
- The Trust has a long-held ambition to improve its people management IT systems and this is now being realised. In the summer of 2021 the Trust successfully tendered for a new HR/Payroll system which will improve the reliability of employee data and will give an easy access to staff and line managers through self-service portals. The system is expected to be implemented by Easter 2022.
- The Trust has a trade union recognition agreement and continues to consult at both a national and local level.

The need to foster the company's business relationships with suppliers, customers and others:

- 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 2021

Strategic report (continued)

Achievements and performance (continued)

- 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 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 an 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 current pandemic. 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 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.
- 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 to the forefront of curriculum design and delivery in Creative Education Trust schools.
- In the management of its extensive holdings of land and buildings the Trust pays particular attention to 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, installing energy efficient windows and roofing materials, to an extensive rolling programme of replacement of fluorescent light fittings with LED. Where the Trust has the good fortune to be able to procure new building projects these are BREEAM (the leading sustainability assessment method for such projects) compliant and where possible photovoltaic panels are installed. There is a policy of involving pupils in the design process for new projects with an emphasis on the understanding of environmentally responsible building practice.

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 Academies Financial 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. 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

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

Strategic report (continued)

Achievements and performance (continued)

- ICSA/CST Guidance on Healthy Organisational Culture in Academy Trusts.

d. Review of activities

The ongoing challenges posed by the global pandemic have been remarked upon above, as has the continuing positive response by all Creative Education Trust staff. Those at school level were helped and enabled to continue to ensure that children received high-quality education and pastoral care by the resilience of the systems and processes that underpin all Creative Education Trust activity, and by the quality of support and advice that they have been able to draw on from the central teams in Education, Programmes, Finance, IT, HR and Estates. This reflects a conscious programme by the Board of investing to build high quality professional services and to realise to the full the possibilities of being a high-performing Multi-Academy Trust in order to deliver on the goals set out in the Trust's Strategic Plan.

These continuing developments were evident across a number of the Trust's central functions, but most particularly in the areas of Education and Human Resources. Since the succession to the role of Director of Education in September 2020 the development of the Trust's Education team and activities in line with the Strategic Plan has been continuous, with an expansion from three to 11 team members, greatly widening the range of expertise and capacity available to the schools. Among the new roles are: Director of Learning and Teaching, who together with a Teacher Training Co-ordinator and the Research Lead has been working closely with HR colleagues to develop the Trust's internal Initial Teaching Training (ITT) capacity and to extend its relationships with high quality external training providers, as well as setting up 60 cross-trust professional groups (Academic Communities) to share and develop good practice across a wide range of subject areas and activities; Director of Performance, who together with a dedicated data analyst has completed the upgrading of all the Trust's educational data systems and reporting, and who directs the work of newly appointed Trust Specialist Leads for English, Maths and Science, the latter realising a long-held ambition to bring these functions in-house; and, more recently, Director of Quality Assurance who together with a dedicated Director of Safeguarding significantly strengthens our oversight and development of this area.

The co-creation in the Trust's Strategic Plan of a clear curriculum model consisting of three components – the Academic Curriculum, the Knowledge Connected Curriculum and the Ambition Curriculum – was an exciting development supported by all school leaders. This was introduced across the Trust's secondary schools in 2020-21. The Academic Curriculum, delivering powerful knowledge to students, is now established in all 11 Creative Education Trust secondary schools and is in development for the Trust's primary schools. This shared curriculum has been commented on positively since the recommencement of Ofsted inspections.

In the course of the year, the Trust's school improvement model was greatly refined and developed with continuous impact measurement controls in place – a development appropriate to the current scale and complexity of the organisation. In addition to the significantly increased detail, sophistication and timeliness of available performance data, the institution of an Academy Improvement Board (AIB) for each school has completed the formalisation of the analytical and management processes around the way each school is held to account for educational performance. The AIBs are also the forum in which school-specific improvement support is specified and its implementation assessed. In spite of the absence of public examinations and reliable national benchmarks, internal data all suggests that Creative Education Trust schools continue to move forward against their accountability measures.

Inevitably the return to school mid-year for the majority of pupils gave an additional set of restorative priorities including safeguarding, SEND, mental health and well-being, as well as the need to deal with the consequences of rising levels of poverty in the communities served by Creative Education Trust schools. The central team supported school leaders in all of these areas through focused and specialised initiatives enabled by the Trustees' wish and ability to commit additional 'recovery' funds from reserves, just as earlier in the pandemic

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

Strategic report (continued)

Achievements and performance (continued)

they had been able to fund the purchase of large numbers of additional devices so that all Creative Education Trust pupils had access to remote learning.

Enabled by the embedding of the Programmes Team within the Education Team, the work of school improvement and the establishment of the common Academic Curriculum were complemented by the delivery of the Knowledge Connected Curriculum, and the Ambition Curriculum, intended to widen horizons and add to cultural capital. Most programmes took place in virtual form in 2020-21, but the resourcefulness of the team led by the Director of Programmes ensured that they still added significant value to the educational experience of Creative Education Trust pupils. Events which were delivered online included the 'Our World' programme for primary pupils, the Days of Shakespeare for secondary pupils, as well as the sixth-form Public Speaking and Essay Prizes. Regrettably, health concerns made it impossible for a second consecutive year to hold the always popular cross-trust sporting events. Programmes staff also made extensive plans for a new cross-trust employability programme linked to but going beyond the schools' Careers Education, Information, Advice and Guidance (CEIAG) work, and for a Creative Education Trust alumni network, both to be activated in 2021-22.

The Creative Education Trust strategy attaches great importance to the development of the Trust's employees in all professional disciplines. 2020-21 saw further positive developments in how staff are recruited, inducted, developed and retained. The Creative Education Trust brand is now established as a strong one with the power to attract good job candidates. This was reinforced during the year as the Trust's curriculum alignment work became more widely known among teachers. The emphasis in recruitment to all disciplines was to continue the professionalisation of processes, including the making of a "Work for Us" video, the development of remote interviewing techniques and the training of managers in selection techniques. A more diverse pipeline of supply was developed and close external partnerships – including with the University of Warwick and Teach First – were developed. Refinements were made to the induction process for new staff including the use of the Trust's video "Introduction to our Strategy", the publication of a Staff Handbook, the introduction of clear induction templates for managers to use, and the implementation of a probation policy across all roles.

A proactive approach to ITT was taken jointly by the HR and Education teams. It is anticipated that the new internal teacher development resources and newly formed or re-booted relationships with external providers will start to have a positive impact on quality of teaching and retention of teachers in 2021-22. In parallel with these developments, a support staff training needs analysis was undertaken, which will start to bear fruit next year too. Training in Health and Safety, GDPR, Equalities, and e-safety has already been rolled out to all staff. Employee engagement and the understanding of employee attitudes had taken a great step forward at the end of the previous academic year with the participation for the first time by Trust staff in the Best Companies survey. As well as giving Creative Education Trust a 'one star' rating, which places it among the top 100 UK public and not-for-profit employers, this provided considerable material to aid the planning of HR developments in the year under review. This survey will be repeated on an annual basis. The introduction of the Perkbox employee benefits scheme was well received, as were the introduction of a trust-wide Employee Assistance Programme (EAP), increased benefits for maternity and paternity leave, a rent deposit scheme and a cycle to work scheme. Legacy holiday pay issues for casual and term-time staff were successfully resolved in-year. Considerable work was undertaken by the Director of HR, supported by the Head of IT, to specify a new HR and payroll system, which when introduced in April 2022 will provide much greater efficiency and significantly improved management information to underpin future developments in people policy.

