

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 2020

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Statement by the Chair of Trustees	2
Trustees' Report	3 - 20
Governance Statement	21 - 24
Statement on Regularity, Propriety and Compliance	25
Statement of Trustees' Responsibilities	26
Independent Auditor's Report on the Financial Statements	27 - 29
Independent Reporting Accountant's Report on Regularity	30 - 31
Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)	32 - 33
Consolidated Balance Sheet	34 - 35
Trust Balance Sheet	36 - 37
Consolidated Statement of Cash Flows	38
Notes to the Financial Statements	39 - 76

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	David Anderson MA, Chair Nicholas Bull BSc, FCA Karen Forster MA 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 Diana Gerald BA Peter Walls MA, FCIPD Mary Groom BSc, PGCE, CPE, LPC (resigned 4 October 2019) Abbie Rumbold MA (appointed 1 December 2019) Didem Un Ates BA, BS, MBA (appointed 1 December 2019)
Company registered number	07617529
Company name	Creative Education Trust
Registered office	7 Sicilian Avenue London WC1A 2QR
Company secretary	Nicholas Brann
Senior management team	Marc Jordan, Chief Executive Officer Nicholas Brann, Chief Operating Officer Emily Campbell, Director of Programmes Phillip Cantwell, Director of Education (retired 31 August 2020) Nicole McCartney, Director of School Improvement and Secondary Education Mark Mumby, Director of Standards and Primary Education Dena Smart, Director of Human Resources Luke Bowers, Director of Performance (appointed 1 June 2020) Gwayne Webb, Director of Teaching and Learning (appointed 1 June 2020)
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

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT BY THE CHAIR OF TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020


It has become a truism to say that conditions for individuals and institutions across the world from March 2020 have been unprecedented in peacetime. Schools have been subjected to enormous and totally unforeseen stresses to their operating model, as well as to the health and morale of pupils and staff. As we look back on financial and academic year 2019-20 we can see that it was a year of two strongly contrasted halves. For Creative Education Trust and its schools – as for all schools across Britain – the year from September 2019 to February 2020 proceeded within a normal educational, organisational and public health environment. The year from March through to August saw the normal routines and activities of schools completely disrupted by the global Covid-19 pandemic.

From the moment that it became clear that schools nationally would need to shut to all but vulnerable children and the children of key workers, everyone at Creative Education Trust was determined that our pupils should be subject to the minimum of disruption to the continuity and standards of their education, and that our schools should be Covid-secure to protect the health and well-being of children and adults. The Board and I are enormously proud of the way that all Creative Education Trust staff – whatever their professional responsibilities – worked from the outset with intelligence, resourcefulness and resilience to ensure that whether they were at home or in school our pupils of all ages should continue to learn and be safe.

Throughout the emergency, which at the time of writing is still ongoing, Creative Education Trust pupils have continued to receive a high-quality education, the vulnerable have been supported and we have ensured that those who qualify for free school meals have continued to receive them, despite the many challenges in the national system. At the same time, we have taken steps to ensure that our staff's well-being has been properly attended to, and we have honoured our obligations to peripatetic and casual staff, as well as to our suppliers at what has been a financially stressful time for many.

In spite of the many challenges and disruptions of the year, we were able to continue to invest in our estate through a programme of refurbishment of our older building stock, including replacement windows and roofs, and a continuation of our rolling programme of energy saving through installation of LED lighting and replacement of oil-fired boilers. The planning of this work was greatly enabled by the completion of a suite of up-to-date condition surveys covering all our schools. In total we invested £2.4 million in capital projects through SCA and other grants, and a further additional £800,000 to replace classroom IT equipment to enhance our delivery of education in the classroom. We also made an important investment in our central education team, in support of our new strategic plan, expanding the range of professional skills available to us with two new senior roles. Overall, we increased our reserves before fixed asset funds and pension reserve by £1.9 million in the year, which will go towards future investment in our educational strategy and our estate, as well as towards meeting significant extra costs incurred as a result of operating our schools under the constraints of the pandemic.

Crises can sometimes be the cause of good things. Working together purposefully through the past months of Covid-19 has strengthened the bonds of the Creative Education Trust community. It has shown the deep reserves of commitment, goodwill and good humour of our colleagues across the country. It has also demonstrated our collective talent for invention and adaptation in everything from on-line and blended learning to classroom hygiene and the uninterrupted provision of meals in difficult circumstances. I would like to take this opportunity on behalf of the Board of Directors to thank everyone at Creative Education Trust for their continuing commitment to the education and well-being of our pupils.



David Anderson
Chair of Trustees
Date:

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

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.

The Trust is committed to equal opportunities for disabled people in recruitment and employment, and aims to

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

Structure, governance and management (continued)

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 21 - 24, 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;
- 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;

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

- f. To review management's control framework and auditor assessments of controls and report to the Board on the findings and recommendations for improvements;
- 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.

Until 31 August 2020 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)

- 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)

- 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. During the COVID-19 pandemic, the Board has met more frequently as the 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

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

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 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;
- 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.

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	8
Full-time equivalent employee number	7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	4
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	28
Total pay bill	59,190
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	- %

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

Structure, governance and management (continued)

h. Engagement with employees (including disabled persons)

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, employee relations policies and a new harassment and bullying policy. 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. The Trust has 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 has been communicated to staff and will be incorporated into planning for the future.

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

Creative Education Trust considers its stakeholders to be as follows:

- Pupils, parents/carers, local communities;
- 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 consideration of 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.

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

Objectives and activities (continued)

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.

d. Activities for achieving objectives

The financial and academic year 2019-20 was one of two very different halves for Creative Education Trust and its schools, as for all educational institutions across England, and indeed across the world. The year from September 2019 to February 2020 proceeded within a conventional business and public health environment. The year from March 2020 through to August 2020 saw the normal routines and activities of schools completely disrupted by the global Covid-19 pandemic.

