

Registration number: 10354924

# Crofty Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2024

Westcotts (SW) LLP  
Plym House  
3 Longbridge Road  
Plymouth  
Devon  
PL6 8LT

# **Crofty Education Trust**

## **Contents**

<b>Reference and administrative details</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 to 16</b>
<b>Governance statement</b>	<b>17 to 21</b>
<b>Statement of regularity, propriety and compliance</b>	<b>22</b>
<b>Statement of Trustees' Responsibilities</b>	<b>23</b>
<b>Independent Auditor's Report on the Financial Statements to the Members of Crofty Education Trust</b>	<b>24 to 27</b>
<b>Independent Reporting Accountant's Assurance Report on Regularity to Crofty Education Trust and the Education and Skills Funding Agency</b>	<b>28 to 29</b>
<b>Statement of Financial Activities for the year ended 31 August 2024 (including Income and Expenditure Account)</b>	<b>30 to 31</b>
<b>Balance Sheet as at 31 August 2024</b>	<b>32</b>
<b>Statement of Cash Flows for the year ended 31 August 2024</b>	<b>33</b>
<b>Notes to the Financial Statements</b>	<b>34 to 61</b>

## Crofty Education Trust

### Reference and administrative details

<b>Trustees</b>	M Hosking, Chair of Trustees N Lake, Vice Chair of Trustees T Briant-Evans (resigned 18 November 2024) M Brierley (appointed 11 June 2024) K Brokenshire A Claridge (appointed 21 October 2024) R Cowen R Gasson (appointed 5 February 2024) K Harris D Richards R Schreiber (appointed 21 October 2024) P Sheppard J Whetter (resigned 31 December 2023)
<b>Company Registration Number</b>	10354924
<b>Chief Executive Officer</b>	S Hague
<b>Company Secretary</b>	J Alder
<b>Senior Management Team</b>	S Hague, Chief Executive Officer T Lamb, Director of Education S Pinhay, Chief Finance & Operations Officer
<b>Principal and Registered Office</b>	Unit 1 North Crofty Tolvaddon Energy Park Tolvaddon Camborne TR14 0HX
<b>Auditors</b>	Westcotts (SW) LLP Plym House 3 Longbridge Road Plymouth Devon PL6 8LT

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The CET operates 16 academies for primary aged pupils in West Cornwall. Its academies have a combined pupil capacity of 3,636 and had a roll of 3,316 pupils on September 1st 2024.

#### **Structure, governance and management**

##### ***Constitution***

The CET is a Charitable Company limited by guarantee and an exempt charity.

The Charitable Company's Memorandum of Association is the primary governing document of CET.

The Trustees of CET are also the Directors of the Charitable Company for the purposes of company law.

The Charitable Company is known as Crofty Education Trust (CET), formally known as Crofty Multi-Academy Trust (formal name change 1st May 2024).

Details of the Trustees who served during the year ending 31 August 2024, and to the date these accounts are approved are included in the Reference and administrative 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 they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

##### ***Trustees' indemnities***

CET through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period CET also purchased and maintained liability insurance for its Trustees.

##### ***Method of recruitment and appointment or election of Trustees***

On 1st September 2016 the Members appointed the Trustees of the newly formed Multi Academy Trust.

At present the Board has eight Member-appointed Trustees and three co-opted Trustees. The CEO of the Trust is not a Trustee.

The Board regularly updates and reviews the skills register to assist with identifying future recruitment requirements.

Vacancies/new posts may be advertised within the CET and externally. Potential candidates provide a CV and have an informal meeting with the Chair and CEO.

Recommendations for appointment are shared with the Trustees and the final decision is made by the Members (Member-appointed Trustee) or the full Board (Co-opted Trustee).