While much of the energy of the IT team continued to be taken up with supporting remote learning and ensuring that all pupils had access to suitable devices to enable their engagement with learning when not physically in school, progress was nevertheless made in developments for the future. Building on the investment in IT of 2019-20, the upgrading of hardware and infrastructure in the Trust's schools continued apace through 2020-21. In addition to the support given to HR in specifying what promises to be a transformative new HR and payroll system, consultation and planning were begun for a general overhaul of current school management information

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

Strategic report (continued)

Achievements and performance (continued)

systems (MIS) and their replacement with a Cloud-based system that will enhance considerably efficiency at school and Trust levels. A tender process is ongoing with a view to the new system going into active use in time for the start of the 2022-23 academic year.

Creative Education Trust's commitment to maintaining and enhancing its estate – which varies from schools constructed under the Building Schools for the Future programme, to those dating back many decades – continued unabated through the year, even though the pandemic threw up numerous difficulties and distractions. Prudent management of the Trust's finances over recent years meant that in December 2020 Trustees were able to make available an additional £1 million to augment the School Capital Allocation (SCA) funding, of which £0.6 million was spent during 2020-21 and the rest allocated to projects in 2021/22. This enabled the Estates and Facilities team to bring forward important aspects of the planned schedule of maintenance and improvement works. A complete series of detailed condition reports has enabled a prioritised strategic plan with a detailed five-year horizon and a more generalised ten-year one to guide investment. Sadly, as is common across the country, projected SCA funding is inadequate to the needs of an ageing estate, but Trustees remain committed to augmenting this from reserves as and when they can.

As in the first pandemic year, the Estates and Facilities team continued – alongside their regular work - to be the practical lynchpin of the organisation, providing clear interpretation of government guidance for the Trust's school leaders, as well as taking the lead in the vital work of establishing and reviewing regularly Risk Assessments and organising the operational aspects of the Trust's schools in response to rapidly evolving circumstances, which included the requirement to set up in-house Covid-19 testing stations. As in the previous year, expert external audit of Creative Education Trust's Health and Safety management put it in the top group of Multi-Academy Trusts nationally.

Financial review

During the year ended 31 August 2021, the Trust received income of £94m of which £89m related to restricted income funds, £2m related to unrestricted funds, and £3.2m 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 £73m was received in the year to 31 August 2021 (2020: £69m) and other grants including pupil premium and capital grants from the ESFA/ DfE totalled £19m (2020: £17m).

The Trust had expenditure (excluding expenditure allocated to the pension reserve) of £94m including £88m of expenditure from restricted and unrestricted income and £6m of depreciation allocated directly against the restricted fixed asset fund. In addition, the Trust invested £2m of restricted income funds into the purchase of fixed assets including a £0.6m strategic investment from reserves to accelerate school condition projects.

As a result of the above, the Trust's surplus on restricted income and unrestricted income funds (excluding deficit on the pension reserve) for the year to 31 August 2021 totalled £1.5m. This was higher than budgeted, primarily due to £0.3m of supplier delays (related to Covid-19 disruption) in the delivery of IT equipment, which will now be incurred in the year to 31 August 2022 and £0.4m of reduced expenditure resulting from part-closure of schools due to the Covid-19 pandemic.

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

Strategic report (continued)

a. Reserves policy

The Trustees' policy is to carry forward a prudent level of reserves designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, plus a contribution towards future capital projects, subject to the constraint that the level of reserves does not exceed the level permitted by the Trust's Funding Agreement and the Education and Skills Funding Agency. The Trustees' current policy is to hold a level of unrestricted and restricted income funds equal to at least five percent of the total income of the Trust for the year.

The Trust's income reserves at the 31 August 2021 total £7.5m, which is eight percent of the Trust's unrestricted and restricted income funds. As detailed in the financial review above, a higher-than-expected surplus was generated in the last academic year due to the ongoing pandemic and the related disruption and this has increased the reserves balance. As a result of the level of reserves exceeding five percent, the Trustees' have approved that in the next academic and financial year (the year to 31 August 2022), reserves of £0.5m will be invested in developments focused on mental health and wellbeing, community engagement, staff development, EduTech and pupil-direct additionality. In addition, a further £0.4m will be spent on accelerating school condition projects to improve the Trust's estates and facilities. In addition to this, the Trustees' will be considering further investment from reserves at each Finance Committee meeting, particularly in the areas of supporting school improvement and catch-up from the pandemic and further investment in improvements to our school estates and facilities.

In addition to the restricted and unrestricted income reserves, the Trust holds reserves of £209m of restricted fixed asset funds and £3.4m of endowment funds. The endowment funds relate specifically to Milton Keynes Academy and 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.

b. Investment policy and performance

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.

c. Principal risks and uncertainties

The principal risks for the Trust during the next few years are:

- Recruitment and retention of students in those schools that are under capacity and not oversubscribed at traditional entry points. This is monitored carefully and the financial impact is modelled.
- Ensuring the Trust remains solvent. The financial position is kept under constant review and is subject to regular scrutiny by the Board and the Finance Committee.
- Recruitment of suitably experienced Principals, Head Teachers, senior leaders and teachers. The Trust continues to follow a number of initiatives to widen its search and to ensure that the Trust is an employer of choice.
- Changes in Government policy with regard to funding and teachers' pay. The Trust's business model is highly sensitive to changes in funding and costs of providing education for its students. The situation is kept under constant review.
- Maintaining high levels of safeguarding. The Trust attaches the greatest importance to the safeguarding of children at its schools. Its policies and procedures are kept under constant review and the Board ensures that the Trust keeps safeguarding at the forefront of its activities.
- Poor academic achievement showing in national performance tables and leading to falling student numbers and undesirable Ofsted judgements. The Trust maintains accurate and complete school performance data

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

and continuously trains staff in different academies to maintain and improve standards. Remedial action is taken to reduce risk where concerns arise.

- Physical injury caused to pupils, staff or visitors to schools as a result of fire, flood, explosion, defective premises or equipment, classroom activities, electrical malfunction or for other reasons, and to pupils and staff on school-led external activities. The Trust is committed to 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 Principals, teaching staff, other staff, pupils and contractors.
- PR damage caused by publication of materials, by poor behaviour of Trust staff or occurrence of any other events that have a negative impact on the reputation of the Trust or on a school within it. The Trust maintains a procedure for dealing with major incidents and for non-compliance, and also maintains an e-safety policy.
- Failure of compliance procedures or breakdown in availability of reliable information within the Trust as a result of malfunction caused by external sources or human error, leading to the Trust's loss of ability to function, or leakage of sensitive information outside the Trust, whether relating to the Trust or third parties. The Trust's e-safety policy provides guidance on data security. Storage of information on the Cloud greatly reduces risk of malfunction. The Trust employs the latest software to combat viruses, malware and spyware and staff sufficiently experienced to combat risk of data loss. A specialist GDPR officer ensures compliance with GDPR rules.
- Loss of key staff through resignation, ill health or otherwise. The Trust identifies individuals who have a material impact on day-to-day running of the Trust and its schools and is developing contingency plans for dealing with the eventuality of those individuals no longer working for the Trust.
- Failure to provide relevant, reliable, and timely information to appropriate stakeholders within the Trust to enable the measurement and management of the performance and effectiveness of its activities. 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.
- Failure to follow effective procedures for the management of human resources throughout the Trust. 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 is 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.