The closure of schools nationally in March to all but vulnerable pupils and the children of key workers brought a legion of unexpected challenges. There was the need to develop, at short notice, forms of remote learning to provide as far as possible continuity of education for those children unable to attend school. It was necessary to develop safe working environments for pupils and staff who were in school, observing the requirements of social distancing rules and sourcing large quantities of PPE and hygiene supplies in competition with many others. The provision of free school meal vouchers for those most in need was disrupted by the failures of the company appointed by government, and the burden fell on schools to compensate for this. Finally, it was necessary for schools to negotiate the complexities of a public system of pupil assessment that proved insufficiently robust to withstand crisis conditions. The Board would like 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 unprecedented challenges without complaint, and with intelligence, perseverance and fortitude.

Despite these unprecedented disruptions, during the year to 31 August 2020 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 focus on the four large secondary schools that had joined the Trust in the previous twenty-four months – Bulwell Academy, Nottingham, Ellis Guilford School, Nottingham, Milton Keynes Academy, Milton Keynes, and The Wrenn School, Wellingborough. The first three of these had long-term and deeply entrenched issues with educational standards and poor financial management, and the last presented significant financial challenges inherited from the previous sponsor, including the need for major capital investment in the upkeep and modernisation of its buildings and facilities.

The number of schools within Creative Education Trust during the year under review was seventeen, between them educating around 14,000 children and young people, employing 1,600 FTE staff and with revenue of close to £90 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; and Weavers Academy, 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. This was an important part of the Board's regular discussions with management, and formed a significant strand in the work that led to the presentation to the Board of management's five-year Strategic Plan in December 2019, particularly since the academic year 2020-21 promised a number of re-inspections of Trust schools by Ofsted. Board and management were also

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

Objectives and activities (continued)

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 management, care of the estate and provision of school meals.

The need to balance successfully these priorities influenced the Board's view of immediate further expansion of the number of schools in the Trust. Although projects were brought forward by the offices of the Regional Schools Commissioners, none was thought sufficiently appropriate to undergo the Trust's rigorous due diligence process. The advent of the national emergency further put the brakes on current expansion, although the Trust's medium-term strategy remains 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:

- Managing the Trust's schools effectively through partial closure and reopening whilst minimising disruption to learning and ensuring staff and student welfare;
- Ensuring that vulnerable children's needs were met, especially during periods when they were prevented from coming to school;
- Ensuring its schools continued to be viewed as community assets and that they should inspire local confidence and be beacons of reliability during the pandemic period;
- Dealing with the deep-seated challenges of its more recently on-boarded schools;
- Ensuring 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;
- Completing work on and agreeing the Trust's five-year Strategic Plan and commencing its implementation;
- 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 aligned across all the Trust's secondary schools;
- Ensuring an ever-expanding access to cross-trust events designed to build pupil confidence, self-worth and cultural capital, including during the national lockdown period;
- 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;
- Deploying up-to-date condition surveys to understand fully the maintenance and development needs of the Trust's extensive holdings of buildings and land and to develop medium-term, prioritised plans for the allocation of resources; and
- Developing and implementing 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.

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:

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

Strategic report (continued)

Achievements and performance (continued)

- 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;
- 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;
- 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.

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

- *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 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 & 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 23 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

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

support one another with experience and intelligence. QSG has a regular programme of off-the-record 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:* The People Strategy was revised during the year, incorporating objectives for recruitment and retention, employee engagement, equalities, development planning for all staff, strong performance management, wellbeing, a review of terms and conditions across the Trust and improvement in information systems. Work has begun to implement these strategic objectives including:
 - Acceptance as a Schools Direct partner to take Initial Teacher Training (ITT) students in five of our schools from 2021;
 - A review of terms and conditions across the Trust to standardise benefits which resulted in the implementation of a Trust wide employee assistance programme for all staff and family members; improvements to occupational sick pay for Head Office staff; improvements to maternity, adoption and paternity pay and the introduction of new policies for pay protection and relocation;
 - An employee engagement survey to all staff which indicated very good levels of engagement across the Trust; and
 - Addressing historical issues of holiday pay calculations.

At the point that the country went into the pandemic lockdown, the Trust provided additional support to staff who experienced home working for the first time. This continued throughout the school year, with frequently asked questions being issued to ensure a consistency of approach. A robust approach has been taken to the development of risk assessments and equality impact assessments to ensure that workplaces are Covid secure. These have been designed with the complete participation of trade unions and all staff.

- *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 and the Board is mindful of the need to maintain the highest standards of integrity and practice in the Trust's procurement process, 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. 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 low levels of self-esteem. 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

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

Strategic report (continued)

Achievements and performance (continued)

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

d. Review of activities

The year 2019-20 was – as for all schools across the country – one of two strongly contrasted halves, with a dramatic change at the point where government announced a national lockdown and a closure of schools to all but vulnerable children and the children of key workers in March 2020.

The rapid maturing of Creative Education Trust over the past few years – including planned succession at Board level (focused on ensuring that the right skills, challenge and networks were at the Trust's disposal), increases in professional capacity and capability in the central management team, growing confidence and experience in school leadership – were put to sudden, unexpected and unprecedented test from March 2020. At the outset of the emergency the Trust's CEO put in place a Covid-19 Co-ordinating Committee, chaired by the COO and consisting of the Director of Education, Director of HR, Head of Estates & Facilities and Group Head of IT, to interpret and disseminate government guidance, and to support, standardise and quality assure schools' responses across the network. The Co-ordinating Committee, reporting to the CEO, met on a daily basis through March and April to deal with innumerable practical matters, then twice-weekly thereafter.

The entire system, including staff at all levels, rose to the national emergency in ways that were extraordinary, uncomplaining and admirable, assuring that disruption to children's learning was kept to the absolute minimum. The Board, which met with management by Microsoft Teams on a weekly and then bi-weekly basis during much of the national lockdown periods, is immensely grateful to the staff of Creative Education Trust for its hard, professional and intelligent work to keep education going in its schools over an extended, difficult and anxious period.