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### ***Policies and procedures adopted for the induction and training of Trustees***

The training and induction provided for new Trustees will depend upon their knowledge of governance and education and previous experience but may include any of the following:

- Visit to the CET office and opportunity to meet the Shared Services Team
- Visit to one or more of CET's schools
- Documentation pack including Articles of Association, Academy CET Handbook, Governance Scheme of Delegation, Charity Commission guidance on being a Trustee, CET policies
- Presentations by lead officers to Board meetings
- CET's internal governance training programme

#### ***Organisational structure***

CET has developed an overall framework for the governance, which includes a scheme of delegation, two committees, Lead Trustee roles, Local Governance Committees (LGCs) at each school, terms of reference and procedures, and a Governance Support team providing clerking.

It monitors activity by receiving feedback forms following LGC meetings and holding regular meetings with their chairs. It may from time to time establish working groups to perform specific tasks over a limited timescale.

There are two Trustee committees which meet six times a year and report back to the next Full Board meeting:

Finance, Audit and Risk (FAR).

Responsibilities include budget monitoring, internal and external audit, estates management, risk management, health & safety, ICT.

School Improvement and Governance (SIG),

Responsibilities include pupil outcomes, quality of education, attendance and behaviour, early years, leadership and performance management, staff welfare, school improvement systems, local governance.

In addition to the two committees individual Trustees take a lead role on Safeguarding and Governance, working with relevant officers to oversee progress and challenging and supporting as required.

CET operates the principle of 'reporting by exception' for its committees and Lead Trustees in order to ensure appropriate time and energy is spent on the most relevant strategic areas.

The Trustees have devolved responsibility for day to day operations of every school to the CEO.

The CEO holds to account the Headteachers for the performance and outcomes of their school via the Director of Education's reporting systems. The LGCs and SLT implement the policies set out by the Trustees and report back to them on performance. The aim of the leadership and governance structure is to devolve responsibility and facilitate involvement in decision making at all levels. Details of this are set out in the Governance Scheme of Delegation.

The term of office for any Trustee or Local Governor is four years. Trustees and Local Governors may be re-appointed or re-elected.

The CEO is the Accounting Officer.

## Crofty Education Trust

### Trustees' report for the Year Ended 31 August 2024 (continued)

#### **Arrangements for setting pay and remuneration of key management personnel**

The Trustees consider the key management personnel of CET and its schools to be those in charge of directing and controlling, running and operating CET on a day to day basis.

The Trustees benchmark against pay levels in other Trusts of a similar size and consider pay scales in Local Authority maintained schools when setting the pay of key management personnel.

The Chair and Vice Chair of the Full Board and a third Trustee act as required as the CEO Pay and Progression committee, reporting to the Full Board.

All Trustees give their time freely and no Trustee received remuneration in the year for their role as a Trustee. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

#### **Trade union facility time**

##### **Relevant union officials**

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
1	1

##### **Percentage of time spent on facility time**

Percentage of time

0%

**Number of employees**

1

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

##### **Related parties and other connected charities and organisations**

CET has a shared site arrangement between one of its academies, Illogan School, and the Special Partnership Trust (SPT). Illogan School and SPT share a purpose built facility that promotes the integration of children from mainstream and special schools. For this purpose, there is a shared use agreement.

There are no related parties which either control or significantly influence the decisions and operations of the Trust.

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### **Engagement with employees (including disabled persons)**

CET is committed to maintaining good industrial relations and actively seeks to maintain good working relationships with staff and trade unions.

The Trust operates a Joint Consultative and Negotiating Committee (JCNC) attended by teaching and support staff union representatives which has met termly. Typically, the JCNC support the CET in implementing changes to policies related to pay and conditions.

Outside of the scheduled meetings there continues to be constructive dialogue between unions and CET for example in managing industrial action and the implementation of pay rises.

In all its employee relations activities CET is fully committed to its duties under the equalities act. CET aims to meet its obligations by having due regard to the need to:

- Eliminate discrimination and other conduct that is prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it.
- Foster good relations across all characteristics - between people who share a protected characteristic and people who do not share it.