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.

The Trust's financial risks are also monitored through regular review of financial controls. The Trust's internal auditors, PKF Smith Cooper, visit sites on a regular basis and carry out a review of controls; all their reports with management responses are reviewed by the Audit and Risk Committee.

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

d. Effectiveness review

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee: the strength of financial controls is kept under constant review.

Streamlined energy and carbon reporting

The Group's greenhouse gas emissions and energy consumption are as follows:

	2021	2020
Energy consumption used to calculate emissions (kWh)	20,491,251	18,875,203
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas and Heating Oil consumption	2,648	2,322
Owned transport	6	16
Total scope 1	2,654	2,338
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	1,326	1,463
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	18	37
Total gross emissions (in tonnes of CO2 equivalent):	3,998	3,838
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.28	0.28

The Group has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

During 2020/21 the Trust has continued to progress intelligent investment into new equipment and technologies. However, the significant business interruption from Covid-19 had meant that many systems and processes have been altered to enable the Trust to respond to safety measures, revisions to facilities and layouts. A key feature of the Covid-19 response has meant that schools have had to abide by control measures which in turn have

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

Streamlined energy and carbon reporting (continued)

meant that energy management arrangements have been impacted. Ventilation improvements in schools have led to higher energy consumption.

Capital investment is now increasingly focused upon strategies for sustainability. Overall carbon reduction continues, and this is being achieved through widespread LED investment, upgrading of inefficient plant and equipment as well as supporting more widespread cultural change that is required. As well as the Trust's ability to work its own schools, it is increasingly working with suppliers and contractors to ensure that they too are working to reduce emissions, reducing waste and moving to more efficient transportation.

Plans for future periods

In December 2019 the Board of Creative Education Trust approved a new Strategic Plan through to the end of Academic Year 2023. This was the culmination of 18 months of discussion and consultation between the Board, senior management and school leaders. The immediate stimulus to this work was the common understanding that in the previous five years Creative Education Trust had established itself as an effective and respected player on the national education scene. It had built up its capability to repair and restore damaged schools and so improve the educational opportunities and life-chances of its pupils, as reflected in the serial achievement of Ofsted 'good' ratings for schools that entered the Trust in difficulties. The ambition for a creative curriculum exemplified in the Trust's unique 'Knowledge Connected' curriculum and a wide range of high-grade and imaginative enrichment programmes for all pupils had been firmly embedded in its schools.

The Strategic Plan recognised that the Trust was entering a new phase in its development, which required it to review, refresh and adapt the way it works in order to:

- Sustain and further improve the good performance of existing schools;
- Take those schools that are best placed to Ofsted 'outstanding';
- Deliver a curriculum which prepares its pupils for their futures and meets Ofsted expectations for good and better schools;
- Ensure that developing pupils' capacity for creative thinking is fully realised;
- Deliver its promise to make its schools beacons of excellence and agents of renewal in their communities; and
- Expand the portfolio of schools and restore additional under-performing schools without compromise to those already in the Trust.

The Board's vision for Creative Education Trust in 2023 is that it should be recognised as a system-leading educator because:

- Its schools are beacons of educational and cultural excellence and agents for renewal in their communities;
- The Trust is ambitious for its children and relentlessly focused on ensuring that the Creative Education Trust child is an educated, confident, active and responsible citizen;
- Its schools produce outstanding results in public exams and tests for children according to their ability with no one left behind, and ensure that each one goes on to the best university, college or apprenticeship of which they are capable;
- The Trust cultivates and encourages creative ways of thinking through connecting knowledge and deploying skills that equip the Creative Education Trust child to embrace successfully the challenges of the 21st-century world of work;
- It gives its children access to a global cultural heritage that stimulates their curiosity, ambitions and understanding, giving them horizons far beyond their homes and communities;
- The Trust deepens the understanding of children and staff in the past, present and future potential of the community their school serves;

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

Plans for future periods (continued)

- Its ideals and successes make Creative Education Trust a place where the best talent wants to work, creating a virtuous circle that reinforces its educational ambitions; and
- The Trust embraces new technologies to help it deliver the best education for its children.

In order to further this vision, Creative Education Trust has established the following strategic objectives which, together with the detailed action plans that underpin each of them, have continued to guide and inform the Trust's work in the year under review, notwithstanding all the challenges arising from the world health crisis:

- Growth – become a network of some 25 schools
- Education – achieve success across all measures and become a system leader
- Creativity – develop pupils' ability to combine knowledge and skills in new ways
- Community – ensure schools are active and valued participants in local and regional life
- People – recruit the best people with the right skills in the right places
- Places – make the estate safe, functional and uplifting
- Finance – maintain financial viability and create surpluses to re-invest
- Reputation – gain recognition as a system-leading MAT and influence public policy.

Despite the challenges and distractions of the Covid-19 crisis, considerable further practical progress was made in the course of the year towards achieving these aims. Trustees continued to work with senior management to review progress on a regular basis both through the Board's specialist Committees and collectively. They also commissioned an external review of the appropriateness and workings of the strategy from Sir David Carter, former National Schools Commissioner, which reflected favourably on the plan and its delivery. As the world health crisis recedes, Creative Education Trust will continue to focus on the delivery of its strategic goals.

School Fund

Each Academy has a School Fund that is created through fundraising and contributions. The majority of the funds held are related to specific projects that range from trips by pupils to asset enhancement. Each fund is managed by the relevant Academy and is included in the Trust's Balance Sheet as part of unrestricted or restricted income funds.

Disclosure of information to auditor

Insofar as the Trustees are aware:

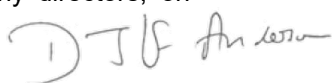
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on **17 December 2021** and signed on its behalf

by:



David Anderson
Chair of Trustees

GOVERNANCE STATEMENT

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.

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

Governance review:

Trustees consider their individual and collective skills and effectiveness on an ongoing basis. They are also mindful of diversity and succession, and have used recruitment to vacancies over the past four years to ensure that the composition of the board better reflects the Trust's inclusive values and supports the longevity of the Trust. Towards the end of AY2020-21, as in previous years, the Chair carried out a formal review of the Board's composition and performance. This was conducted through a skills and networks audit of current Directors to ensure that the professional basis of the Board's scrutiny and guidance of executive activity remained appropriate to the needs of the Trust. The audit also aimed to identify any present skills gaps or those that might arise in the near future through retirement of members of the Board. This was accompanied by a detailed on-line questionnaire completed by each Trustee. This formed the basis for confidential one-to-one discussions for each Trustee with the Chair, who also held similar conversations with senior executives. These discussions together with anonymised extrapolations of the key themes of the questionnaires were the basis for an extended Board discussion of its effectiveness and planning for succession at its summer 2021 strategic meeting, and again at a closed session for Board members at its Board and Senior Staff Retreat in November 2021. In addition, in the course of year the Trust commissioned an external review of the appropriateness of its strategic plan and the effectiveness of its implementation from Sir David Carter, former National Schools Commissioner, which considered among other topics the quality of governance.

