

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 2022

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

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CREATIVE EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Creative Education Charitable Trust, Principal Sponsor David Anderson William Richardson
Sponsor Trustees	Abbie Rumbold MA, Chair (from 31 July 2022) Nicholas Bull BSc, FCA, Chair of Finance Simon Figgis LLB, FCA, Chair of Audit and Risk Dr William Richardson BA, D.Phil, Vice Chair, Chair of Education Standards Diana Gerald BA, Chair of Safeguarding Peter Walls MA, FCIPD, Chair of People and Remuneration Didem Un Ates BA, BS, MBA, Director Emily McDonald MA, MEng, MICE, Chair of Estates and Property Creative Education Charitable Trust, Principal Sponsor David Anderson MA, Chair (up to 30 July 2022) (resigned 31 August 2022) Merlin Joseph, Director (appointed 1 September 2022) Frances Soul, Director (appointed 1 September 2022)
Company registered number	07617529
Company name	Creative Education Trust
Principal and registered office	67-68 Long Acre London WC2E 9JD
Company secretary	Catherine Hughes (appointed 1 July 2022) Theresa Palmer (appointed 19 January 2022, resigned 30 June 2022) Catherine Hughes (appointed 1 September 2021, resigned 19 January 2022)
Ex Officio Trustee	Marc Jordan
Senior management team	Marc Jordan, Chief Executive Catherine Hughes, Director of Finance (appointed 1 September 2021) Emily Campbell, Director of Programmes (resigned 2 April 2022) Nicole McCartney, Director of Education Dena Smart, Director of Human Resources Luke Bowers, Director of Performance Gwayne Webb, Director of Teaching and Learning Dr Jason Howard, Director of Quality Assurance (appointed 1 September 2021) Louis Donald, Director of Safeguarding (appointed 1 April 2022) Jon Ward, Director of Estates & Facilities Ash Mudaliar, Head of IT
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Solicitors	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
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**CREATIVE EDUCATION TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of recruitment and appointment or election of Trustees

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

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

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

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FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

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

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

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

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

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 academy sector, 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.

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

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
11	10.47

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Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	9
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£31,901.73
Total pay bill	£67,924,311.00
Percentage of the total pay bill spent on facility time	0.047%

Paid trade union activities

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

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

Creative Education Charitable Trust raises funds that are donated to support programmes within the Trust. Details of transactions that took place during the year are provided in note 32 to the financial statements.

Engagement with employees (including disabled persons)

Employee engagement is one of the main strands of the Trust's People Strategy. Formal engagement with employee representatives is delivered at a national 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 opportunity, diversity, and inclusion (EDI); family friendly policies; health and safety; safeguarding; flexible working and employee relations policies. In accordance with the Trust's EDI policy, the Trust has long-established fair employment practices in 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. This has been further supported in 2022 with the recruitment of a Learning and Development Manager. The Trust has developed an approach towards Trust-wide staff briefings twice a year to ensure that everyone understands the Trust Strategy, its annual priorities and where they fit into the delivery of the strategy, this is supported by regular employee engagement surveys at both a school and Trust level. The Trust has invested in a modern HR/Payroll system which includes an employee self-service module and staff are encouraged to update their sensitive details, including disability information.

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Over time this will lead to a clearer picture of the workforce and indicate where positive action should be targeted.

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 and local communities;
- Employees;
- Local and central government agencies, local councillors, external education providers, local primary, and secondary schools; and
- Suppliers including catering, cleaning, and payroll providers.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

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

Objectives, Strategies and Activities

After two years of unprecedented disruption caused by Covid-19, the financial and academic year 2021-22 saw an apparent return to accustomed pre-pandemic rhythms in schools, including the re-introduction of public exams for the first time since summer 2019. However, some important aspects of education have now changed, both for good and ill.

On the upside, there has been the inspiring determination and resilience of those who work and study in our schools, and the educational gains brought about by greater use of blended (on-line and face-to-face) teaching and learning are to be welcomed.

Of great concern, however, is the evidence of pupils from all backgrounds for whom loss of schooling during 2020 and 2021 has made life more challenging, coupled with concerns that those from disadvantaged homes may have suffered more than others from learning loss. Connected with this our school leaders and teachers have been dealing with a significant increase in children's mental health issues. Staff stress levels and absence were high.

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It is difficult to escape the conclusion that the 'new normal' for schools is not a return to the status quo ante that some had wished for. Nor do the financial pressures that began to arrive during the year as a result of cost inflation and culminated just after the year end with a massive spike in energy costs and the announcement of unfunded salary increases - significantly above earlier Government guidance - hold out hope that pressures on schools, their pupils and staff will ease off in the coming years.

Nevertheless, the Creative Education Trust Board would like to take the opportunity offered by this report to note that staff and management in our schools and central team rose to these continuing challenges without complaint, and with intelligence, perseverance, and fortitude.

In the year to 31 August 2022 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 through the implementation of the goals set out in its Strategic Plan 2019-2023.

There was a particular and ongoing focus on three of the four large secondary schools that were its most recent joiners – The Bulwell Academy, Nottingham, Ellis Guilford School, Nottingham and Milton Keynes Academy, Milton Keynes – each with long-term and deeply entrenched issues with educational standards and poor financial management.

Financial issues at these schools are now part of the past and significant strides were made with raising educational standards, reflected in both internal assessments and, with the resumption of inspections by Ofsted, in a positive outcome for Ellis Guilford School. Public exam results at the end of the year showed significant increases in attainment and progress scores at The Bulwell Academy.

The number of schools within Creative Education Trust during the year under review was seventeen, between them educating over 14,000 children and young people, employing over 1,800 staff and with income of £104 million. In addition to the schools noted above, Creative Education Trust secondary schools were Abbeyfield School, Northampton; Ash Green School, Bedworth; Caister Academy, Great Yarmouth; The Hart School, Rugeley; Lynn Grove Academy, Great Yarmouth; Thistley Hough Academy, Stoke-on-Trent; Weavers Academy and Wrenn School, Wellingborough. The Trust's primary schools were Harpfield Primary Academy, Stoke-on-Trent; Queen Eleanor Primary Academy, Northampton; Three Peaks Primary Academy, Tamworth; Woodlands Primary Academy Great Yarmouth; and Wroughton Infants Academy and Wroughton Junior Academy, Great Yarmouth.

The Board continued to be mindful throughout the period of the need to ensure that the demands of more recent acquisitions on the Trust's resources and management capacity were properly balanced with the need to support the continuing development and improvement of its existing portfolio of schools, particularly given the continuing demands placed on resources by the aftermath of the Covid pandemic. The decision was taken to defer the consideration of any new joiners until 2023 and to continue to develop capacity and review and refine the Trust's operating model and operational procedures so that it could approach further growth from a position of organisational strength.

Board and management were also clear about the need to continue to leverage the advantages of being a Multi-Academy Trust, through accelerating the development and adoption of common standards across the schools in a range of areas including curriculum, human resource management, care of the estate and provision of school meals.