#### ***Engagement with suppliers, customers and others in a business relationship with CET***

CET engaged with its suppliers and customers as follows:

- Ensuring suppliers are paid to their terms
- Keeping open and active communications with suppliers and customers, including parents
- Ensuring that CET tendering process is fair and transparent
- Ensuring that charges for services provided reflect the current market and make allowance for local demographics.

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

The objects of CET are to advance for the public benefit education in the United Kingdom, 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 aims of CET are to be a group of schools :

- To give our children the best possible start in life, unlocking possibilities and enabling them to make choices about their future.
- Create the highest quality learning for staff and children alike.
- Created a culture of shared responsibility for all children in our schools
- Sharing resources to maximise opportunities, innovate and pursue equity for our learners.

##### ***Objectives, strategies and activities***

Key priorities for the year are contained in our Trust Development Plan which is available from the CET Office. Development focuses identified for this year include:

##### **School Improvement**

*Secure high quality of Education across all curriculum areas to ensure the continued improvement in key outcomes for all pupils*

- Ensure every pupil benefits from an ambitious, sequenced and progressive curriculum with clearly defined outcomes.
- Implementation of the curriculum represents high quality teaching for all, including pupils who are disadvantaged and have special educational needs and disabilities, resulting in outcomes at least in line with the national average
- To ensure leadership at all levels works coherently to develop a continuously improving system
- All schools within stage 2 & 3 to be improved to at least stage 1 within 18 months

##### **Operations**

Refine and improve the CET's operational effectiveness and sustainability:

- Finance - To ensure that efficient processing and management enables sound strategic decision making
- Business and procurement - Contracts, tendering and management, internal processes and use of reserves ensure all schools get quality service and value for money
- Estates / H&S - To ensure compliance management, effective maintenance and investment
- ICT - To ensure CET wide, coherent, unified IT and communications.
- HR - To ensure effective and efficient processes particularly recruitment and induction
- The CET grows at a sustainable rate, securing a long-term future.



## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### **Culture**

Further develop Culture: Purpose & Values, through a coordinated people strategy that:

- Fosters a supportive working environment by managing workload and prioritising wellbeing
- Encourages and enables all staff to build their expertise through evidence-based professional development and mentoring.
- Ensures inclusive working environments, supports flexible working and takes action to promote equality and diversity.

#### **School Improvement Activities**

CET has enjoyed a mutually beneficial partnership with Gloucester Learning Alliance Multi Academy Trust (GLA), engaging in trust wide peer review activities. This has allowed CET to refine and improve its model of school improvement.

Throughout 2023 and 2024 CET received strong Ofsted inspection reports that recognised the effectiveness of CET's school improvement strategy.

#### **Public benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing CET's aims and objectives and in planning its future activities.

#### **Strategic Report**

##### **Achievements and performance**

CET is in its eighth year of operation.

CET continues to respond well to the national issue of post pandemic reduced attendance. CET schools have adopted a coordinated and consistent approach which has involved engaging with parents and carers, leading to improving rates of attendance in all schools. CET averages for attendance are now above National and Cornwall rates.

The CET strategies have been recognised as an example of good practice with the Cornwall LA signposting other schools to CET for advice and guidance.

In the year 2023 - 24 CET achievements include:

- A continued external recognition of the strong culture of trust wide collaboration within CET that drives school improvement, (Claire Savory, CEO of The GLA Trust).
- Music was a focussed subject this academic year. A strong network was established, supporting leaders in each school to ensure that they have progressive, well sequenced curriculum in place.
- The teacher and leader development pathways CPD programs were further developed. These are popular with staff who appreciate the thought provoking content. Equally these are a key method in strengthening the organisational culture of CET
- Teach Meet training opportunities for staff across CET are now fully established facilitating staff to meet, share good practice and develop best practice. These have been supplemented by "Think Tanks", a periodic, reflective CPD opportunity for leaders.
- End of key stage 2 outcomes across the Trust remain strong, remaining in line with or above the National averages for reading, writing and maths.