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

Strategic report (continued)

Achievements and performance (continued)

During the first half of the year Creative Education Trust made good progress against its overarching objectives for the year. Although from March Ofsted inspections ceased and there was no summer series of public exams, and thus no external validation of educational performance, internal indicators demonstrated that standards continued to improve across the Trust's schools. Work was completed on a new Strategic Plan 2019-2023 and this was approved by the Board in December 2019, together with its appended action plans (this is discussed in more detail in the following section).

The announcement at the beginning of the academic year by the Trust's long-serving and successful Director of Education of his intention to retire at its end enabled a timely search to take place for his successor. After a rigorous process yielding a high-calibre field of candidates, the Search Committee recommended to the Board that the Trust's Director of School Improvement and Secondary Education be appointed to the post.

This internal appointment enabled immediate steps to be taken during the transition period to begin the implementation of key educational elements of the new Strategic Plan. These included most notably the alignment of the secondary curriculum across the Trust and the introduction of long-planned new real-time education data systems. The simultaneous re-design of school improvement programmes reflected the growing scale and complexity of Creative Education Trust and the breadth and depth of expertise developed over the last few years in those schools well-established in the portfolio.

In addition to the appointment of a new Director of Education, two new senior members of the education team were recruited externally to increase capacity for school improvement, data analytics, and to lead the realisation of the Trust's plans to bring training and development of teachers and middle and senior leaders in-house through the design and delivery of its own high-quality programmes. These roles – working alongside the Director of Education and the Director of Standards & Primary Education – are Director of Teaching & Learning, and Director of Performance. A new Data Analyst was also added to strengthen the Education Team.

This additional and experienced capacity enabled the Education Team to respond quickly and decisively to the big challenges thrown up at very short notice by school closure in March. The Education Team worked closely with the Trust's central IT team, the Estates & Facilities Team and the schools to ensure that the processes, infrastructure and programmes of work for remote learning were put in place at speed. Creative Education Trust pupils not in school were thus enabled to have access to learning, and staff were able to provide teaching from home as well as from school premises. All this was delivered with remarkable speed and assurance.

Particular attention was paid by the IT Team to discovering which pupils did not have home access to a suitable device or did not have any internet access. Methods for understanding the extent of the need across the pupil population of the Trust's schools developed and were refined through the lockdown period. Steps were taken in a difficult and competitive marketplace to ensure that sufficient additional equipment was available for all home learners. Meanwhile, the central IT team and its contractors were able to use the closure period to complete the roll out of an ambitious programme to replace outmoded classroom equipment with touch-screen televisions and renew supporting IT infrastructure.

The Trust's commitment to curricular innovation intended to prepare its pupils for the challenges of the 21st-century world through its unique 'Knowledge Connected' curriculum and its complementary programme of ambitious cross-trust events was unabated during the year, despite numerous practical challenges from March. The new Strategic Plan makes explicit the parity of esteem of the three elements of the Trust's educational offer to its pupils – Academic Curriculum; Knowledge Connected Curriculum; and Ambition Curriculum. The former element is the responsibility of the Education Team and the latter two of the Programmes Team. In order to secure the highest level of integration and coherence in the three parts of the offer going forward, plans were laid to merge the Education and Programmes teams into a single unit from the start of AY2020-2021.

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

Strategic report (continued)

Achievements and performance (continued)

The regular sequence of programmatic events comprising the Ambition Curriculum and the Knowledge Connected Curriculum went ahead in the normal way during the first half of the year. During the period of school closure, some elements of this work, which is heavily dependent on live, in-school events, many of them involving participation by distinguished outside guests, became impossible to deliver and had to be postponed. Nevertheless, the resourcefulness and resilience of the Programmes Team, as well as the eagerness of the schools to minimise disruption to such an important part of the Trust's offer, meant that a surprising number of activities and events were transposed at short notice into the realm of the 'virtual'. They will continue in this mode until such time as the demands of social distancing fall into abeyance. Events which have been or will be delivered online include the 'Our World' programme for primary pupils, the Days of Shakespeare and the Michael Dickson Photography Competition for secondary pupils, as well as the sixth-form Public Speaking and Essay Prizes. Regrettably, health concerns made it impossible to hold the always popular cross-Trust sporting events.

At the beginning the year, the Trust's founding Director of Human Resources moved to a new role elsewhere. Her successor has built energetically on her people management foundations. Significant work has been done on all aspects of the Trust's people offer, but most notably on refining and standardising recruitment practices across the schools, talent management, training and development, and employee benefits, as well as the well-received introduction of a confidential well-being and mental health service, to ensure that Creative Education Trust may realise its strategic ambition to be an employer of choice in a competitive marketplace. An extensive employee engagement survey was undertaken for the first time by the firm responsible for the 'Times 100 Best Employers'. This gave Creative Education Trust a 'one star' rating which places it among the top 100 UK public and not-for-profit employers. The detailed survey analysis provides rich material for understanding how the Trust may further develop its attractiveness to employees.

In addition to these developments, the Human Resources team played an important role in shaping the Trust's response to the Covid-19 pandemic and in supporting schools to interpret the complexities of government guidance, as well as with the many practicalities of staff management in a time of national crisis and personal anxiety.

The second year of work of the Trust's first dedicated Head of Estates & Facilities saw further significant progress in raising standards in the areas of buildings and grounds maintenance and Health & Safety, greatly assisted by the introduction of new estates management software. Recruitments were made to the new role of Regional Estates Manager, strengthening the capacity of the team in ways that became apparent from March onwards. Greater management capacity in this crucial area of activity meant an acceleration of the programme to define and implement common high standards across all the Trust's schools and to give practical expression to the strategic objective to make its buildings and land safe, functional and uplifting. Expert external audit of Creative Education Trust's estates, facilities and health and safety management put it in the top decile of Multi-Academy Trusts nationally.

During the emergency, the assured, inventive and tireless work of the central Estates Team and their colleagues in the Trust's schools in undertaking risk-assessments, and in the physical organising and re-organising of buildings and facilities to achieve social distancing was exemplary. Their resourceful acquisition and deployment of sufficient PPE and hygiene supplies across the network at a time of national shortages was vital to the continuing and safe operation of the Trust's schools.