The Carter Review reflected positively on the quality and effectiveness of Creative Education Trust's governance, while the main findings of the Trust's internal review process and the actions arising were:

- The Board wished after the disruptions of the Covid period to re-establish its direct relationships with Trust schools through a series of regular visits, which have been scheduled throughout calendar year 2022.
- The Board wished to devote extended time at its future meetings to the consideration of the progress of the Trust's education strategy against the background of national disruptions, and to monitoring the impact of work and investment in post-pandemic educational remediation. To this end, the agenda for future Board meetings was revised and the Chair, Chief Executive and Director of Education developed a revised approach to reporting to the Board on education matters.
- The Board wished to continue its process of diversifying its membership and identifying the next generation of Trustees through the opportunities that had or were about to arise through the resignation of one Trustee at the end of the academic year, and the impending retirement of the Chair and another long-standing Trustee at the end of AY2021-22. A committee of the Board was constituted to deal with succession to the post of Chair of the Trust, and consideration is to be given early in 2022 to recruitment to the two further vacancies to be filled in time for AY2022-23.

The next governance review will take place in summer 2022.

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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The Creative Education Trust Board and each of its Committees meet four times per year. Each formal board meeting is normally preceded the day before by an extended strategic discussion meeting for non-executive directors and senior executives of the Trust. Every other year the Board normally holds a two-day residential conference with the senior executive team and the Trust's Principals and Headteachers to review performance and develop strategy. The meeting scheduled for June 2020 was rescheduled for June 2021, but eventually was successfully held in November 2021.

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

Trustee	Meetings attended	Out of a possible
David Anderson, Chair	4	4
Dr William Richardson	4	4
Sasha Bhavan	2	3
Nicholas Bull	4	4
Simon Figgis	4	4
Karen Forster	4	4
Diana Gerald	4	4
Marc Jordan, CEO and AO	4	4
Abbie Rumbold	2	4
Peter Walls	4	4
Didem Un Ates	3	4
Emily McDonald	2	2

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to take a proactive and strategic stance in support of the financial affairs of the Group; to receive and review financial data relating to the Group; and to take decisions relating to financial matters and to report these to the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Nicholas Bull, Chair	4	4
David Anderson	2	4
Simon Figgis	4	4
Marc Jordan, CEO and AO	4	4

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to oversee, review and make recommendations relating to governance, financial procedures, statutory accounts and risks, and to report these to the Board. The Audit and Risk Committee also recommends to the Board the appointment of external auditors.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Figgis, Chair	4	4
David Anderson	3	4
Nicholas Bull	4	4
Abbie Rumbold (joined 04/12/2020)	3	3
Karen Forster (last meeting 18/09/20)	1	1

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Estates and Property Committee is also a sub-committee of the main Board of Trustees. Its purpose is to oversee the Trust's management of its property portfolio.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sasha Bhavan (Chair, until 13/02/21)	3	4
Emily McDonald (Chair, from 14/02/21)	4	4
Richard Tapp (Co-opted)	3	4
Nicholas Bull	4	4

The Education Standards Committee is also a sub-committee of the main Board of Trustees. Its purpose is to maintain oversight of the Trust's school improvement strategy.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr William Richardson (Chair)	4	4
Sir Andrew Carter (Co-opted)	4	4
Kirsty Dias Watson	3	4
Abbie Rumbold	4	4
Steve Taylor (Co-opted)	4	4
Didem Un Ates	4	4
Marc Jordan	4	4

The Safeguarding Committee is also a sub-committee of the main Board of Trustees. Its purpose is to maintain oversight of safeguarding procedures.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Karen Forster (Chair)	4	4
Diana Gerald	4	4
Abbie Rumbold	4	4
Marc Jordan	3	4

The People and Remuneration Committee is also a sub-committee of the main Board of Trustees. Its primary purpose is to establish and monitor on behalf of the Board a clear and fair process for the review of all aspects of remuneration and organisational culture.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Peter Walls (Chair)	4	4
David Anderson (joined 08/12/2020)	1	3
Diana Gerald	4	4
Simon Figgis	3	4
Marc Jordan	3	4

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by applying the resources of the Trust to improve educational outcomes for children, whilst managing resources more effectively. Continuing initiatives include detailed analysis of curriculum planning efficiency and 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 on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Creative Education Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to employ PKF Smith Cooper as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial and relevant operational systems. On a yearly basis (in some cases twice-yearly) 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.

On a regular 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

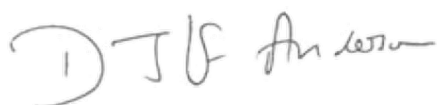
GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress

The internal auditors have delivered their schedule of work as planned and the Trust has taken remedial action against the control issues raised by the internal auditors

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



David Anderson
Chair of Trustees



Marc Jordan
Accounting Officer

Date: 17 December 2021

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

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

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



MLA Jordan
Accounting Officer

Date: 17 December 2021

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

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

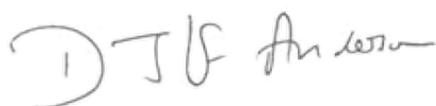
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group'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:



David Anderson

Chair of Trustees

Date: 17 December 2021

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Creative Education Trust (the 'Trust') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, incorporating Income and Expenditure Account, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors 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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

We have nothing to report in this regard.

Opinions 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 incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, including the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the parent Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated 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 Directors

As explained more fully in the Trustees' Responsibilities Statement on page 29, the directors 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 Directors 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 Directors 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 Directors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 the 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. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

Use of the audit 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 auditor's 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 the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



Richard Bott (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 21 December 2021

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 25 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Creative Education Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Creative Education Trust and the 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 the 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 the 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 Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

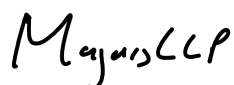
- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street
Bristol
BS1 6DP

Date: 21 December 2021

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income and endowments from:							
Donations and capital grants	3	3	-	27	-	30	76
Other trading activities	5	1,627	-	-	-	1,627	2,044
Investments	6	4	-	-	55	59	71
Charitable activities	4	-	88,780	3,228	-	92,008	86,491
Other income	7	177	182	-	-	359	349
		<u>1,811</u>	<u>88,962</u>	<u>3,255</u>	<u>55</u>	<u>94,083</u>	<u>89,031</u>
Total income and endowments							
Expenditure on:							
Raising funds		10	-	-	55	65	90
Charitable activities	9	1,470	91,411	6,280	-	99,161	92,752
Other expenditure	10	-	1	-	-	1	(119)
		<u>1,480</u>	<u>91,412</u>	<u>6,280</u>	<u>55</u>	<u>99,227</u>	<u>92,723</u>
Total expenditure							
Net gains/(losses) on investments		-	-	-	568	568	(34)
		<u>331</u>	<u>(2,450)</u>	<u>(3,025)</u>	<u>568</u>	<u>(4,576)</u>	<u>(3,726)</u>
Net income/(expenditure)							
Transfers between funds	23	-	(1,315)	1,315	-	-	-