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

- Maths outcomes particularly are strong in comparison to Cornwall and SW outcomes, bucking the trend for the region.

#### **CET Improvement priorities for 2024 - 25**

- Ensure every pupil benefits from an ambitious, sequenced and progressive curriculum with clearly defined outcomes.
- Implementation of the curriculum represents high quality teaching for all, including pupils who are disadvantaged and have special educational needs and disabilities, resulting in outcomes at least in line with the national average
- To ensure leadership at all levels works coherently to develop a continuously improving system
- All schools within stage 2 & 3 to be improved to at least stage 1 within 18 months

#### ***Going concern***

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

## Crofty Education Trust

### Trustees' report for the Year Ended 31 August 2024 (continued)

#### Financial review

CET's main funding stream is from the DFE in the form of GAG funding. Other significant funding includes CIF/SCA funding, Basic Needs, PFI, Nursery funding, Pupil premium, Sports premium, and DFC.

All funding is carefully budgeted and planned for to ensure it can support CET objectives and strategies. These spending plans are monitored monthly with key Senior Leaders and Trustees.

The total in year income is £24,343,062 (22/23: £21,083,039) the total in year expenditure is £24,990,907 (22/23: £21,567,209) with a net deficit for the year of £647,845 (22/23: Deficit £484,170). Excluding movements on the pension deficit reserve and the restricted fixed asset fund, CET made a deficit in the year of £23,543 (22/23: Surplus of £663,135). The Trust Board is keen to ensure that funding is carefully planned to enable every pupil to succeed and ensure investment in key areas such as Estates and ICT. Revenue reserve levels at 31st August 2024 are £1,938,335 (22/23: £2,605,494) and are detailed in the funds analysis in note 18.

CET has implemented a Reserves Policy during 2021/22 which introduced one pooled reserve for all school's revenue funds. This will ensure that CET can support each school individually with larger projects and not be limited by the capacity of individual school reserves. The overall reserve level is reviewed and determined annually by the Trust Board which considers the longer-term financial plans as well as the risks. The current minimum reserve is one month's payroll and overheads or 8.33%. Additional unrestricted funds can be sought from budget holders via the Reserves Investment Panel with a business plan that meets both the school's and CET's strategic aims and objectives to ensure that spending is wise and in line with future strategic aims.

CET is also in receipt of School Condition Allocation (SCA) funding and also received other funding streams in Basic Needs and PFI. In total investment on the CET estates during the year was £1,241,463. These additions have been added to the fixed asset fund and reported in the Statement of Financial Activities along with the DFC spend, which CET earmarks for ICT investment each year. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Cashflow is carefully monitored on a rolling 12-month basis, CET invests cash to generate income from interest. The Investment policy was updated during 2021/22 and due diligence undertaken for the banks the investments are placed with. The policy ensures that decisions are made by Trustees and key finance personnel cooperatively which ensure that funds are invested in a way which maximises return whilst minimising risk. CET has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion, including the new schools that joined during the previous financial year. The deficit is incorporated within the Statement of Financial Activity. The current deficit as at 31st August 2024 is £327,000.

CET's key performance indicators and their results for 23/24 are as follows:

Staff costs as a % of income - 76.2% (22/23: 78.2%)  
Teacher costs as a % of income - 45.5% (22/23: 43.0%)  
Staff costs as a % of overheads - 74.3% (22/23: 78.0%)  
Surplus/(Deficit) as a % of revenue - -2.7% (22/23: -2.1%)

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### ***Reserves policy***

CET aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. The Trust Board will ensure that delegated funds are spent appropriately on the pupils of each CET school so that CET can adhere to ESFA balances policies.

Trustees are also conscious of their responsibilities to ensure sufficient reserves are kept as good financial practice and to maintain a secure financial future for schools in CET. The basis is recognition of "risk" to each school, with future funding uncertainty, the variable timings of some funding streams to schools and the need to protect fixed payroll costs. Good financial planning and monitoring by finance staff and the Trust Board ensures that any future financial needs are identified early. Where appropriate, reserves are ringfenced in order to ensure sufficient funds for strategic investment in school improvements.