The completion of a suite of up-to-date professional condition surveys gave the Trust a line of sight to future maintenance and renewal liabilities. This enabled it to put in place a prioritised capital spending programme for the next five years, utilising SCA funds and additional funds from its accumulated reserves.

At the end of September 2019, a new reception building linking Wroughton Infants School to Wroughton Junior

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

Strategic report (continued)

Achievements and performance (continued)

School was opened. Although a project of relatively small scale, the intelligence and flair of its design and the quality of its materials and construction have made it transformative to the functionality of the school and demonstrated the inspiring effect of good design on pupils, staff and visitors. After a limited competition, experienced architects were appointed to undertake a master-planning exercise at Caister Academy, the Trust's least well-favoured legacy site. Elsewhere, the Estates Team's perseverance meant that major programmes of maintenance work and infrastructure upgrades were completed at sites including Wrenn School and The Hart School despite the complexities of the lock-down period.

The Trust has continued to refine the use of its curriculum and budget planning tool, allowing it to balance efficiency and value for money with the enabling of excellent educational outcomes. The result of the Trust's financial planning was a surplus for the year (before FRS 102 pension adjustments) under review and a projection of increasing cumulative reserves for the next three financial years. The Board has taken the view that reserves in excess of 5% of revenues should be re-invested for the benefit of the education of the children in its care. To this end in the year 2019-20 it brought forward planned expenditure on the replacement of outmoded classroom IT equipment and infrastructure. It believes that additional, unplanned expenditure attributable to Covid-19 incurred in FY2019-2020 and FY2020-2021 will not prevent further capital and revenue investment in support of the objectives of the Strategic Plan.

Financial review

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.

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. Our business model is highly sensitive to changes in funding and costs of providing education for our 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. Our policies and procedures are kept under constant review and the Board ensures

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

Strategic report (continued)

Financial review (continued)

- 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 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, Head teachers and the Senior Management Team.
 - Failure to follow effective procedures for the management of human resources throughout the Trust. The Trust employs a full-time 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, Smith Cooper LLP, 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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Financial review (continued)

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:

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

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

Streamlined energy and carbon reporting (continued)

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.

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 2020

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 already begun to guide and inform the Trust's work in the current year, 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 surplus to re-invest
- Reputation – gain recognition as a system-leading MAT and influence public policy.

At the time of writing, considerable progress had been made in implementing the first phase of the new Creative Education Trust strategy, but the effects of the Covid-19 crisis, its uncertain duration and the time and effort that will be required to recover the lost learning of pupils whose education has been disrupted should not be underestimated.

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 reported on the Trust's Balance Sheet.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of staff meetings and have been kept informed on specific matters directly by management. The Trust has adopted a procedure of upward feedback for senior management and the Trustees.

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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2020 and signed on its behalf by:



David Anderson
Chair of Trustees

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

During the latter part of the year the working of each of the Board's committees was reviewed and their terms of reference and membership (including external co-opted members) updated as required. In order to further strengthen the Board's oversight of safeguarding across the Trust it was decided to institute a Safeguarding Committee for the new academic year. It was also decided to re-constitute The Education Advisory Board as The Education Standards Committee to oversee the implementation of the education-related parts of the new Strategic Plan. The remit of the Remuneration Committee was widened to include oversight of all staff-related matters and its terms of reference amended to reflect the most recent guidance on oversight of executive pay.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The Creative Education Trust Board normally meets four times a 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. 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 and the Estates and Property Committee meet four times per year. The People and Remuneration Committee meets four times per year. Every other year the Board normally holds a two-day residential conference with the senior executive team to review performance and develop strategy. The meeting scheduled for June 2020 has been rescheduled for June 2021.

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

Trustee	Meetings attended	Out of a possible
David Anderson, Chair	4	4
Dr William Richardson, Deputy Chair	4	4
Sasha Bhavan	3	4
Nicholas Bull	4	4
Simon Figgis	4	4
Karen Forster	4	4
Diana Gerald	3	4
Mary Groom	1	1
Marc Jordan	4	4
Abbie Rumbold	2	3
Peter Walls	3	4
Didem Un Ates	3	3

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	3	4
Simon Figgis	4	4
Marc Jordan	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	2	4
Nicholas Bull	4	4
Karen Forster	4	4

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer 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. Initiatives include detailed analysis of curriculum planning efficiency, use of Government-backed framework agreements for procurement, central procurement of energy and tendering of a contract for provision of catering across 10 Trust Academies.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance 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; and
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and decided to appoint Smith Cooper LLP 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 systems. On a yearly basis (in some cases twice-yearly) the internal auditor reports to the Board

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal 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 18 December 2020 and signed on their behalf by:


David Anderson
Chair of Trustees


Marc Jordan
Accounting Officer

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



MLA Jordan
Accounting Officer

Date: 18.12.20

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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 2019 to 2020;
- 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 unless 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 on 18 December 2020 and signed on its behalf by:



David Anderson

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 2020 which comprise the Group Consolidated Statement of Financial Activities, the Group and Trust Balance Sheets, the Group 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 and 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).

In our opinion, the financial statements:

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

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

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

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

**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 these financial statements.

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

Use of the audit report

This report is made solely to the 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 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 Trust and the company'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: 21/12/20

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 15 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Creative Education Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Creative Education Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Creative Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Major
Mazars LLP

90 Victoria Street
Bristol
BS1 6DP

Date: 21/12/20

CREATIVE EDUCATION TRUST

(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income and endowments from:							
Donations and capital grants	3	29	-	47	-	76	57,286
Charitable activities	4	-	83,391	3,100	-	86,491	78,060
Other trading activities	5	2,044	-	-	-	2,044	3,073
Investments	6	21	-	-	50	71	62
Other income	7	245	104	-	-	349	292
Total income and endowments		2,339	83,495	3,147	50	89,031	138,773
Expenditure on:							
Raising funds		40	-	-	50	90	54
Charitable activities	9	1,423	85,824	5,505	-	92,752	86,595
Other expenditure	10	-	(119)	-	-	(119)	203
Total expenditure		1,463	85,705	5,505	50	92,723	86,852
Net (losses)/gains on investments		-	-	-	(34)	(34)	190
Net income/(expenditure)		876	(2,210)	(2,358)	(34)	(3,726)	52,111
Transfers between funds	23	-	(1,112)	1,112	-	-	-