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Net movement in funds before other recognised gains/(losses)		331	(3,765)	(1,710)	568	(4,576)	(3,726)
Other recognised losses:							
Actuarial losses on defined benefit pension schemes	31	-	(9,865)	-	-	(9,865)	(4,422)
Net movement in funds		331	(13,630)	(1,710)	568	(14,441)	(8,148)
Reconciliation of funds:							
Total funds brought forward		1,201	(46,238)	210,720	2,874	168,557	176,705
Net movement in funds		331	(13,630)	(1,710)	568	(14,441)	(8,148)
Total funds carried forward		1,532	(59,868)	209,010	3,442	154,116	168,557

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

The notes on pages 44 to 80 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	17		209,011		210,644
Investments	18		3,442		2,874
			<u>212,453</u>		<u>213,518</u>
Current assets					
Stocks	19	3		6	
Debtors	20	3,115		3,155	
Cash at bank and in hand		16,371		13,222	
		<u>19,489</u>		<u>16,383</u>	
Creditors: amounts falling due within one year	21	(11,888)		(10,107)	
Net current assets			<u>7,601</u>		<u>6,276</u>
Total assets less current liabilities			<u>220,054</u>		<u>219,794</u>
Creditors: amounts falling due after more than one year	22		(145)		(182)
Net assets excluding pension liability			<u>219,909</u>		<u>219,612</u>
Defined benefit pension scheme liability	31		(65,793)		(51,055)
Total net assets			<u><u>154,116</u></u>		<u><u>168,557</u></u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Funds of the Group					
Endowment funds	23		3,442		2,874
Restricted funds:					
Fixed asset funds	23	209,010		210,720	
Restricted income funds	23	5,925		4,817	
Restricted funds excluding pension liability	23	214,935		215,537	
Pension reserve	23	(65,793)		(51,055)	
Total restricted funds	23		149,142		164,482
Unrestricted income funds	23		1,532		1,201
Total funds			154,116		168,557

The financial statements on pages 37 to 80 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



David Anderson
Chair of Trustees

The notes on pages 44 to 80 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

TRUST BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	17		209,011		210,642
Investments	18		3,442		2,874
			<u>212,453</u>		<u>213,516</u>
Current assets					
Stocks	19	3		6	
Debtors	20	3,115		3,147	
Cash at bank and in hand		16,371		13,170	
		<u>19,489</u>		<u>16,323</u>	
Creditors: amounts falling due within one year	21	(11,888)		(10,107)	
Net current assets			<u>7,601</u>		<u>6,216</u>
Total assets less current liabilities			<u>220,054</u>		<u>219,732</u>
Creditors: amounts falling due after more than one year	22		(145)		(182)
Net assets excluding pension liability			<u>219,909</u>		<u>219,550</u>
Defined benefit pension scheme liability	31		(65,793)		(51,055)
Total net assets			<u><u>154,116</u></u>		<u><u>168,495</u></u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

TRUST BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Funds of the Trust					
Endowment funds	23		3,442		2,874
Restricted funds:					
Fixed asset funds	23	209,010		210,720	
Restricted income funds	23	5,925		4,817	
Restricted funds excluding pension liability	23	214,935		215,537	
Pension reserve	23	(65,793)		(51,055)	
Total restricted funds	23		149,142		164,482
Unrestricted income funds	23		1,532		1,139
Total funds			154,116		168,495

The financial statements on pages 37 to 80 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



David Anderson MA
Chair of Trustees

The notes on pages 44 to 80 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	26	4,503	3,853
Cash flows from investing activities	28	(1,413)	(1,288)
Cash flows from financing activities	27	59	79
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		3,149	2,644
Cash and cash equivalents at the beginning of the year		13,222	10,578
Cash and cash equivalents at the end of the year	29, 30	<hr/> <hr/> 16,371	<hr/> <hr/> 13,222

The notes on pages 44 to 80 form part of these financial statements

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Creative Education Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1.2 Going concern

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

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

Grants are included in the Consolidated 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 Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Sponsorship income**

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

- **Donations**

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

- **Transfer on conversion**

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

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

1. Accounting policies (continued)

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 Group 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 Group's educational operations, including support costs and costs relating to the governance of the Group 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 Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

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

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Freehold property	- 2% straight line
Furniture and equipment	- 12.5% straight line
Fixtures and fittings: inherited assets	- 25% straight line
Computer equipment	- 33.3% 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 Consolidated Statement of Financial Activities.

1.8 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 Consolidated Statement of Financial Activities.

1.9 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.

1.10 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.

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

1. Accounting policies (continued)

1.11 Cash at bank and in hand

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

1.12 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 Group 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.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 20. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 21 and 22. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Group 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 Group 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 Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis adopted by qualified actuaries as instructed by the relevant Local Authority 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 Consolidated Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.16 Fund accounting

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

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

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

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

Endowment funds comprise of permanent and expendable funds and are held separately.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Endowment fund income	-	-	-	-	47
Capital Grants	-	-	27	27	-
Similar incoming resources	3	-	-	3	29
	<u>3</u>	<u>-</u>	<u>27</u>	<u>30</u>	<u>76</u>
Total 2020	<u>29</u>	<u>47</u>	<u>-</u>	<u>76</u>	

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Trust's academy's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants			
General Annual Grant (GAG)	72,701	72,701	68,996
Other DfE/ESFA grants			
Start Up Grant	-	-	32
Pupil Premium	4,696	4,696	4,543
Capital Grant	3,228	3,228	3,100
16-18 Funding	3,432	3,432	3,510
Other DfE Group Grants	5,834	5,834	4,140
	<hr/>	<hr/>	<hr/>
	89,891	89,891	84,321
Other Government grants			
SEN Funding	957	957	901
Other Grants Received	48	48	37
Local Authority Grants	1,112	1,112	1,232
	<hr/>	<hr/>	<hr/>
	2,117	2,117	2,170
	<hr/>	<hr/>	<hr/>
	92,008	92,008	86,491
	<hr/>	<hr/>	<hr/>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the group's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Uniforms	5	5	10
Trip Income	54	54	340
Catering Income	864	864	987
Music Services Income	23	23	26
Other Income	568	568	384
Lettings income	113	113	297
	<u>1,627</u>	<u>1,627</u>	<u>2,044</u>

6. Investment income

	Unrestricted funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Investment income	4	55	59	71
	<u>4</u>	<u>55</u>	<u>59</u>	<u>71</u>
Total 2020	<u>21</u>	<u>50</u>	<u>71</u>	

7. Other incoming resources

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Other incoming resources	177	182	359	349
	<u>177</u>	<u>182</u>	<u>359</u>	<u>349</u>
Total 2020	<u>245</u>	<u>104</u>	<u>349</u>	