CET now pools reserves into one fund to ensure it can support each school individually with larger projects when required. The minimum reserve is set as one calendar month's payroll and overheads costs. Any addition to this would represent provision for unforeseen future costs.

Total CET "Unrestricted Reserves" currently meet the requirements of this policy.

The value of unrestricted reserves as at the 31st August 2024 were £1,983,335 which complied with minimum reserves position.

The defined benefit pension scheme reserve has a negative balance as at the 31st August 2024 of £327,000. The effect of the deficit position of the pension scheme is that CET will be paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from CET's budgeted annual income. However due to a change in investment growth assumptions contribution rates will not change from current rates until the next valuation.

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### ***Investment policy***

The aim of the Investment Policy is to ensure the maximum return on CET's funds from the management of cash flow. As CET would be in breach of the Funding Agreement if it planned for a deficit in its annual budget or became overdrawn on its bank account(s) without prior approval (for example as a matter of short term borrowing), then it follows that, in normal circumstances, there will be opportunities to deposit cash in an account(s) paying a higher interest rate.

An annual review will be held with the bank to assess whether, for its main transactions, CET has access to the most cost effective bank account(s) and is taking advantage of any special arrangements. The factors and constraints checklist to be taken into account when planning an investment will include:

- The extent to which cash will be required to meet specific obligations in the short-term, i.e. statutory deductions, and in the longer-term, i.e. project costs.
- The likely future cash flow position if the investment may overlap into a new financial year.
- The possibility that cash may be needed to settle an urgent liability neither foreseen nor referred to in the annual accounts.
- The potential for the repayment of grant-aid where this is deemed not to have been properly applied.
- The possibility that grant-aid profiled in the accounts is not received at the planned time.

This is to ensure that once an investment is made it does not have to be withdrawn prior to the maturity date thus avoiding any potential penalties including loss of interest arising from the termination of the agreement. As CET is in charge of public funds, advice will be taken as to security and tenure from CET's bank and auditors as appropriate when any investment is planned. This will preclude any investment in an account deemed to be a potential risk even though the rate of return may be higher. Normally CET will consider facilities offered by the main clearing banks such as the money market deposit accounts and bonds. Unless the cash flow assessment determines otherwise it will be unusual for any investment to span more than a year and beyond the current financial year. The policy will be reviewed as part of the audit process.

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### **Principal risks and uncertainties**

The Board of Trustees has reviewed the major risks to which CET is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The principal risks and uncertainties facing CET are as follows:

**Financial** - CET is almost entirely reliant on continued Government funding through the ESFA. In the last year almost 94.5% of CET's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Additionally the UK is experiencing significant rises in inflation and, in particular, energy prices. Additional funding to offset rising costs falls well short of the expected increases.

**Estates** - CET recognises the importance of considering the risks presented by the condition of the CET estate and the potential hazards that under investment in this area could present. To this end CET ensures a comprehensive set of compliance checks are completed annually at each school and in turn the findings from these reports are acted upon and reported back to Trustees to monitor. Alongside the testing, the Trustees continue to ensure in addition to capital funding streams for example SCA, monies are made available from CET revenue streams to ensure continued investment in these key assets.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage CET's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of CET is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of CET is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring the appraisal and pay review process is fair and equitable.

**Fraud and mismanagement of funds** - CET has appointed Internal Auditors to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. CET has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which CET is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remain they have ensured they have adequate insurance cover.

## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

Whilst CET's schools are currently at or close to PAN in all year groups risks to revenue funding from a falling roll are small. However, the uncertainty over funding levels, the uncertainty of the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every half term. The Chair of the Trust and Chair of the FAR Committee receive monthly reports. The FAR receive the latest management accounts at each meeting and these are also presented to Full Board meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, CET had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, as the Trustees consider that CET is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

#### **Fundraising**

CET's schools participate in fundraising activities for certain charities where income received is paid in full to the charity, for example Sport Relief and Children in Need. The recipient of the donations is made clear to parents in advance and all contributions are voluntary.