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 2020

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted funds - class ii 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Net movement in funds before other recognised gains/(losses)	876	(3,322)	(1,246)	(34)	(3,726)	52,111
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	-	(4,422)	-	-	(4,422)	(10,842)
Net movement in funds	876	(7,744)	(1,246)	(34)	(8,148)	41,269
Reconciliation of funds:						
Total funds brought forward	325	(38,494)	211,966	2,908	176,705	135,436
Net movement in funds	876	(7,744)	(1,246)	(34)	(8,148)	41,269
Total funds carried forward	1,201	(46,238)	210,720	2,874	168,557	176,705

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

The notes on pages 39 to 76 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	17		210,644		211,761
Investments	18		2,874		2,908
			<u>213,518</u>		<u>214,669</u>
Current assets					
Stocks	19	6		5	
Debtors	20	3,155		3,865	
Cash at bank and in hand		13,222		10,578	
		<u>16,383</u>		<u>14,448</u>	
Creditors: amounts falling due within one year	21	(10,107)		(9,870)	
Net current assets			<u>6,276</u>		<u>4,578</u>
Total assets less current liabilities			<u>219,794</u>		<u>219,247</u>
Creditors: amounts falling due after more than one year	22		(182)		(219)
Net assets excluding pension liability			<u>219,612</u>		<u>219,028</u>
Defined benefit pension scheme liability	31		(51,055)		(42,323)
Total net assets			<u><u>168,557</u></u>		<u><u>176,705</u></u>
Funds of the Group					
Endowment funds	23		2,874		2,908
Restricted funds:					
Fixed asset funds	23	210,720		211,966	
Restricted income funds	23	4,817		3,829	
		<u>215,537</u>		<u>215,795</u>	
Restricted funds excluding pension liability	23				
Pension reserve	23	(51,055)		(42,323)	
Total restricted funds	23		<u>164,482</u>		<u>173,472</u>
Unrestricted income funds	23		<u>1,201</u>		<u>325</u>
Total funds			<u><u>168,557</u></u>		<u><u>176,705</u></u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The financial statements on pages 32 to 76 were approved by the Trustees, and authorised for issue on 18 December 2020 and are signed on their behalf, by:



David Anderson
Chair of Trustees

The notes on pages 39 to 76 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

TRUST BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	17	210,642	211,758
Investments	18	2,874	2,908
		<u>213,516</u>	<u>214,666</u>
Current assets			
Stocks	19	6	5
Debtors	20	3,147	3,861
Cash at bank and in hand		13,170	10,448
		<u>16,323</u>	<u>14,314</u>
Creditors: amounts falling due within one year	21	(10,107)	(9,863)
Net current assets		<u>6,216</u>	<u>4,451</u>
Total assets less current liabilities		<u>219,732</u>	<u>219,117</u>
Creditors: amounts falling due after more than one year	22	(182)	(219)
Net assets excluding pension liability		<u>219,550</u>	<u>218,898</u>
Defined benefit pension scheme liability	31	(51,055)	(42,323)
Total net assets		<u><u>168,495</u></u>	<u><u>176,575</u></u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

TRUST BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the Trust			
Endowment funds	23	2,874	2,908
Restricted funds:			
Fixed asset funds	23	210,720	211,963
Restricted income funds	23	4,817	3,829
Restricted funds excluding pension liability	23	215,537	215,792
Pension reserve	23	(51,055)	(42,323)
Total restricted funds	23	164,482	173,469
Unrestricted income funds	23	1,139	198
Total funds		168,495	176,575

The financial statements on pages 32 to 76 were approved by the Trustees, and authorised for issue on 18 December 2020 and are signed on their behalf, by:



David Anderson MA
Chair of Trustees

The notes on pages 39 to 76 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 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	26	3,853	1,152
Cash flows from investing activities	28	(1,288)	(705)
Cash flows from financing activities	27	79	1,470
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		2,644	1,917
Cash and cash equivalents at the beginning of the year		10,578	8,661
Cash and cash equivalents at the end of the year	29, 30	<hr/> <hr/> 13,222	<hr/> <hr/> 10,578

The notes on pages 39 to 76 form part of these financial statements

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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 2019 to 2020 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 2020**

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.

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.

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **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 2020**

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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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 2020

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.

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

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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

3. Income from transfer in of existing academies and from conversion to academy status

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Similar incoming resources					
Inherited defined benefit pension scheme liability	-	-	-	-	(9,202)
Transfer in of an existing academy	-	-	-	-	33,779
Assets transferred on acquisition	-	-	-	-	1,007
Transfer of converting academy	-	-	-	-	29,734
Assets transferred on conversion	-	-	-	-	559
Subtotal detailed disclosure	-	-	-	-	55,877
Endowment fund transferred on acquisition	-	47	-	47	1,409
Similar incoming resources	29	-	-	29	-
Subtotal	29	47	-	76	1,409
	29	47	-	76	57,286
Total 2019	1,566	54,311	1,409	57,286	

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants			
General Annual Grant (GAG)	68,996	68,996	64,198
Start Up Grant	32	32	14
Pupil Premium	4,543	4,543	4,275
Capital Grant	3,100	3,100	3,070
16-18 Funding	3,510	3,510	3,285
SEN Funding	901	901	788
Local Authority Grants	1,232	1,232	1,075
Other EFA Grant	4,140	4,140	1,307
Other Grants Received	37	37	48
	86,491	86,491	78,060

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Uniforms	10	10	12
Trip Income	340	340	710
Catering Income	987	987	1,397
Music Services Income	26	26	33
Other Income	384	384	458
Lettings income	297	297	463
	2,044	2,044	3,073

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

6. Investment income

	Unrestricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Investment income	21	50	71	62
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	36	26	62	
	<hr/>	<hr/>	<hr/>	

7. Other incoming resources

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Other incoming resources	245	104	349	292
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	153	139	292	
	<hr/>	<hr/>	<hr/>	