Within the year the following enabling developments took place in pursuit of the Board and management's agreed priorities for the year, building on other areas of progress already achieved in the Trust's Strategic Plan 2019-2023, and with future expansion as well as present effectiveness in view:

- Following the successful introduction in 2020-21 of the Trust's own common curriculum at secondary level, a common curriculum was introduced to its primary schools at the beginning of 2021-22

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FOR THE YEAR ENDED 31 AUGUST 2022**

- Regular in-house, high-quality professional development events for education staff commenced with conferences on curriculum, assessment, safeguarding and behaviour; planning was undertaken for development events for non-teaching staff to be introduced in AY2022-23
- Live cross-trust programmes intended to increase students' cultural capital and self-confidence recommenced, including ambitious new events such as a debate competition for Year 9, to complement ones successfully established pre-Covid
- Procurement and installation of a common new cloud-based Management Information System for all schools to simplify and increase efficiency of administration of all kinds and to enable more effective management understanding and action
- Procurement and installation of a common new HR and payroll system, replacing a variety of out-dated and incompatible legacy systems, to increase efficiency, transparency and to provide rich data for understanding and developing the workforce
- Procurement and installation of new software packages for administration of governance and GDPR
- Restructuring of the central finance team, including the creation of new senior roles to increase capacity and insight
- Augmentation of the HR team to strengthen its capacity to design and deliver non-teaching staff development programmes commencing AY2022-23
- Restructuring of the Programmes Team to enable its full absorption into the Education Team and to increase value added to the Trust's curriculum model
- Continuing estates planning, commissioning of regular updates to condition surveys, development of masterplans and submission of three proposals to the Priority Schools Rebuilding programme
- Acceleration of energy saving programmes including LED lighting conversions, installation of photovoltaic cells, energy efficient heating boilers and pumps, and the commissioning of the Trust's first net-zero classroom block at The Hart School, Rugeley

Public Benefit

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

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FOR THE YEAR ENDED 31 AUGUST 2022**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

These continuing developments were evident across the Trust's central functions and the schools, all of which will benefit from the very significant investments made during the year in the procurement and installation of a variety of powerful and sophisticated management software packages, giving common and intercommunicating platforms across all parts of the Trust. These had already begun to give indications of their transformative power late in the 2021-22 year and will come into their own in 2022-23. The Board would like to congratulate all those who took part in the specifying, procurement, and delivery of these complex and onerous projects, but in particular the Head of IT and the Director of HR.

The positive impact of the Trust's investment in the expansion of the capacity of the Education Team over the past two years began to show up in 2021-22. New and more formalised school improvement methods (enabled by rich, real-time data and structured through the work of the Academy Improvement Boards), the overall enhancement in numbers and capacity on the team as described in last year's report, a conscious division of labour among a wider range of specialised professional roles, and a level of energy and ambition among its members, and as well as the increasing deployment of internal school-to-school capacity through the more than 60 cross-trust professional groups (Academic Communities) have greatly enhanced Creative Education Trust's ability to face confidently towards the national accountability regime, and in particular the current Ofsted framework.

The impact of all this is signalled by the fact that in AY2021-22, after the recommencement of Ofsted inspections, all four Creative Education Trust schools inspected had successful outcomes in line with predictions. On each occasion the inspection report noted the quality and impact of Creative Education Trust's new, standardized secondary curriculum and remarked the Trust's capacity to achieve school improvement. While some of our primary test results disappointed, we are confident that the new common curriculum introduced just at the beginning of the year will produce excellent outcomes in the 2022-23 SATs. Our secondary schools in aggregate slightly exceeded the targets for attainment and progress set at the beginning of the year and continue to make good progress towards our medium-term goals.

The Creative Education Trust strategy attaches great importance to the development of the Trust's employees in all professional disciplines. 2021-22 saw further positive developments in how staff are recruited, inducted, developed, and retained. The Creative Education Trust brand is now established as a strong one with the power to attract good job candidates. This was reinforced during the year as the Trust's curriculum alignment work became more widely known among teachers.

A more diverse pipeline of teacher supply continued to be developed through close external partnerships – including with the University of Warwick, University of East Anglia, Coventry University, Nottingham Trent University and Teach First which resulted in a number of Initial Teacher Training students placed in Trust schools. Refinements made to the induction process for new staff in AY2020-21, in part to deal with the need for remote recruitment continue, to have a positive impact under current conditions. These include the Trust's video "Introduction to our Strategy", a comprehensive Staff Handbook, clear induction templates for managers to use, and the implementation of a probation policy across all roles.

Among the most rewarding achievements of the year has been the introduction of a series of wide-ranging, high quality in-house development programmes, aimed in the first instance mainly at teaching staff, replacing

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

a variety of third-party programmes. Ambitious residential conferences were delivered on the topics of curriculum, assessment, safeguarding and behaviour. They featured learning led by a mix of our own experts and well-known external speakers. A number of guest participants from other MATs and LAs were invited, and the feedback from outsiders and our own staff has been very positive.

These conferences were the first practical manifestations of a renewed commitment by the Board to developing the Trust's talent that will find its full expression in a virtual Learning and Development Centre to be launched in 2022-23. The recruitment by the HR team of an experienced Learning and Development Manager to work on this project with the Education team's Director of Research and Development will enable parallel opportunities to be extended to our other professional groups.

Enabled by the embedding of the Programmes Team within the Education Team, the work of school improvement and the full establishment of the common Academic Curriculum were complemented by the delivery of the Knowledge Connected Curriculum, and the Ambition Curriculum, intended to widen students' horizons and add to cultural capital, confidence, and resilience. The first half of AY2021-22 followed the previous year with programmes delivered virtually, but by the second half of the year conditions were deemed to be appropriate for the revival of long-standing favourites, such as the Primary Day of Poetry as well as the introduction of new programmes, including a debate competition for Year 9. It is anticipated that a full and expanding range of programmes will take place 'live' throughout 2022-23 and that increasing numbers of students will benefit from participation.

Creative Education Trust's commitment to maintaining and enhancing its estate and ensuring the safety of pupils and staff continued unabated through the year, despite significant inflation in materials and labour costs. The emphases were on tackling long-standing inherited condition issues before they become ever more expensive, and on schemes to increase energy efficiency and reduce the Trust's carbon footprint. Prudent management of the Trust's finances over recent years meant Trustees were able to make a further investment of £1.6 million from designated reserves to augment the School Capital Allocation (SCA) funding. £1.2 million was donated by the Rugeley Endowment Trust – the pioneering new Net Zero classroom block at the Hart School, Rugeley, being entirely funded outside the SCA envelope. In addition, a further £0.3 million of capital funds were provided by Local Authorities to support growth projects in two schools.

During the year, internal scrutiny was provided by an expert in Health and Safety risk management. The external expert confirmed the effectiveness of the premises management structure, and the high level of knowledge and competence within the team, which continues to significantly encounter that observed at other academy trusts. In addition, the tracking of maintenance and compliance, with a completion rate of 90/95%+, is another area in which the Trust is significantly ahead of its peers.

Key Performance Indicators

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

The key financial performance indicators (KPIs) are:

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

Both measures were achieved in the year. More details are provided in the Financial Review and Reserves Policy sections on pages 15-16.