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

8. Expenditure

	Staff Costs	Other	Total	Total
	2021	2021	2021	2020
	£000	£000	£000	£000
Expenditure on fundraising trading activities:				
Direct costs	-	10	10	40
Expenditure on investment management	-	55	55	50
Academy's educational operations:				
Direct costs	62,298	8,309	70,607	62,338
Allocated support costs	11,391	17,162	28,553	30,414
Other expenditure	-	1	1	(119)
	<u>73,689</u>	<u>25,537</u>	<u>99,226</u>	<u>92,723</u>
Total 2020	<u>68,620</u>	<u>24,103</u>	<u>92,723</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	2021	2021	2021	2020
	£000	£000	£000	£000
Academy's educational operations	<u>1,470</u>	<u>97,691</u>	<u>99,161</u>	<u>92,752</u>
Total 2020	<u>1,423</u>	<u>91,329</u>	<u>92,752</u>	

10. Other expenditure

	Restricted	Total	Total
	funds	funds	funds
	2021	2021	2020
	£000	£000	£000
VAT adjustments	<u>1</u>	<u>1</u>	<u>(119)</u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

10. Other expenditure (continued)

VAT adjustments in 2020 related to the release of the overestimated VAT liability that was expected to arise on the backdated VAT registration of the Trust.

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	70,607	28,553	99,160	92,752
Total 2020	62,423	30,329	92,752	

Analysis of direct costs

	Academy 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	846	846	789
Wages and salaries (including national insurance & pension)	61,883	61,883	54,971
Depreciation	2,407	2,407	2,389
Educational supplies	2,422	2,422	703
Examination fees	761	761	1,081
External education and fees	592	592	802
Other direct costs	1,212	1,212	984
Educational trips	90	90	639
Teachers redundancy payments	394	394	65
	70,607	70,607	62,423

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Wages and salaries (including national insurance and pension)	11,184	11,184	13,562
Depreciation	3,865	3,865	3,116
Maintenance of premises and equipment	3,606	3,606	4,509
IT support costs	958	958	806
Cleaning and waste management	1,271	1,271	959
Utilities	1,324	1,324	1,686
Insurance	314	314	334
Minibus costs	79	79	103
Catering costs	2,207	2,207	1,879
Bank charges	2	2	5
Other support costs	1,763	1,763	1,687
Legal and professional fees	659	659	637
Recruitment costs	256	256	274
Rent/rates	733	733	707
Support staff redundancy costs	183	183	23
Profit/loss on disposal of fixed assets	8	8	-
Governance costs	141	141	42
	28,553	28,553	30,329

12. Net expenditure

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	213	223
Depreciation of tangible fixed assets	6,272	5,505
Fees paid to auditor for:		
- audit	71	70
- other services	23	26

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Wages and salaries	52,652	50,000	52,652	50,000
Social security costs	5,259	4,833	5,259	4,833
Pension costs	15,157	13,700	15,157	13,700
	<u>73,068</u>	<u>68,533</u>	<u>73,068</u>	<u>68,533</u>
Staff restructuring costs	621	87	621	87
	<u>73,689</u>	<u>68,620</u>	<u>73,689</u>	<u>68,620</u>

Staff restructuring costs comprise:

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Severance payments	299	12	299	12
	<u>299</u>	<u>12</u>	<u>299</u>	<u>12</u>

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

In 2020/21 the value of all non-statutory/non-contractual severance payments made by the Trust totalled £299,234 for both teachers and support staff (2020: £12,248). Individual payments were £1,406, £9,500, £11,412, £13,550, £1,000, £10,000, £28,841, £3,214, £10,401, £26,180, £23,289, £5,000, £37,672, £23,107, £2,710, £10,000, £3,062, £8,228, £2,389, £8,794, £10,000 and £49,478.

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

13. Staff (continued)

c. Staff numbers

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

	Group 2021 No.	Group 2020 No.
Teachers	741	716
Administration and support	919	908
Management	120	116
	<hr/>	<hr/>
	1,780	1,740
	<hr/>	<hr/>

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

13. Staff (continued)

d. 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:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	31	22
In the band £70,001 - £80,000	9	6
In the band £80,001 - £90,000	5	2
In the band £90,001 - £100,000	1	3
In the band £100,001 - £110,000	3	1
In the band £110,001 - £120,000	2	2
In the band £120,001 - £130,000	3	3
In the band £130,001 - £140,000	3	3
In the band £150,001 - £160,000	1	1
In the band £160,001 - £170,000	1	1
In the band £170,001 - £180,000	-	1
In the band £190,001 - £200,000	-	1
In the band £200,001 - £210,000	1	-
In the band £260,001 - £270,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,205,958 (2020 £1,005,859).

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:

M Jordan (CEO and Trustee)

Remuneration £200,001 - £210,000 (2020: £190,001 - £200,000)

Employer's pension contribution paid £30,001 - £40,000 (2020: £30,001 - £40,000).

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. 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
- Others as arising

The 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:

	2021 £000	2020 £000
Abbeyfield Academy	345	327
Ash Green Academy	253	242
Bulwell Academy	315	297
Caister Academy	195	178
Ellis Guilford School	406	403
Harpfield Primary Academy	300	41
Hart School	45	270
Lynne Grove Academy	292	267
Milton Keynes Academy	361	335
Queen Eleanor Academy	46	50
Thistley Hough Academy	258	250
Three Peaks Primary Academy	75	74
Weavers Academy	337	330
Woodlands Primary Academy	76	74
Wrenn School	324	287
Wroughton Infant Academy	52	52
Wroughton Junior Academy	75	71
Total	3,755	3,548

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

15. Trustees' remuneration and expenses

During the years ended 31 August 2020 and 2021, respectively, retirement benefits were accruing to the Chief Executive Officer in respect of defined benefit pension schemes. No other Trustee received any remuneration in either year.

During the year ended 31 August 2021, travel expenses totalling £180 were reimbursed or paid directly to 1 Trustee (2020 - £2,912 to 7 Trustees). The Chief Executive Officer's expenses are excluded from this disclosure, as they were incurred in his role as an Executive Director.

16. 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.