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

8. Expenditure

	Staff Costs	Other	Total	Total
	2020	2020	2020	2019
	£000	£000	£000	£000
Expenditure on fundraising trading activities:				
Direct costs	-	40	40	30
Expenditure on investment management	-	50	50	24
Academy's educational operations:				
Direct costs	55,036	7,302	62,338	58,321
Allocated support costs	13,585	16,829	30,414	28,274
Other expenditure	-	(119)	(119)	203
	<u>68,621</u>	<u>24,102</u>	<u>92,723</u>	<u>86,852</u>
Total 2019	<u>41,867</u>	<u>44,985</u>	<u>86,852</u>	

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy's educational operations	1,423	91,329	92,752	86,595
Total 2019	5,286	81,309	86,595	

10. Other expenditure

	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
VAT adjustments	(119)	(119)	203

VAT adjustments in 2019 related to the potential liability that may have arisen from the backdated VAT registration of the Trust. In 2020, the VAT adjustments relates to the release of the overestimated liability.

11. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy's educational operations	62,338	30,414	92,752	86,595
Total 2019	58,321	28,274	86,595	

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

11. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Pension finance costs	789	789	754
Wages and salaries (including national insurance & pension)	54,971	54,971	50,142
Depreciation	2,389	2,389	2,341
Educational supplies	703	703	672
Examination fees	1,081	1,081	1,388
External education and fees	802	802	853
Other direct costs	899	899	962
Educational trips	639	639	1,035
Teachers redundancy payments	65	65	174
	<hr/> 62,338 <hr/>	<hr/> 62,338 <hr/>	<hr/> 58,321 <hr/>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Wages and salaries (including national insurance and pension)	13,562	13,562	12,358
Depreciation	3,116	3,116	2,385
Maintenance of premises and equipment	4,509	4,509	3,847
Student bursary and rewards	85	85	137
IT support costs	806	806	692
Cleaning and waste management	959	959	873
Rates	2,393	2,393	2,446
Insurance	334	334	304
Minibus costs	103	103	83
Catering costs	1,879	1,879	2,190
Bank charges	5	5	53
Other support costs	1,687	1,687	1,654
Legal and professional fees	637	637	665
Recruitment costs	274	274	388
Support staff redundancy costs	23	23	154
Governance costs	42	42	45
	30,414	30,414	28,274

12. Net expenditure

Net expenditure for the year includes:

	2020 £000	2019 £000
Operating lease rentals	223	187
Depreciation of tangible fixed assets	5,505	4,728
Fees paid to auditor for:		
- audit	70	68
- other services	26	27

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Wages and salaries	50,000	47,660	50,000	47,660
Social security costs	4,833	4,522	4,833	4,522
Pension costs	13,700	10,317	13,700	10,317
	<hr/>	<hr/>	<hr/>	<hr/>
	68,533	62,499	68,533	62,499
Staff restructuring costs	87	328	87	328
	<hr/>	<hr/>	<hr/>	<hr/>
	68,620	62,827	68,620	62,827
	<hr/>	<hr/>	<hr/>	<hr/>

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

In 2019/20 the value of all non-statutory/non-contractual severance payments made by the Trust totalled £12,248 for both teachers and support staff (2019: £122,546). Individual payments were £12,140 and £108.

c. Staff numbers

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

	Group 2020 No.	Group 2019 No.
Teachers	716	703
Administration and support	908	951
Management	116	115
	<hr/>	<hr/>
	1,740	1,769
	<hr/>	<hr/>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

13. Staff (continued)

d. Higher paid staff

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	22	12
In the band £70,001 - £80,000	6	6
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	3	2
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	2	2
In the band £120,001 - £130,000	3	1
In the band £130,001 - £140,000	2	1
In the band £140,001 - £150,000	-	1
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	1

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,005,859 (2019 £1,164,667).

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 £190,000 - £200,000 (2019: £190,000 - £200,000)

Employer's pension contribution paid £30,000 - £40,000 (2019: £20,000 - £30,000)

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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:

	2020	2019
	£000	£000
Abbeyfield Academy	327	324
Ash Green Academy	242	234
Bulwell Academy	297	291
Caister Academy	178	155
Ellis Guilford School	403	340
Harpfield Primary Academy	41	42
Hart School	270	268
Lynne Grove Academy	267	257
Milton Keynes Academy	335	330
Queen Eleanor Academy	50	51
Thistley Hough Academy	250	229
Three Peaks Primary Academy	74	73
Weavers Academy	330	317
Woodlands Primary Academy	74	75
Wrenn School	287	220
Wroughton Infant Academy	52	57
Wroughton Junior Academy	71	69
Total	3,548	3,332

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

15. Trustees' remuneration and expenses

During the years ended 31 August 2019 and 2020, 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 2020, travel expenses totalling £2,912 were reimbursed or paid directly to 7 Trustees (2019 - £4,164 to 10 Trustees).

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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

17. Tangible fixed assets

Group

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Other fixed assets £000	Total £000
Cost or valuation						
At 1 September 2019	234,202	3,757	3,391	97	1,108	242,555
Additions	1,272	861	2,225	30	-	4,388
Transfers between classes	1,108	-	-	-	(1,108)	-
At 31 August 2020	236,582	4,618	5,616	127	-	246,943
Depreciation						
At 1 September 2019	26,312	2,038	2,347	97	-	30,794
Charge for the year	3,820	442	1,237	6	-	5,505
At 31 August 2020	30,132	2,480	3,584	103	-	36,299
Net book value						
At 31 August 2020	206,450	2,138	2,032	24	-	210,644
At 31 August 2019	207,890	1,719	1,044	-	1,108	211,761