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

- During 2021/22 academic year, there were over 14,000 pupils on roll at Creative Education Trust academies, the highest number to date. We are full and oversubscribed in most institutions and have supported local authorities across the country in taking additional pupils into our schools.
- The fully implemented co-constructed curriculum is being delivered in all secondary academies and across all year groups. We have ensured the discrete teaching of all national curriculum subjects across the family of schools. A robust system for tracking pupil progress based on aligned assessments has ensured a greater than before understanding as to pupil knowledge gaps and the extent to which our planned curriculum has been implemented.
- In the summer of 2022 examinations at the end of Key Stage 4 and Key Stage 5 returned after a two-year hiatus. GCSE performance across Creative Education Trust showed promise, with a 7% increase in the percentage of pupils achieving a Grade 5+ (Good pass) in English and mathematics. The same increase was achieved for Grade 4+. The progress made by pupils across a range of subjects (using the government Progress 8 score) showed an increase of +0.12 from 2019 results.
- Across all Key Stage 4 measures the trust met or exceeded the challenging targets set at the start of the academic year.
- Half of our A-Level entries were graded A*-B and nearly three quarters of entries were graded A*-C. The average grade our students achieved was a C+ (average point score of 32.2), which is in line with the national average and an improvement from the C- (average point score of 27.4) achieved in the summer of 2019.
- Our Year 6 pupils took SATs for the first time since 2019 and mirrored the national trend in terms of the percentage of pupils achieving the expected standard in Reading, Writing and Mathematics. The overall progress the pupils made from Year 2 to Year 6 was much improved from 2019 with the largest improvements being seen in Writing.
- The 2021/2022 academic year saw a return to routine Ofsted inspections of schools in England. In total there were four inspections across Creative Education Trust, all under the new Education Inspection Framework (previous inspections were conducted under the Common Inspection Framework).

Academy	Previous inspection grade	New inspection grade
Ellis Guilford School	Inadequate	Requires Improvement
Abbeyfield School	Good	Good
Weavers Academy	Good	Good
Thistley Hough Academy	Good	Good

- All four inspections had positive outcomes and either maintained a judgement of Good or improved on their previous outcome. Work is on-going at Ellis Guilford School to ensure it continues on its improvement journey and is judged to be 'good' at its next inspection.
- In all inspections the co-constructed curriculum was heralded as a strength both in terms of its unapologetically ambitious nature and the way in which effective trust-wide collaboration had taken place.
- Average days sickness per employee were 3.5 days for the period April-August (all employee KPI's have been reset from the start of the new system).
- Staff turnover in the period from April – August was 15.13%, this information is taken from the new HR/Payroll system.

Going Concern

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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 and Property, have co-opted professionals to expand further the range of knowledge available for informed decision making. Creative Education Trust was a founder member of The Queen Street Group (QSG), a voluntary association of 25 mature and successful Multi-Academy Trusts across England. During the year, Creative Education Trust's CEO was Chair of the group. QSG provides a forum for like-minded educational organisations to share best practice through regular meetings of CEOs and other senior executives, and to support one another with experience and intelligence. QSG has a regular programme of meetings with education ministers, senior civil servants, the CEOs of education regulators and funders, as well as other senior decision makers and policy experts. Feedback from these interactions forms an invaluable background to the horizon-gazing and decision-making of Creative Education Trust's Board and senior management.

The interests of the company's employees:

- This year has seen further implementation of the People Strategy and in particular the development of the Recruit, Train, Retain strategy which aims to ensure the Trust is fully staffed with high-quality people. The Trust's approach has been to promote itself through high-quality advertising and promotion of opportunities on its website plus the increased use of social media opportunities to profile the Trust's brand. This has increased the applicant pool and resulted in a reduced vacancy rate at the end of the academic year there were only 19 vacant posts reflecting a vacancy rate of 1.6%.
- There has been a significant step forward in the Trust's approach to learning and development for teaching and support staff. The Trust has contracted with the National College as a source of training material applicable to all staff, there was a Trust wide 'inset' training day in January. The first in an ongoing programme of in-house training and development events for education staff. The year concluded with the recruitment of a new Learning and Development Manager.
- Employee engagement is a high priority for the Trust and our approach is set out on page 5.
- The Trust has a long-held ambition to improve its people management IT systems, and this is now being realized with the implementation of the iTrent HR/Payroll system on 1 April 2022, this will improve the reliability of employee data and will give an easy access to staff and line managers through self-service portals.

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

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

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FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- Creative Education Trust's schools are community assets often situated in places with high levels of deprivation and multiple challenges. It is a strategic objective of Creative Education Trust that its schools be active and valued participants in their localities, with a central role in community renewal and pride. Pupils in the Trust's schools are taught to value their community's identity and encouraged to contribute actively to its life and its enhancement when at school and in adult life.
- Creative Education Trust's school-level governance arrangements specifically ensure parental and other local representation in the oversight of the management of each school's affairs, and it tries to ensure that its investments recognise local needs and community priorities.
- Environmental considerations are to the forefront of curriculum design and delivery in Creative Education Trust schools.
- In the management of its extensive holdings of land and buildings the Trust pays particular attention to environmental concerns and efficiencies – ranging from the removal of legacy asbestos and other harmful materials from its older building stock to the replacement of traditional oil-fired boilers, installing energy efficient windows and roofing materials, to an extensive rolling programme of replacement of fluorescent light fittings with LED. Where the Trust has the good fortune to be able to procure new building projects these are BREEAM (the leading sustainability assessment method for such projects) compliant and where possible photovoltaic panels are installed. There is a policy of involving pupils in the design process for new projects with an emphasis on the understanding of environmentally responsible building practice.

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

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

FINANCIAL REVIEW

During the year ended 31 August 2022, the Trust received income of £104 million (2021: £94 million) of which £94 million (2021: £89 million) related to restricted income funds, £3 million (2021: £2 million) related to unrestricted funds, and £7 million (2021: £3 million) related to restricted capital grants. The principal source of funding during the year continued to be the General Annual Grant received from the Trust's regulator, the Education and Skills Funding Agency (ESFA), which is an Executive Agency of the UK Government, sponsored by the Department for Education (DfE). General Annual Grant of £79 million was received in the year to 31 August 2022 (2021: £73 million) and other grants including pupil premium, capital grants and other funding from the ESFA/ DfE totalled £20 million (2021: £17 million).

The Trust had expenditure (excluding expenditure allocated to the pension reserve) of £102 million (2021: £94 million) including £95 million (2021: £88 million) of expenditure from restricted and unrestricted income and £7 million (2021: £6 million) of depreciation allocated directly against the restricted fixed asset fund. In addition, the Trust invested £4 million (2021: £2 million) of restricted general funds into the purchase of fixed assets including a £1.6m (2021: £0.6 million) strategic investment from reserves to accelerate school condition projects.

As a result of the above, the Trust's deficit on restricted general funds and unrestricted general funds (excluding deficit on the pension reserve) for the year to 31 August 2022 totalled £0.1 million (2021: surplus of £1.5 million).

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. The Trustees' policy during 2021/22 academic year was to hold a level of unrestricted and restricted general funds equal to around five percent of the total income of the Trust. In October 2022, the Trustees' have approved a temporary reduction of their reserves policy to four percent, due to the unprecedented situation regarding unfunded pay rises and energy increases. The Trustees' intention is to increase their reserves policy back to five percent, when the financial climate improves, and when doing so will not be detrimental to the achievement of the Trust's strategy for school improvement.