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

17. Tangible fixed assets

Group

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2020	236,582	4,618	5,616	127	246,943
Additions	1,122	1,526	1,983	15	4,646
Disposals	-	(11)	(109)	-	(120)
At 31 August 2021	237,704	6,133	7,490	142	251,469
Depreciation					
At 1 September 2020	30,132	2,480	3,584	103	36,299
Charge for the year	3,842	737	1,687	6	6,272
On disposals	-	(3)	(109)	-	(112)
At 31 August 2021	33,974	3,214	5,162	109	42,459
Net book value					
At 31 August 2021	203,730	2,919	2,328	33	209,010
At 31 August 2020	206,450	2,138	2,032	24	210,644

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Tangible fixed assets (continued)

Trust

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2020	236,582	4,615	5,616	127	246,940
Additions	1,122	1,526	1,983	15	4,646
Disposals	-	(7)	(109)	-	(116)
At 31 August 2021	237,704	6,134	7,490	142	251,470
Depreciation					
At 1 September 2020	30,132	2,479	3,584	103	36,298
Charge for the year	3,842	737	1,687	6	6,272
On disposals	-	(2)	(109)	-	(111)
At 31 August 2021	33,974	3,214	5,162	109	42,459
Net book value					
At 31 August 2021	203,730	2,920	2,328	33	209,011
At 31 August 2020	206,450	2,136	2,032	24	210,642

CREATIVE EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 September 2020	2,874
Revaluations	568
At 31 August 2021	3,442
Net book value	
At 31 August 2021	3,442
At 31 August 2020	2,874
Trust	Listed investments £000
Cost or valuation	
At 1 September 2020	2,874
Revaluations	568
At 31 August 2021	3,442
Net book value	
At 31 August 2021	3,442
At 31 August 2020	2,874

19. Stocks

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Finished goods and goods for resale	3	6	3	6

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Debtors

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Due within one year				
Trade debtors	84	54	84	47
Other debtors	26	26	26	26
Prepayments and accrued income	2,218	1,840	2,218	1,840
Tax recoverable	787	1,235	787	1,234
	<u>3,115</u>	<u>3,155</u>	<u>3,115</u>	<u>3,147</u>

21. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Other loans	32	32	32	32
Trade creditors	2,999	2,829	2,999	2,829
Other taxation and social security	2,260	2,022	2,260	2,022
Other creditors	987	986	987	986
Accruals and deferred income	5,610	4,238	5,610	4,238
	<u>11,888</u>	<u>10,107</u>	<u>11,888</u>	<u>10,107</u>

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.

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Deferred income at 1 September 2020	2,364	2,501	2,364	2,501
Resources deferred during the year	3,151	2,364	3,151	2,364
Amounts released from previous periods	(2,364)	(2,501)	(2,364)	(2,501)
	<u>3,151</u>	<u>2,364</u>	<u>3,151</u>	<u>2,364</u>

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

21. Creditors: amounts falling due within one year (continued)

	2021 £000
Amounts deferred in the year were as follows:	
ESFA grant funding for capital works	144
Rates	255
Trip income	103
Universal infant free school meals	113
Bursary	108
Higher level needs	43
Special educational needs grant	70
School condition allocation	1,628
Other amounts individually less than £40,000	687
	3,151
	3,151

22. Creditors: Amounts falling due after more than one year

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Other loans	129	161	129	161
Other creditors	16	21	16	21
	145	182	145	182
	145	182	145	182

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General funds	1,138	1,765	(1,421)	-	-	1,482
Wrenn Astro Limited	49	44	(45)	-	-	48
Creative Education Academies Limited	14	2	(14)	-	-	2
	<u>1,201</u>	<u>1,811</u>	<u>(1,480)</u>	<u>-</u>	<u>-</u>	<u>1,532</u>
Endowment funds						
Endowment Fund	<u>2,874</u>	<u>55</u>	<u>(55)</u>	<u>-</u>	<u>568</u>	<u>3,442</u>
Restricted general funds						
General annual grant (GAG) and other restricted funding	4,817	88,962	(86,539)	(1,315)	-	5,925
Pension reserve	(51,055)	-	(4,873)	-	(9,865)	(65,793)
	<u>(46,238)</u>	<u>88,962</u>	<u>(91,412)</u>	<u>(1,315)</u>	<u>(9,865)</u>	<u>(59,868)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	<u>210,720</u>	<u>3,255</u>	<u>(6,280)</u>	<u>1,315</u>	<u>-</u>	<u>209,010</u>
Total Restricted funds	<u>164,482</u>	<u>92,217</u>	<u>(97,692)</u>	<u>-</u>	<u>(9,865)</u>	<u>149,142</u>
Total funds	<u><u>168,557</u></u>	<u><u>94,083</u></u>	<u><u>(99,227)</u></u>	<u><u>-</u></u>	<u><u>(9,297)</u></u>	<u><u>154,116</u></u>

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

23. Statement of funds (continued)

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.

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

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

Endowment funds represent an amount gifted to the Bulwell Academy and to Milton Keynes Academy by their former sponsor for the purpose of assisting in supporting those Academies' educational and charitable purposes.

The transfer represents monies unspent on fixed assets, moved to restricted funds.

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

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	196	2,250	(1,308)	-	-	1,138
Wrenn Astro Limited	56	46	(53)	-	-	49
Creative Education Academies Limited	73	43	(102)	-	-	14
	<u>325</u>	<u>2,339</u>	<u>(1,463)</u>	<u>-</u>	<u>-</u>	<u>1,201</u>
Endowment funds						
Endowment Fund	<u>2,908</u>	<u>50</u>	<u>(50)</u>	<u>-</u>	<u>(34)</u>	<u>2,874</u>
Restricted general funds						
General annual grant (GAG) and other restricted funding	3,829	83,542	(81,395)	(1,159)	-	4,817
Pension reserve	(42,323)	-	(4,310)	-	(4,422)	(51,055)
	<u>(38,494)</u>	<u>83,542</u>	<u>(85,705)</u>	<u>(1,159)</u>	<u>(4,422)</u>	<u>(46,238)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	<u>211,966</u>	<u>3,100</u>	<u>(5,505)</u>	<u>1,159</u>	<u>-</u>	<u>210,720</u>
Total Restricted funds	<u>173,472</u>	<u>86,642</u>	<u>(91,210)</u>	<u>-</u>	<u>(4,422)</u>	<u>164,482</u>
Total funds	<u><u>176,705</u></u>	<u><u>89,031</u></u>	<u><u>(92,723)</u></u>	<u><u>-</u></u>	<u><u>(4,456)</u></u>	<u><u>168,557</u></u>

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

23. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Abbeyfield School	1,970	1,817
Ash Green School	594	510
Caister Academy (1)	(1,356)	(1,270)
Central Services	874	1,065
Ellis Guilford School	1,617	1,398
Harpfield Primary Academy	190	181
Hart School (1)	(2,641)	(2,538)
Lynn Grove Academy	1,708	1,601
Milton Keynes Academy	2,037	1,440
Queen Eleanor Academy	275	251
Thistley Hough Academy (1)	(928)	(795)
Three Peaks Primary Academy	425	429
Weavers Academy	966	898
Woodlands Primary Academy	374	385
Wrenn School (1)	17	(456)
Wroughton Infant Academy	112	151
Wroughton Junior Academy (1)	(291)	(311)
Bulwell Academy	1,514	1,262
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	7,457	6,018
Restricted fixed asset fund	209,010	210,720
Pension reserve	(65,793)	(51,055)
	<hr/>	<hr/>
Total	150,674	165,683
	<hr/> <hr/>	<hr/> <hr/>

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Statement of funds (continued)

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

	Deficit £000
Caister Academy	(1,356)
Hart School	(2,641)
Thistley Hough Academy	(928)
Wroughton Junior Academy	(291)
	-

The Trust is taking the following action to return the academies to surplus:

Note 1 - It is the policy of the Trust that all academies should operate with an annual surplus that enables them to reinvest in children's education and to maintain prudent level of reserves. Where for operational reasons this is not possible, schools are permitted to run at a deficit, but are nevertheless required to take remedial action where possible to enable them to return to a balanced position in the medium term.