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

17. Tangible fixed assets (continued)

Trust

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Other fixed assets £000	Total £000
Cost or valuation						
At 1 September 2019	234,202	3,754	3,391	97	1,108	242,552
Additions	1,272	861	2,225	30	-	4,388
Transfers between classes	1,108	-	-	-	(1,108)	-
At 31 August 2020	236,582	4,615	5,616	127	-	246,940
Depreciation						
At 1 September 2019	26,312	2,038	2,347	97	-	30,794
Charge for the year	3,820	441	1,237	6	-	5,504
At 31 August 2020	30,132	2,479	3,584	103	-	36,298
Net book value						
At 31 August 2020	206,450	2,136	2,032	24	-	210,642
At 31 August 2019	207,890	1,716	1,044	-	1,108	211,758

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

18. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 September 2019	2,908
Revaluations	(34)
At 31 August 2020	2,874
Net book value	
At 31 August 2020	2,874
<i>At 31 August 2019</i>	<i>2,908</i>

Trust	Listed investments £000
Cost or valuation	
At 1 September 2019	2,908
Revaluations	(34)
At 31 August 2020	2,874
Net book value	
At 31 August 2020	2,874
<i>At 31 August 2019</i>	<i>2,908</i>

19. Stocks

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Finished goods and goods for resale	6	5	6	5

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

20. Debtors

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Due within one year				
Trade debtors	54	107	47	103
Other debtors	26	17	26	17
Prepayments and accrued income	1,840	2,511	1,840	2,509
Tax recoverable	1,235	1,230	1,234	1,232
	<u>3,155</u>	<u>3,865</u>	<u>3,147</u>	<u>3,861</u>

21. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Other loans	32	32	32	32
Trade creditors	2,829	2,203	2,829	2,199
Other taxation and social security	2,022	1,741	2,022	1,741
Other creditors	986	1,020	986	1,020
Accruals and deferred income	4,238	4,874	4,238	4,871
	<u>10,107</u>	<u>9,870</u>	<u>10,107</u>	<u>9,863</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 2020 £000	Group 2019 £000	Trust 2020 £000	Trust 2019 £000
Deferred income at 1 September 2019	2,501	2,464	2,501	2,464
Resources deferred during the year	2,364	2,501	2,364	2,501
Amounts released from previous periods	(2,501)	(2,464)	(2,501)	(2,464)
	<u>2,364</u>	<u>2,501</u>	<u>2,364</u>	<u>2,501</u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

	2020
	£000
Amounts deferred in the year were as follows:	
ESFA grant funding for capital works	144
Rates	252
Trip income	144
Universal infant free school meals	122
Bursary	88
Higher level needs	54
Special educational needs grant	73
School condition allocation	1,331
Other amounts individually less than £40,000	156
	<u>2,364</u>

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

	Group	Group	Trust	Trust
	2020	2019	2020	2019
	£000	£000	£000	£000
Other loans	161	193	161	193
Other creditors	21	26	21	26
	<u>182</u>	<u>219</u>	<u>182</u>	<u>219</u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

23. Statement of funds

	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	83,495	(81,395)	(1,112)	-	4,817
Pension reserve	(42,323)	-	(4,310)	-	(4,422)	(51,055)
	<u>(38,494)</u>	<u>83,495</u>	<u>(85,705)</u>	<u>(1,112)</u>	<u>(4,422)</u>	<u>(46,238)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	<u>211,966</u>	<u>3,147</u>	<u>(5,505)</u>	<u>1,112</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>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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 2020.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

23. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£000	£000
Abbeyfield School	1,817	1,752
Ash Green School	510	585
Caister Academy (1)	(1,270)	(1,107)
Central Services	1,065	550
Ellis Guilford School	1,398	493
Harpfield Primary Academy	181	212
Hart School (1)	(2,538)	(2,035)
Lynn Grove Academy	1,601	1,677
Milton Keynes Academy	1,440	1,096
Queen Eleanor Academy	251	243
Thistley Hough Academy (1)	(795)	(809)
Three Peaks Primary Academy	429	397
Weavers Academy	898	653
Woodlands Primary Academy	385	309
Wrenn School (1)	(456)	(399)
Wroughton Infant Academy	151	122
Wroughton Junior Academy (1)	(311)	(274)
Bulwell Academy	1,262	689
Total before fixed asset funds and pension reserve	6,018	4,154
Restricted fixed asset fund	210,720	211,966
Pension reserve	(51,055)	(42,323)
Total	165,683	173,797

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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	1,270
Hart School	2,538
Thistley Hough Academy	795
Wrenn School	456
Wroughton Junior Academy	311
	<hr/> <hr/>

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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

23. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Abbeyfield School	4,880	649	410	1,489	7,428	6,549
Ash Green School	3,555	892	271	782	5,500	5,028
Caister Academy	2,765	545	201	594	4,105	3,673
Central Services	701	1,542	301	711	3,255	3,047
Ellis Guilford School	5,260	1,302	322	1,297	8,181	7,398
Harpfield Primary Academy	734	156	24	239	1,153	1,063
Hart School	4,320	908	293	1,221	6,742	6,729
Lynn Grove Academy	3,993	788	383	931	6,095	5,651
Milton Keynes Academy	4,547	1,190	268	1,151	7,156	7,123
Queen Eleanor Academy	745	194	26	315	1,280	1,202
Thistley Hough Academy	3,333	759	356	1,176	5,624	5,252
Three Peaks Primary Academy	1,242	197	56	353	1,848	1,692
Weavers Academy	4,225	1,356	457	876	6,914	6,928
Woodlands Primary Academy	1,153	304	48	281	1,786	1,785
Wrenn School	4,388	975	292	823	6,478	5,299
Wroughton Infant Academy	885	188	9	189	1,271	1,280
Wroughton Junior Academy	1,151	206	85	346	1,788	1,682
Bulwell Academy	3,639	1,434	324	946	6,343	6,876
Trust	51,516	13,585	4,126	13,720	82,947	78,257