The Trustees' have designated reserves of £2 million for the Centre for Professional Learning and Development and for targeted School Improvement initiatives. The Trust's available unrestricted and restricted general reserves (excluding reserves designated by Trustees) at the 31 August 2022 total £5.3 million, which equates to five percent of budgeted total income for the next academic year.

In addition to the above restricted and unrestricted general funds, the Trust is holding reserves of £211 million (2021: £209 million) of restricted fixed asset funds and £3 million (2021: £3.4 million) of endowment funds. The endowment funds relate specifically to Milton Keynes Academy and The Bulwell Academy, and the application of these endowment funds takes place in accordance with the endowment deeds, which stipulate that funds should be applied in the advancement of public benefit education at these schools.

The defined benefit pension scheme reserve has a negative balance of £11m (2021: £66m). The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be eliminated immediately, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust's principal risks are as detailed below. These areas are monitored via an established risk management process under the oversight of the Board and its sub-committees.

- **Changes and/or late notification of Government policy for grant funding and national proposals for teaching and support staff pay.** The Trust's business model is highly sensitive to changes in funding and the impact of national pay scales. During Summer 2022, the risk in this area has increased significantly, following the announcement of higher-than-expected unfunded teachers' pay awards (effective from 1 September 2022) and unfunded support staff pay awards (effective from 1 April 2022 onwards). The financial implications of these changes are significant, and the Trust's strategic response is being carefully considered on an ongoing basis by the Board and the Executive.

A major uncertainty also currently exists due to the possibility of further unfunded pay awards. This presents a significant risk to the funding available to support the Trust's strategy for school improvement and presents a substantial challenge to the preparation of realistic 3-year plans that can inform strategic decision making. The Trust is continuously monitoring the current financial outlook at each Finance Committee and Board meeting, with ongoing monitoring in between.

- **Challenges presented by rising inflation due to the current economic climate, including the reduction of spending power from existing budgets.** This is currently most prevalent in the Trust's energy contract signed during July 2022 (effective 1 October 2022 onwards), which will result in electricity costs that have tripled. In addition, the costs of resources, and capital projects are increasing at a higher rate than government funding.
- **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 and discussed at each Finance Committee meeting. In addition, the Trust provides targeted marketing to support pupil recruitment and retention.
- **Recruitment of suitably experienced staff.** The Trust works to keep pace with the employment market and continuously develops new initiatives to support recruitment and to ensure that the Trust is an employer of choice.
- **Loss of key staff through resignation, ill health or otherwise.** The Trust focuses on various initiatives to support staff retention including a targeted focus on professional learning and development and staff wellbeing initiatives. The Trust also identifies individuals who have a material impact on day-to-day running of the Trust and its schools and has developed contingency plans for replacement of those staff in the event of those staff leaving the Trust.
- **Safeguarding of children.** The Trust attaches the greatest importance to the safeguarding of children at its schools. Its policies and procedures are kept under constant review and the Board ensures that the Trust keeps safeguarding at the forefront of its activities.
- **Poor academic achievement** showing in national performance tables and leading to falling student numbers and undesirable Ofsted judgements. The Trust maintains accurate and complete school performance data 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 undertakes regular, standardised risk assessment of all known and reasonably foreseeable health and safety hazards covering all premises, people, equipment, and activities to control risks and to plan and prioritise the

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implementation of the identified control measures. Specific responsibilities are assigned to Principals, teaching staff, other staff, pupils, and contractors.

- **IT integrity.** 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, as well as staff sufficiently experienced to combat risk of data loss. A specialist GDPR officer ensures compliance with GDPR rules.
- **Governance and oversight of the Trust's activities.** Failure to provide relevant, reliable, and timely information to appropriate stakeholders within the Trust to enable the measurement and management of the performance and effectiveness of its activities. The Trust maintains a comprehensive system of internal reporting, with regular meetings of all stakeholders, including Board members, Principals, Headteachers and the Senior Management Team.
- **HR Compliance.** Failure to follow effective procedures for the management of human resources throughout the Trust. The Trust engages a Director of Human Resources and has an experienced Human Resources professional on the Board. A comprehensive set of policies and procedures is in place to ensure compliance at all times, and regular checks are carried out to ensure that key controls have been operated throughout the year.
- **Financial risk.** 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. Employer contribution rates are closely monitored to ensure they are costed into the Trust's 3-year plan.

FUNDRAISING

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

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**TRUSTEES' REPORT (CONTINUED)
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STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	20,553,870	20,491,251
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	2,569	2,648
Owned transport – mini-buses	22	6
<u>Total scope 1</u>	<u>2,591</u>	<u>2,654</u>
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	1,260	1,326
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee-owned vehicles	67	18
Total gross emissions in metric tonnes CO ₂ e	3,918	3,998
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.27	0.28

Quantification and Reporting Methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

Energy cost increases are now an important feature for all schools and consequently, the Trust is accelerating strategies and investments to support consumption reduction. We have seen a periodic reduction in energy consumption through wise investment in new equipment such as LED lighting, more efficient boilers and pumps.

It is also important to note that supply chain costs are increasing significantly and therefore impacting on the Trust's investment activities. The Trust's School Condition Allocation funding is now increasingly focused upon strategies to support sustainability. Overall carbon reduction continues, and this is being achieved through widespread LED investment, upgrading of inefficient equipment as well as working to reduce energy consumption in areas such as the use of information technology.

The significant business interruption from Covid-19 during 2020/21 is now more clearly understood through monitoring of energy use. Despite abatement of Covid restrictions, ventilation management in schools continues to impact energy consumption. However, the continuation of hybrid working arrangements means that travelling between sites is still reduced.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

PLANS FOR FUTURE PERIODS

Creative Education Trust's work continues to be guided by its Strategic Plan 2019-2023, the result of 18 months of intensive review and analysis of its performance at the end of its previous plan.

The Strategic Plan recognised that the Trust had established itself as an effective improver of damaged schools but 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 improve further 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 improve 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;
- 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 established the following strategic objectives which, together with the detailed action plans that underpin each of them, continue to guide and inform the Trust's work.

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

Despite the challenges and distractions of the Covid-19 crisis, considerable practical progress has been made towards achieving these aims. During AY2022-23 a review will be undertaken to establish a revised and updated Strategic Plan through to the end of 2025. This will assess progress against Creative Education

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Trust's current strategic goals and examine their continuing relevance and/or viability in the light of the significant changes that have taken place in context since they were originally established. Particular consideration will be given to the educational and societal challenges and opportunities presented by two years of a global pandemic and its aftermath, Government's ambitions for the sector as set out in the Schools White Paper, as well as the implications of a cost-of-living crisis and the deteriorating state of the UK public finances.

AUDITOR

In so far as the Trustees are aware:

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

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2022 and signed on its behalf by:



Abbie Rumbold
Chair of Trustees

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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Creative Education Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has met formally 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
David Anderson (Chair to 30/07/2022)	2	4
Abbie Rumbold (Chair from 31/07/2022)	4	4
Nicholas Bull	4	4
Simon Figgis	4	4
Diana Gerald	4	4
Marc Jordan	4	4
Emily McDonald	3	4
William Richardson	4	4
Didem Un Ates*	1	4
Peter Walls	4	4

*As a Chair's action it was agreed that due to work pressures and short-term health issues Ms un Ates should take leave of absence from formal Board duties for the remainder of the academic year. The Board looks forward to working with Ms un Ates in AY 2022-23.