Where a school has a 'friends of the school' or 'parent teacher association' which actively raises funds on its behalf, the association's fundraising standards are defined in its constitution and it works closely with the Headteacher of the school to ensure its approach is consistent with the school's values. Associations with an income of more than £5,000 are required to register as a charity with the Charity Commission. CET does not work with, or have oversight of, any commercial participators or professional fundraisers. No complaints have been received the year regarding fundraising activities.

## Crofty Education Trust

### Trustees' report for the Year Ended 31 August 2024 (continued)

#### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2023 to 31 August 2024	1 September 2022 to 31 August 2023
Energy consumption used to calculate emissions (kWh)	1,922,973	1,755,443
<b>Scope 1 emissions in metric tonnes CO2e</b>		
Owned transport - mini-buses	5.40	8.16
Gas consumption	200.93	130.29
Oil Consumption	8.55	13.09
<b>Total scope 1</b>	<b>214.88</b>	<b>151.54</b>
<b>Scope 2 emissions in metric tonnes CO2e</b>		
Purchased electricity	180.14	231.69
<b>Scope 3 emissions in metric tonnes CO2e</b>		
Business travel in employee owned vehicles	8.76	5.07
<b>Total gross emissions in metric tonnes CO2e</b>	<b>403.78</b>	<b>388.30</b>
<b>Intensity ratio</b>		
Tonnes CO2e per pupil	0.12	0.11

#### Quantification and Reporting Methodology:

CET have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 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

- CET continues to invest in LED lighting across the schools.
- CET have already invested in two new Solar Panel systems and plan to add additional systems when funding is available.
- CET have invested in a further roofing project during the year, an integral element of these works was to ensure the latest insulation technology was used to increase energy efficiency.
- CET have invested in Clear View a smart technology which monitors energy usage and is allowing CET to identify and in turn makes changes to further reduce energy usage, this system has continued to improve energy efficiency during 23/24.



## **Crofty Education Trust**

### **Trustees' report for the Year Ended 31 August 2024 (continued)**

#### ***Plans for future periods***

CET remains strategically focused both in the medium and long term. It remains committed to being proactive in its response to changing government policy and the local educational landscape.

CET continues to be committed to collaboration across the wider system, developing increasingly effective methods of trust to trust working, most notably with The GLA Trust. This partnership is hugely important in helping both trusts develop and refine their respective operating models and philosophies.

CET believe that this type of system wide collaboration will become the key mechanism for system improvement in the future and the trust remains committed to developing this area of practice. It will continue to seek to engage with other like-minded educators and partners to bring about a coherent and effective school system both locally and nationally.

CET's medium and longer term strategy remains focused on further growth to secure the operational and financial sustainability.

CET has demonstrated its capacity to grow through either individual schools or groups of schools joining and is ready to grow further as and when schools indicate they wish to join. More recently CET has been approached by schools attracted to join CET because of the strong reputation the trust has for supporting and maintaining the individuality and unique characters of its schools. This is something CET continues to promote.

CET will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. CET will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The central oversight and management of the CET's finances will be monitored in order to ensure they remain efficient and effective.

The schools in CET will continue to develop and embed a culture of collaboration and shared accountability both within CET and with schools outside who are interested in benefiting from shared working.

Governance will be continually reviewed to ensure effectiveness as the number of schools within CET increases.

Full details of our plans for the future are given in our Development Plan, which is available from the CET Office.

#### **Funds held as Custodian Trustee on behalf of others**

CET and its Trustees do not act as the Custodian Trustees of any other Charity.