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

23. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General funds	761	4,665	(5,230)	-	-	196
Wrenn Astro Limited	-	62	(6)	-	-	56
Creative Education Academies Limited	52	101	(80)	-	-	73
	<u>813</u>	<u>4,828</u>	<u>(5,316)</u>	<u>-</u>	<u>-</u>	<u>325</u>
Endowment funds						
Endowment Fund	<u>1,590</u>	<u>1,435</u>	<u>(24)</u>	<u>(283)</u>	<u>190</u>	<u>2,908</u>
Restricted general funds						
General annual grant (GAG) and other restricted funding	1,825	75,128	(73,183)	59	-	3,829
Pension reserve	(18,676)	(9,202)	(3,603)	-	(10,842)	(42,323)
	<u>(16,851)</u>	<u>65,926</u>	<u>(76,786)</u>	<u>59</u>	<u>(10,842)</u>	<u>(38,494)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	<u>149,884</u>	<u>66,584</u>	<u>(4,726)</u>	<u>224</u>	<u>-</u>	<u>211,966</u>
Total Restricted funds	<u>133,033</u>	<u>132,510</u>	<u>(81,512)</u>	<u>283</u>	<u>(10,842)</u>	<u>173,472</u>
Total funds	<u><u>135,436</u></u>	<u><u>138,773</u></u>	<u><u>(86,852)</u></u>	<u><u>-</u></u>	<u><u>(10,652)</u></u>	<u><u>176,705</u></u>

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	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

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	211,761	-	211,761
Fixed asset investments	-	-	-	2,908	2,908
Current assets	325	13,918	205	-	14,448
Creditors due within one year	-	(9,870)	-	-	(9,870)
Creditors due in more than one year	-	(219)	-	-	(219)
Provisions for liabilities and charges	-	(42,323)	-	-	(42,323)
Total	325	(38,494)	211,966	2,908	176,705

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

25. Total return on endowment

	Endowment 2020 £000	Unapplied total return 2020 £000	Total funds 2020 £000
At 1 September 2019			
Trust for investment/permanent endowment	2,716	-	2,716
Unapplied total return	-	192	192
Total	2,716	192	2,908
Movements in the reporting period			
Investment return: dividends and interest	-	50	50
Investment return: realised and unrealised gains	-	(34)	(34)
Less investment management fees	-	(50)	(50)
Net movements in the reporting period	-	(34)	(34)
At 31 August 2020			
Trust for investment/permanent endowment	2,716	-	2,716
Unapplied total return	-	158	158
	2,716	158	2,874

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

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

	2020	2019
	£000	£000
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(3,726)	52,111
Adjustments for:		
Depreciation	5,505	4,728
Capital grants from DfE and other capital income	(3,100)	(3,070)
Defined benefit pension scheme cost less contributions payable	4,310	3,134
Decrease/(increase) in stocks	(1)	(2)
Decrease/(increase) in debtors	710	(709)
(Decrease)/increase in creditors	237	2,310
(Decrease)/increase in creditors due after one year	(37)	187
Returns on investments and servicing of finance	(79)	(61)
Net surplus on assets and liabilities from academy on acquisition	-	(54,311)
Cash transferred on acquisition	-	(1,566)
Endowment transferred on acquisition	-	(1,409)
Revaluation of investments	34	(190)
Net cash provided by operating activities	3,853	1,152

27. Cash flows from financing activities

	Group	Group
	2020	2019
	£000	£000
Interest received	79	61
Endowment transferred on acquisition	-	1,409
Net cash provided by financing activities	79	1,470

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

28. Cash flows from investing activities

	Group 2020 £000	Group 2019 £000
Purchase of tangible fixed assets	(4,388)	(2,623)
Purchase of investments	-	(2,718)
Capital grants from DfE Group	3,100	3,070
Cash transferred on conversion	-	1,566
Net cash used in investing activities	(1,288)	(705)

29. Analysis of cash and cash equivalents

	Group 2020 £000	Group 2019 £000
Cash in hand	13,222	10,578
Total cash and cash equivalents	13,222	10,578

30. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	10,578	2,644	13,222
Debt due within 1 year	(32)	-	(32)
Debt due after 1 year	(193)	32	(161)
	10,353	2,676	13,029

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

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; and
- 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.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

31. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £8,993,964 (2019 - £4,696,073).

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 2020 was £3,830,000 (2019 - £3,755,000), of which employer's contributions totalled £2,929,000 (2019 - £2,855,000) and employees' contributions totalled £ 901,000 (2019 - £900,000). The agreed contribution rates for future years are 16 - 27.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.00	3.00
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90
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:

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.6
Females	23.9	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.9
Females	25.5	25.3

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

31. Pension commitments (continued)

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

	2020 %	2019 %
Equities	66	67
Bonds	20	21
Property	11	10
Cash	3	2
Total market value of assets	100	100

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

	2020 £000	2019 £000
Current service cost	(6,450)	(5,089)
Past service cost	-	(626)
Interest income	865	1,104
Interest cost	(1,666)	(1,858)
Total amount recognised in the Consolidated Statement of Financial Activities	(7,251)	(6,469)

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

	2020 £000	2019 £000
At 1 September	86,761	46,398
Conversion of academy trusts	-	20,713
Current service cost	6,450	5,089
Interest cost	1,666	1,858
Employee contributions	901	900
Actuarial losses	4,725	11,981
Benefits paid	(631)	(792)
Past service costs	-	625
Estimated unfunded pension payments	(12)	(11)
At 31 August	99,860	86,761

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

31. Pension commitments (continued)

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

	2020 £000	2019 £000
At 1 September	44,438	27,721
Conversion of academy trusts	-	11,511
Expected return on assets	865	1,104
Actuarial gains	303	1,139
Employer contributions	2,929	2,866
Employee contributions	901	900
Benefits paid	(631)	(792)
Estimated unfunded benefits paid	(12)	(11)
Contributions in respect of unfunded benefits	12	-
At 31 August	48,805	44,438

32. Operating lease commitments

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

	Group 2020 £000	Group 2019 £000
Not later than 1 year	213	223
Later than 1 year and not later than 5 years	607	626
Later than 5 years	8	103
	828	952

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 the Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Creative Education Charitable Trust, a member and the sponsor of Creative Education Trust, made a donation of £Nil (2019: 45,802) to Creative Education Trust during the academic year.

CREATIVE EDUCATION TRUST
(A Company Limited by Guarantee)

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

34. Post balance sheet events

There were no post balance sheet events to note.