In addition to the four formal board meetings, each board meeting is normally preceded the day before by an extended strategic discussion meeting for non-executive directors and senior executives of the Trust. Every other year the Board normally holds a two-day residential conference with the senior executive team and the Trust's Principals and Headteachers to review performance and develop strategy.

During the year, the Chair of Trustees, David Anderson resigned after ten years of service in the role with effect from 30 July 2022, although he remained a Trustee until 31 August 2022. On 31 July 2022, Abbie Rumbold became Chair of Trustees following election by the Board.

Conflicts of interest

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Meetings

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

- The strength of the committee structure and frequency of meetings;
- Regular strategy meetings;
- 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 and between the Chair of each Committee and the relevant Lead Executive

Governance Review

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

Towards the end of AY2020-21, as in previous years, the Chair carried out a formal review of the Board's composition and performance. This was conducted through a skills and networks audit of current Trustees to ensure that the professional basis of the Board's scrutiny and guidance of executive activity remained appropriate to the needs of the Trust. The audit also aimed to identify any present skills gaps or those that might arise in the future through the retirement of members of the Board. This was accompanied by a detailed on-line questionnaire completed by each Trustee. This formed the basis for confidential one-to-one discussions for each Trustee with the Chair, who also held similar conversations with senior executives.

These discussions, together with the findings of a strategic review carried out by Sir David Carter towards the end of AY2020-21, were the basis for the Board's discussions in AY2021-22 of its effectiveness and planning for succession at its Board and Senior Staff Retreat in November 2021.

The Carter Review reflected positively on the quality and effectiveness of Creative Education Trust's governance, while the main findings of the Trust's internal review process and the actions arising for AY2021-22 were:

- The Board wished after the disruptions of the Covid period to re-establish its direct relationships with Trust schools through a series of regular visits, each with a focus on a different strand of oversight as defined by the responsibilities of its Committees. This will be implemented fully in AY2022-23
- The Board wished to devote extended time at its future meetings to monitoring the impact of work and investment in post-pandemic educational remediation, safeguarding pupils and their mental health, and the Trust's newly introduced staff development programmes. To this end, the agenda for future Board meetings was revised and the Chair, Chief Executive and Director of Education developed a revised approach to reporting to the Board on education matters which was implemented in AY2021-22
- The Board wished to continue its process of diversifying its membership and identifying the next generation of Trustees through the opportunities that had or were about to arise through the resignation of one Trustee at the end of the academic year 2020-21, and the impending retirement of the Chair and another long-standing Trustee at the end of AY2021-22. A committee of the Board was constituted to deal with succession to the post of Chair of the Trust. A strong internal candidate for the Chair post was successfully identified and duly elected. External search led to the appointment of two high calibre professionals to the other two vacant posts.

Consultations were held by the Chair elect in early summer 2022 with each Trustee and with senior staff. The next governance review will take place in summer 2023.

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Finance Committee

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Anderson	3	4
Nicholas Bull	4	4
Simon Figgis	4	4
Marc Jordan	4	4

Audit and Risk Committee

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Simon Figgis	4	4
David Anderson	2	4
Nicholas Bull	4	4
Abbie Rumbold	4	4

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

REVIEW OF VALUE FOR MONEY

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

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

- Initiating further developments to the budgeting process to ensure that it applies the resources of the Trust strategically to improve educational outcomes for children;
- Further developing the Trust's process for integrated curriculum and financial planning to ensure curriculum efficiency; and
- Further use of Government backed framework agreements for procurement.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Creative Education Trust for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating, and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance Committee and Estates and Properties Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint PKF Smith Cooper as internal auditor.

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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

REVIEW OF EFFECTIVENESS

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

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

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

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



Abbie Rumbold
Trustee



Marc Jordan
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Marc Jordan
Accounting Officer
Date: 12th December 2022

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Abbie Rumbold
Chair of Trustees

Date: 12th December 2022

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

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

Opinion

We have audited the financial statements of Creative Education Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

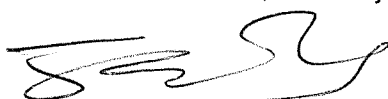
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

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



Joseph Scaife FCA DChA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 14/12/2022

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

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

In accordance with the terms of our engagement letter dated 20 April 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Creative Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Creative Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

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

Date: *14/12/2022*

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE) ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income and endowments from:							
Donations and capital grants	3	-	-	6,824	-	6,824	3,258
Other trading activities	5	2,532	-	-	-	2,532	1,627
Investments	6	9	-	-	57	66	59
Charitable activities	4	-	94,164	-	-	94,164	88,780
Other income		138	396	-	-	534	359
Total income and endowments		2,679	94,560	6,824	57	104,120	94,083
Expenditure on:							
Raising funds		-	-	-	52	52	65
Charitable activities	8	2,180	100,409	6,848	-	109,437	99,161
Other expenditure		-	-	-	-	-	1
Total expenditure		2,180	100,409	6,848	52	109,489	99,227
Net income/(expenditure) before net (losses)/gains on investments							
Net (losses)/gains on investments		499	(5,849)	(24)	5	(5,369)	(5,144)
		-	-	-	(242)	(242)	568
Net income/(expenditure)		499	(5,849)	(24)	(237)	(5,611)	(4,576)
Transfers between funds	21	-	(1,874)	2,054	(180)	-	-
Net movement in funds before other recognised gains/(losses)		499	(7,723)	2,030	(417)	(5,611)	(4,576)

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Other recognised gains/(losses):							
Actuarial gains/(losses) on defined benefit pension schemes	29	-	61,613	-	-	61,613	(9,865)
Net movement in funds		499	53,890	2,030	(417)	56,002	(14,441)
Reconciliation of funds:							
Total funds brought forward		1,532	(59,868)	209,010	3,442	154,116	168,557
Net movement in funds		499	53,890	2,030	(417)	56,002	(14,441)
Total funds carried forward	21	2,031	(5,978)	211,040	3,025	210,118	154,116

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

The notes on pages 39 to 71 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	15		209,559		209,011
Investments	16		3,025		3,442
			<u>212,584</u>		<u>212,453</u>
Current assets					
Stocks	17	3		3	
Debtors	18	4,374		3,115	
Cash at bank and in hand		16,754		16,371	
		<u>21,131</u>		<u>19,489</u>	
Creditors: amounts falling due within one year	19	(12,189)		(11,888)	
Net current assets			<u>8,942</u>		<u>7,601</u>
Total assets less current liabilities			<u>221,526</u>		<u>220,054</u>
Creditors: amounts falling due after more than one year	20		(96)		(145)
Net assets excluding pension liability			<u>221,430</u>		<u>219,909</u>
Defined benefit pension scheme liability	29		(11,312)		(65,793)
Total net assets			<u><u>210,118</u></u>		<u><u>154,116</u></u>

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

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022**

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Funds of the Academy Trust					
Endowment funds	21		3,025		3,442
Restricted funds:					
Fixed asset funds	21	211,040		209,010	
Restricted income funds	21	5,334		5,925	
Restricted funds excluding pension pension reserve	21	216,374		214,935	
Pension reserve	21	(11,312)		(65,793)	
Total restricted funds	21		205,062		149,142
Unrestricted income funds	21		2,031		1,532
Total funds			210,118		154,116

The financial statements on pages 34 to 71 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Abbie Rumbold
Chair of Trustees

Date: 12th December 2022

The notes on pages 39 to 71 form part of these financial statements.