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 2021 £000	Total 2020 £000
Abbeyfield School	5,329	589	415	1,423	7,756	7,428
Ash Green School	3,799	679	289	654	5,421	5,500
Caister Academy	3,204	499	238	535	4,476	4,105
Central Services	626	2,023	90	904	3,643	3,255
Ellis Guilford School	5,834	968	653	1,735	9,190	8,181
Harpfield Primary Academy	811	126	44	273	1,254	1,153
Hart School	4,767	565	458	1,050	6,840	6,742

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

23. Statement of funds (continued)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Lynn Grove Academy	2,303	792	291	757	4,143	6,095
Milton Keynes Academy	5,200	816	359	1,120	7,495	7,156
Queen Eleanor Academy	773	136	51	255	1,215	1,280
Thistley Hough Academy	3,911	485	439	1,190	6,025	5,624
Three Peaks Primary Academy	1,305	186	72	294	1,857	1,848
Weavers Academy	5,211	887	532	826	7,456	6,914
Woodlands Primary Academy	1,278	331	78	227	1,914	1,786
Wrenn School	2,310	854	424	696	4,284	6,478
Wroughton Infant Academy	911	199	34	155	1,299	1,271
Wroughton Junior Academy	1,220	191	116	267	1,794	1,788
Bulwell Academy	4,693	1,042	494	952	7,181	6,343
Trust	53,485	11,368	5,077	13,313	83,243	82,947

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24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	209,010	-	209,010
Fixed asset investments	-	-	-	3,442	3,442
Current assets	1,532	17,957	-	-	19,489
Creditors due within one year	-	(11,887)	-	-	(11,887)
Creditors due in more than one year	-	(145)	-	-	(145)
Provisions for liabilities and charges	-	(65,793)	-	-	(65,793)
Total	1,532	(59,868)	209,010	3,442	154,116

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	210,644	-	210,644
Fixed asset investments	-	-	-	2,874	2,874
Current assets	16,306	-	76	-	16,382
Creditors due within one year	-	(10,106)	-	-	(10,106)
Creditors due in more than one year	-	(182)	-	-	(182)
Provisions for liabilities and charges	(15,105)	(35,950)	-	-	(51,055)
Total	1,201	(46,238)	210,720	2,874	168,557

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25. Total return on endowment

	Endowment 2021 £000	Unapplied total return 2021 £000	Total funds 2021 £000
At 1 September 2020			
Trust for investment/permanent endowment	2,716	-	2,716
Unapplied total return	-	158	158
Total	2,716	158	2,874
Movements in the reporting period			
Investment return: dividends and interest	-	55	55
Investment return: realised and unrealised gains	-	568	568
Less investment management fees	-	(55)	(55)
Net movements in the reporting period	-	568	568
At 31 August 2021			
Trust for investment/permanent endowment	2,716	-	2,716
Unapplied total return	-	726	726
	2,716	726	3,442

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

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

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(4,576)	(3,726)
Adjustments for:		
Depreciation	6,272	5,505
Capital grants from DfE and other capital income	(3,228)	(3,100)
Defined benefit pension scheme cost less contributions payable	4,873	4,310
Decrease/(increase) in stocks	3	(1)
Decrease/(increase) in debtors	41	710
(Decrease)/increase in creditors	1,782	237
(Decrease)/increase in creditors due after one year	(37)	(37)
Returns on investments and servicing of finance	(59)	(79)
Revaluation of investments	(568)	34
Net cash provided by operating activities	4,503	3,853

27. Cash flows from financing activities

	Group 2021 £000	Group 2020 £000
Interest received	59	79
Net cash provided by financing activities	59	79

28. Cash flows from investing activities

	Group 2021 £000	Group 2020 £000
Purchase of tangible fixed assets	(4,646)	(4,388)
Proceeds from the sale of tangible fixed assets	5	-
Capital grants from DfE Group	3,228	3,100
Net cash used in investing activities	(1,413)	(1,288)

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NOTES TO THE FINANCIAL STATEMENTS
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29. Analysis of cash and cash equivalents

	Group 2021 £000	Group 2020 £000
Cash in hand and at bank	16,371	13,222
Total cash and cash equivalents	16,371	13,222

30. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	13,222	3,149	16,371
Debt due within 1 year	(32)	-	(32)
Debt due after 1 year	(161)	32	(129)
	13,029	3,181	16,210

NOTES TO THE FINANCIAL STATEMENTS
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31. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016 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.

Valuation of the Teachers' Pension Scheme

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

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

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

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

31. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £7,827,591 (2020 - £7,204,303).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £4,302,000 (2020 - £3,830,000), of which employer's contributions totalled £3,308,000 (2020 - £2,929,000) and employees' contributions totalled £ 994,000 (2020 - £901,000). The agreed contribution rates for future years are 16 - 27.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.6	3.00
Rate of increase for pensions in payment/inflation	2.8	2.20
Discount rate for scheme liabilities	1.7	1.70
Commutation of pensions to lump sums	50.00	50.00

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

	2021	2020
	Years	Years
Retiring today		
Males	21.7	21.6
Females	24.3	23.9
Retiring in 20 years		
Males	22.9	22.6
Females	25.9	25.5

Share of scheme assets

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

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

	2021 %	2020 %
Equities	66	66
Bonds	21	20
Property	10	11
Cash	3	3
Total market value of assets	100	100

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

	2021 £000	2020 £000
Current service cost	(7,319)	(6,450)
Interest income	833	865
Interest cost	(1,691)	(1,666)
Unfunded benefits paid	12	-
Administrative expenses	(14)	-
Total amount recognised in the Consolidated Statement of Financial Activities	(8,179)	(7,251)

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

	2021 £000	2020 £000
At 1 September	99,544	87,006
Current service cost	7,335	6,450
Interest cost	1,691	1,666
Employee contributions	994	901
Actuarial losses	18,327	4,725
Benefits paid	(788)	(631)
Estimated unfunded pension payments	(12)	(12)
Other actuarial gains/losses	-	(561)
At 31 August	127,091	99,544

CREATIVE EDUCATION TRUST
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31. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	48,489	44,683
Expected return on assets	833	865
Actuarial gains	8,462	303
Employer contributions	3,304	2,929
Employee contributions	994	901
Benefits paid	(788)	(631)
Administration expenses	4	-
Other experience	-	(561)
At 31 August	61,298	48,489

32. Operating lease commitments

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

	Group 2021 £000	Group 2020 £000
Not later than 1 year	228	213
Later than 1 year and not later than 5 years	602	607
Later than 5 years	-	8
	830	828

33. Related party transactions

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

Creative Education Charitable Trust, a member and the sponsor of Creative Education Trust, made a donation of £Nil (2020: £Nil) to Creative Education Trust during the academic year.

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34. Post balance sheet events

A flood occurred on 5 September 2021 at Weavers Academy and contingencies were put in place to ensure there was no disruption in education. The Trust have submitted a claim to the ESFA's Risk Protection Arrangement (RPA) who we expect to fund the cost of the repairs.