CREATIVE EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	884	4,503
Cash flows from investing activities	26	(568)	(1,413)
Cash flows from financing activities	25	67	59
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		383	3,149
Cash and cash equivalents at the beginning of the year	27	16,371	13,222
Cash and cash equivalents at the end of the year	27, 28	16,754	16,371
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 39 to 71 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

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

1.3 INCOME

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

- **Legacies**

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

- **Grants**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Sponsorship income**

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

- **Transfer on conversion**

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

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following basis:

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

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

1.7 INVESTMENTS

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

1.8 STOCKS

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

1.9 DEBTORS

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

1.10 CASH AT BANK AND IN HAND

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES

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

1.12 PENSIONS

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

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

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

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

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

1.13 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**CREATIVE EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Capital Grants	-	6,824	6,824	3,255
Similar incoming resources	-	-	-	3
	<u>-</u>	<u>6,824</u>	<u>6,824</u>	<u>3,258</u>
	<u>3</u>	<u>3,255</u>	<u>3,258</u>	
TOTAL 2021				

Following the reclassification of some grants received from the Department for Education and ESFA, the group's Capital Grant income is no longer reported under the DFE/ESFA Grants heading in Note 4, but as a separate line in Note 3. The prior year numbers have been reclassified.

**CREATIVE EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
EDUCATION			
DFE/ESFA GRANTS			
GAG funding	79,459	79,459	72,701
OTHER DFE/ESFA GRANTS			
Pupil Premium	4,866	4,866	4,696
16-18 Funding	3,776	3,776	3,432
Other DfE Group Grants	2,468	2,468	4,714
	90,569	90,569	85,543
OTHER GOVERNMENT GRANTS			
SEN Funding	1,142	1,142	957
Other Grants Received	51	51	48
Local Authority Grants	1,186	1,186	1,112
	2,379	2,379	2,117
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Recovery Premium	682	682	1,120
Summer School Allocation	378	378	-
Mass Testing Funding	137	137	-
12-15 Vaccination Grants	19	19	-
	1,216	1,216	1,120
	94,164	94,164	88,780

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Uniforms	6	6	5
Trip Income	433	433	54
Catering Income	1,277	1,277	864
Music Services Income	34	34	23
Other Income	592	592	568
Lettings Income	190	190	113
	<u>2,532</u>	<u>2,532</u>	<u>1,627</u>

6. INVESTMENT INCOME

	Unrestricted funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Investment income	<u>9</u>	<u>57</u>	<u>66</u>	<u>59</u>
TOTAL 2021	<u>4</u>	<u>55</u>	<u>59</u>	

7. EXPENDITURE

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on investment management	-	-	52	52	65
EDUCATION:					
Direct costs	62,095	2,453	10,292	74,840	70,945
Allocated support costs	16,560	10,869	7,168	34,597	28,217
TOTAL 2022	<u>78,655</u>	<u>13,322</u>	<u>17,512</u>	<u>109,489</u>	<u>99,227</u>
TOTAL 2021	<u>73,846</u>	<u>11,697</u>	<u>13,684</u>	<u>99,227</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total 2022 £000	Total 2021 £000
Academy's educational operations	2,180	107,257	109,437	99,161
TOTAL 2021	2,395	96,766	99,161	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy's educational operations	74,840	34,597	109,437	99,161
TOTAL 2021	70,945	28,216	99,161	

ANALYSIS OF DIRECT COSTS

	Total funds 2022 £000	Total funds 2021 £000
Pension finance costs	394	846
Staff costs	59,829	60,702
Agency supply teachers	1,973	1,338
Depreciation	4,693	2,407
Educational supplies	3,495	2,706
Examination fees	1,125	761
External education and fees	1,136	916
Technology costs	18	15
Educational consultancy	1,282	784
Other direct costs	895	470
	74,840	70,945

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NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2022 £000	Total funds 2021 £000
Pension finance costs	749	-
Staff costs	15,225	10,692
Depreciation	2,152	3,865
Other Costs	663	637
Agency Supply - support staff	880	493
Recruitment and other staff costs	615	578
Maintenance of premises and equipment	3,132	2,080
Cleaning	1,162	1,196
Rent and rates	827	931
Energy costs	1,202	1,126
Insurance	300	314
Security and transport	155	85
Catering	3,009	2,187
Technology costs	928	955
Office overheads	502	586
Legal & professional	1,247	693
Bank interest and charges	4	2
Profit/Loss on disposal of fixed assets	4	8
PFI charges	1,723	1,647
Governance costs	118	141
	<u>34,597</u>	<u>28,216</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	228	213
Depreciation of tangible fixed assets	6,844	6,272
Fees paid to auditors for:		
- audit	55	71
- other services	16	23
	<u>7,133</u>	<u>6,558</u>

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. STAFF

a. STAFF COSTS

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

	2022	2021
	£000	£000
Wages and salaries	52,046	50,978
Social security costs	5,519	5,259
Pension costs	17,489	15,157
	75,054	71,394
Agency staff costs	2,852	1,831
Staff restructuring costs	748	621
	78,654	73,846

Staff restructuring costs comprise:

	2022	2021
	£000	£000
Severance payments	314	299
	314	299

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. STAFF (CONTINUED)

b. SEVERANCE PAYMENTS

The Academy Trust paid 35 severance payments in the year, disclosed in the following bands:

	2022
£0 - £25,000	32
£25,001 - £50,000	2
£150,000+	1
	35

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

In 2021/22 the value of all non-statutory/non-contractual severance payments made by the Trust totalled £313,568 for both teachers and support staff (2020/21: £299,234). Individual payments were: £4,392, £9,398, £9,807, £15,000, £6,428, £30,585, £21,281, £21,523, £12,500, £12,500, £10,000, £17,993, £2,500, £13,943, £14,091, £9,758, £1,778, £6,700, £1,500, £16,989, £14,180, £15,000, £22,712, and £23,010.

d. STAFF NUMBERS

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

	2022 No.	2021 No.
Teachers	785	741
Administration and support	918	919
Management (including school leadership teams)	134	120
	1,837	1,780

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NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF (CONTINUED)

e. HIGHER PAID STAFF

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	23	31
In the band £70,001 - £80,000	5	9
In the band £80,001 - £90,000	3	5
In the band £90,001 - £100,000	5	1
In the band £100,001 - £110,000	2	3
In the band £110,001 - £120,000	2	2
In the band £120,001 - £130,000	3	3
In the band £130,001 - £140,000	2	3
In the band £150,001 - £160,000	-	1
In the band £160,001 - £170,000	-	1
In the band £170,001 - £180,000	1	-
In the band £200,001 - £210,000	-	1
In the band £210,001 - £220,000	1	-

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

In 2021, there was also one employee in the banding £260,000 - £270,000. This banding included salary, pay in lieu of notice and termination payment.

f. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,944,941 (2021 - £1,205,958). For 2022 this amount includes a contractual redundancy cost (including actuarial pension strain).

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

Marc Jordan (CEO and Trustee)
 Remuneration £210,001 - £220,000 (2021: £200,001 - £210,000)
 Employer's pension contribution paid £30,001 - £40,000 (2021: £30,001 - £40,000).

**CREATIVE EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. CENTRAL SERVICES

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

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

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

The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
Abbeyfield Academy	386	345
Ash Green Academy	284	253
Bulwell Academy	354	315
Caister Academy	211	195
Ellis Guilford School	438	406
Harpfield Primary Academy	47	45
Hart School	340	300
Lynn Grove Academy	327	292
Milton Keynes Academy	390	361
Queen Eleanor Academy	47	46
Thistley Hough Academy	293	258
Three Peaks Primary Academy	84	75
Weavers Academy	372	337
Woodlands Primary Academy	87	76
Wrenn School	370	324
Wroughton Infant Academy	53	52
Wroughton Junior Academy	80	75
TOTAL	4,163	3,755

**CREATIVE EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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13. TRUSTEES' REMUNERATION AND EXPENSES

During the years ended 31 August 2021 and 2022, respectively, remuneration and retirement benefits in respect of defined benefit pension schemes were accruing to the Chief Executive Officer, see note 11f. No other Trustee received any remuneration in either year.

During the year ended 31 August 2022, travel expenses totalling £869 were reimbursed or paid directly to 4 Trustees (2021 - £180 to 1 Trustee). The Chief Executive Officer's expenses are excluded from this disclosure, as they were incurred in his role as an Executive Director.

14. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
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15. TANGIBLE FIXED ASSETS

	Leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
COST OR VALUATION						
At 1 September 2021	237,704	-	6,134	7,490	142	251,470
Additions	2,555	56	2,830	1,955	-	7,396
Disposals	-	-	-	(4)	-	(4)
Transfers between classes	-	-	6	(6)	-	-
At 31 August 2022	240,259	56	8,970	9,435	142	258,862
DEPRECIATION						
At 1 September 2021	33,974	-	3,214	5,162	109	42,459
Charge for the year	3,890	-	891	2,054	10	6,845
On disposals	-	-	-	(1)	-	(1)
At 31 August 2022	37,864	-	4,105	7,215	119	49,303
NET BOOK VALUE						
At 31 August 2022	202,395	56	4,865	2,220	23	209,559
At 31 August 2021	203,730	-	2,920	2,328	33	209,011

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. FIXED ASSET INVESTMENTS

	Listed investments £000
COST OR VALUATION	
At 1 September 2021	3,442
Revaluations	(417)
	<u>3,025</u>
AT 31 AUGUST 2022	<u><u>3,025</u></u>
 NET BOOK VALUE	
AT 31 AUGUST 2022	<u>3,025</u>
AT 31 AUGUST 2021	<u><u>3,442</u></u>

17. STOCKS

	2022 £000	2021 £000
Finished goods and goods for resale	<u>3</u>	<u>3</u>

18. DEBTORS

	2022 £000	2021 £000
DUE WITHIN ONE YEAR		
Trade debtors	1,249	84
Other debtors	17	26
Prepayments and accrued income	2,419	2,218
Tax recoverable	689	787
	<u>4,374</u>	<u>3,115</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£000	£000
Other loans	32	32
Trade creditors	3,388	2,999
Other taxation and social security	1,325	1,340
Other creditors	1,958	1,907
Accruals and deferred income	5,486	5,610
	12,189	11,888
	2022	2021
	£000	£000
Deferred income at 1 September 2021	3,151	2,364
Resources deferred during the year	1,758	3,151
Amounts released from previous periods	(3,151)	(2,364)
	1,758	3,151

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

At the balance sheet date the Trust was holding funds received in advance for 2022/23 which included Universal Free School Meal Funding, Rates, Trip Income, Bursary, Higher Level Needs, and SEN Grant.

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

	2022	2021
	£000	£000
Other loans	96	129
Other creditors	-	16
	96	145

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
UNRESTRICTED FUNDS						
General Funds	1,532	2,679	(2,180)	-	-	2,031
ENDOWMENT FUNDS						
Endowment Fund	3,442	57	(52)	(180)	(242)	3,025
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	5,925	83,235	(80,287)	(3,539)	-	5,334
Pupil Premium	-	5,027	(5,027)	-	-	-
Other EFA Grants: Excluding Capital	-	1,894	(1,894)	-	-	-
Other restricted funds	-	3,188	(3,188)	-	-	-
Dfe Covid-19 Funding	-	1,216	(1,216)	-	-	-
Capital funding/Revenue expenditure	-	-	(1,665)	1,665	-	-
Pension reserve	(65,793)	-	(7,132)	-	61,613	(11,312)
	(59,868)	94,560	(100,409)	(1,874)	61,613	(5,978)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets Fund	209,010	-	(6,848)	7,397	-	209,559
SCA and other capital grants	-	6,824	-	(5,343)	-	1,481
	<u>209,010</u>	<u>6,824</u>	<u>(6,848)</u>	<u>2,054</u>	<u>-</u>	<u>211,040</u>
TOTAL RESTRICTED FUNDS	<u>149,142</u>	<u>101,384</u>	<u>(107,257)</u>	<u>180</u>	<u>61,613</u>	<u>205,062</u>
TOTAL FUNDS	<u>154,116</u>	<u>104,120</u>	<u>(109,489)</u>	<u>-</u>	<u>61,371</u>	<u>210,118</u>

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

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

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

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

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

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

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

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

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

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

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21. STATEMENT OF FUNDS (CONTINUED)

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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FOR THE YEAR ENDED 31 AUGUST 2022

21. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
UNRESTRICTED FUNDS						
General Funds	1,138	1,765	(1,421)	50	-	1,532
Wrenn Astro Limited	49	44	(45)	(48)	-	-
Creative Education Academies Limited	14	2	(14)	(2)	-	-
	<u>1,201</u>	<u>1,811</u>	<u>(1,480)</u>	<u>-</u>	<u>-</u>	<u>1,532</u>
ENDOWMENT FUNDS						
Endowment Fund	<u>2,874</u>	<u>55</u>	<u>(55)</u>	<u>-</u>	<u>568</u>	<u>3,442</u>
RESTRICTED GENERAL FUNDS						
General annual grant (GAG) and other restricted funding	4,817	88,962	(86,539)	(1,315)	-	5,925
Pension reserve	(51,055)	-	(4,873)	-	(9,865)	(65,793)
	<u>(46,238)</u>	<u>88,962</u>	<u>(91,412)</u>	<u>(1,315)</u>	<u>(9,865)</u>	<u>(59,868)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets Fund	<u>210,720</u>	<u>3,255</u>	<u>(6,280)</u>	<u>1,315</u>	<u>-</u>	<u>209,010</u>
TOTAL RESTRICTED FUNDS	<u>164,482</u>	<u>92,217</u>	<u>(97,692)</u>	<u>-</u>	<u>(9,865)</u>	<u>149,142</u>
TOTAL FUNDS	<u><u>168,557</u></u>	<u><u>94,083</u></u>	<u><u>(99,227)</u></u>	<u><u>-</u></u>	<u><u>(9,297)</u></u>	<u><u>154,116</u></u>

21. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

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

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

21. 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 2022 £000	Total 2021 £000
Abbeyfield Academy	5,462	513	241	3,130	9,346	7,756
Ash Green Academy	4,082	697	161	1,807	6,747	5,421
Bulwell Academy	4,718	1,040	193	2,625	8,576	7,181
Caister Academy	3,200	615	227	1,686	5,728	4,476
Ellis Guilford School	5,643	891	578	3,369	10,481	9,190
Harpfield Primary Academy	870	136	33	438	1,477	1,254
Hart School	4,891	577	294	2,230	7,992	6,840
Lynn Grove Academy	4,759	889	197	2,043	7,888	4,143
Milton Keynes Academy	5,270	718	212	3,065	9,265	7,495
Queen Eleanor Academy	792	188	78	417	1,475	1,215
Thistley Hough Academy	4,036	461	192	2,432	7,121	6,025
Three Peaks Primary Academy	1,404	200	80	682	2,366	1,857
Weavers Academy	5,216	930	344	2,793	9,283	7,456
Woodlands Primary Academy	1,358	407	64	666	2,495	1,914
Wrenn School	5,324	950	308	2,320	8,902	4,284
Wroughton Infant Academy	962	223	38	325	1,548	1,299
Wroughton Junior Academy	1,094	259	59	586	1,998	1,794
Central Services	657	2,490	199	3,455	6,801	3,643
ACADEMY TRUST	59,738	12,184	3,498	34,069	109,489	83,243

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	209,011	-	209,011
Fixed asset investments	-	-	-	3,442	3,442
Current assets	1,532	17,957	-	-	19,489
Creditors due within one year	-	(11,888)	-	-	(11,888)
Creditors due in more than one year	-	(145)	-	-	(145)
Provisions for liabilities and charges	-	(65,793)	-	-	(65,793)
TOTAL	1,532	(59,869)	209,011	3,442	154,116

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Total return on Permanent Endowment

	Permanent Endowment £000	Unapplied total return £000	Total funds £000
As at 1 September 2021			
Trust for investment/permanent endowment	1,500	-	1,500
Unapplied total return	-	509	509
Total as at 1 September 2021	1,500	509	2,009
Movements in the reporting period			
Investment return: dividends and interest	-	22	22
Investment return: realised and unrealised losses	-	(175)	(175)
Less investment management fees	-	(30)	(30)
Total	-	(183)	(175)
Unapplied total return allocated to income	-	(180)	(180)
Unapplied total return allocated to investment fund	237	(237)	-
Net movements in the reporting period	237	(600)	(363)
As at 31 August 2022			
Trust for investment/permanent endowment	1,737	-	1,737
Unapplied total return	-	(91)	(91)
Total as at 31 August 2022	1,737	(91)	1,646

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

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

Other endowment funds

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

In addition to the above funds, the Trust is holding expendable endowment funds of £1,378,000 (2021: £1,433,000)

The total endowment funds for the Trust are therefore £3,025,000 (2021: £3,442,000).

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022	2021
	£000	£000
Net expenditure for the year (as per Statement of financial activities)	(5,611)	(4,576)
ADJUSTMENTS FOR:		
Depreciation	6,844	6,272
Capital grants from DfE and other capital income	(6,824)	(3,228)
Defined benefit pension scheme cost less contributions payable	7,132	4,873
Decrease/(increase) in stocks	-	3
Decrease/(increase) in debtors	(1,259)	41
(Decrease)/Increase in creditors	301	1,782
(Decrease)/Increase in creditors due after one year	(49)	(37)
Returns on investments and servicing of finance	(67)	(59)
Revaluation of investments	417	(568)
NET CASH PROVIDED BY OPERATING ACTIVITIES	884	4,503

25. CASH FLOWS FROM FINANCING ACTIVITIES

	2022	2021
	£000	£000
Interest received	67	59
NET CASH PROVIDED BY FINANCING ACTIVITIES	67	59

26. CASH FLOWS FROM INVESTING ACTIVITIES

	2022	2021
	£000	£000
Purchase of tangible fixed assets	(7,396)	(4,646)
Proceeds from the sale of tangible fixed assets	4	5
Capital grants	6,824	3,228
NET CASH USED IN INVESTING ACTIVITIES	(568)	(1,413)

**CREATIVE EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £000	2021 £000
Cash in hand and at bank	16,754	16,371
TOTAL CASH AND CASH EQUIVALENTS	16,754	16,371

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	16,371	382	16,753
Debt due within 1 year	(32)	-	(32)
Debt due after 1 year	(129)	33	(96)
	16,210	415	16,625

29. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 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.

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £7,852,437 (2021 - £7,827,591).

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 Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £4,355,000 (2021 - £4,302,000), of which employer's contributions totalled £3,359,000 (2021 - £3,308,000) and employees' contributions totalled £996,000 (2021 - £994,000). The agreed contribution rates for future years are 16 - 27.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

29. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.6
Rate of increase for pensions in payment/inflation	2.95	2.8
Discount rate for scheme liabilities	4.25	1.7
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:

	2022	2021
	Years	Years
RETIRING TODAY		
Males	21.5	21.7
Females	24.2	24.3
RETIRING IN 20 YEARS		
Males	22.7	22.9
Females	25.9	25.9

SHARE OF SCHEME ASSETS

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

	At 31 August 2022	At 31 August 2021
	%	%
Equities	61	66
Government bonds	17	21
Property	12	10
Other bonds	3	-
Cash and other liquid assets	7	3
TOTAL MARKET VALUE OF ASSETS	100	100

CREATIVE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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29. PENSION COMMITMENTS (CONTINUED)

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

	2022	2021
	£000	£000
Current service cost	(9,205)	(7,319)
Past service cost	(210)	-
Interest income	1,034	833
Interest cost	(2,151)	(1,691)
Unfunded benefits paid	-	12
Administrative expenses	-	(14)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(10,532)	(8,179)

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

	2022	2021
	£000	£000
AT 1 SEPTEMBER	127,074	99,527
Current service cost	9,205	7,335
Interest cost	2,151	1,691
Employee contributions	996	994
Actuarial (gains)/losses	(64,511)	18,327
Benefits paid	(1,471)	(788)
Estimated unfunded pension payments	-	(12)
Past service costs	210	-
Curtailments	(67)	-
AT 31 AUGUST	73,587	127,074

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

	2022	2021
	£000	£000
AT 1 SEPTEMBER	61,281	48,472
Expected return on assets	1,034	833
Actuarial (losses)/gains	(2,898)	8,462
Employer contributions	3,359	3,304
Employee contributions	996	994
Benefits paid	(1,471)	(788)
Administration expenses	(26)	4
AT 31 AUGUST	62,275	61,281

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

The actuarial valuation of the Westminster Pension Scheme, which is one of seven pension schemes has been valued at a surplus of £415,000 as at 31 August 2022.

Under FRS 102 an entity shall only recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore, as this valuation will not reduce future contribution rates, the asset has not been recognised and is reflected at £Nil in the financial statements for the year ended 31 August 2022.

30. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Not later than 1 year	258	228
Later than 1 year and not later than 5 years	564	602
	822	830

31. MEMBERS' LIABILITY

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

32. RELATED PARTY TRANSACTIONS

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

Creative Education Charitable Trust, a member and the sponsor of Creative Education Trust, made a donation of £24,000 (2021: £Nil) to Creative Education Trust during the academic year.

33. POST BALANCE SHEET EVENTS

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

34. CONTROLLING PARTY

There is no ultimate controlling party.