#### **Disclosure of information to auditors**

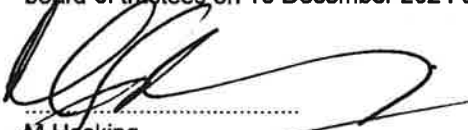
Insofar as the Trustees are aware:

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

**Crofty Education Trust**

**Trustees' report for the Year Ended 31 August 2024 (continued)**

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 10 December 2024 and signed on its behalf by:



.....  
M Hosking  
Trustee

## Crofty Education Trust

### Governance statement

#### Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Academy Trust Governance Handbook, Academy Trust Handbook and other best practice guidance.

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

#### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Hosking, Chair of Trustees	6	6
T Briant-Evans (resigned 18 November 2024)	5	6
M Brierley (appointed 11 June 2024)	1	1
K Brokenshire	4	6
R Cowen	5	6
R Gasson (appointed 5 February 2024)	3	4
K Harris	5	6
N Lake, Vice Chair of Trustees	6	6
D Richards	6	6
P Sheppard	3	6
J Whetter (resigned 31 December 2023)	2	2

The Board recruited two new Trustees during the year and then two more in Autumn term 2024. One Trustee left the Board during the year.

CET continued to develop its internal training programme for local governance - offering a mix of face to face training sessions supported by written induction modules.

The Board is confident the information they receive is timely, well presented, in sufficient detail and comprehensive in coverage. This allows them to meet their key responsibilities of monitoring the performance of the whole Trust, ensuring sound financial management and strategic planning. This information includes:

- Verbal and written reports by the CEO to Full Board meetings

## Crofty Education Trust

### Governance statement (continued)

- Budget monitoring reports to every FAR Committee and to the Full Board presented by the Chief Finance and Operations Officer
- Verbal and written reports by the Director of Education to the SIG Committee and to the Full Board including data and analysis of CET's academic outcomes
- Regular meetings between Chair and CEO, Committee Chairs and Lead Trustees with the appropriate officer to receive updates on priority areas including finance, safeguarding, curriculum and school improvement, disadvantaged children and SEND, strategy and regional developments
- Summary reports of feedback from Local Governance Committees (LGCs) to the SIG Committee
- Half-termly meetings with LGC Chairs
- Updates on statutory guidance and policy from CET specialists eg Safeguarding, Health and Safety
- All external reports including Ofsted, safeguarding, external and internal audit reports
- Results of stakeholder surveys
- Updates and advice from the Trust Governance Lead on changes to governance requirements
- Attendance at regional information sessions and online training events

The FAR Committee is a sub-committee of the main board of trustees. Its purpose is to monitor budgets, discuss internal and external audit, estates management and health & safety and risk management. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
T Briant-Evans (resigned 18 November 2024)	4	5
K Harris	4	5
M Hosking, Chair of Trustees	4	5
N Lake, Vice Chair of Trustees	5	5
D Richards	4	5

A joint Trustee and Officer Governance Planning group now meets termly to plan agendas and training and monitor progress of the governance action plan.

CET had an External Review of Governance in the Spring term of 2023 - delivered by the DfE's National Leaders of Governance programme. The final report was extremely positive with no concerns or gaps identified:

- "Board is ... confident, ambitious, self-aware team"
- "... highly effective independent governance function showing no signs of complacency"
- "This board exhibit all the characteristics of healthy board culture - honesty, openness, respect, adaptability, reliability, recognition, acceptance of challenge, accountability, and a sense of shared purpose"

## **Crofty Education Trust**

### **Governance statement (continued)**

#### **Conflicts of interest**

CET has a written Conflicts of Interest policy which is based upon Charity Commission guidelines and regularly reviewed and updated as necessary. This sets out definitions of key concepts and responsibilities.

The Governance Scheme of Delegation is designed to minimize any duplication of roles between the three tiers of governance - Members, Trustees, Governors

On appointment and then annually each Trustee completes a declaration form to identify any business and pecuniary interests, other governance roles, and any relationships with individual employees / governance roles which could create a conflict of loyalty.

Declaration forms are collated into a Register of Interests which is published on the CET website and shared termly with the Trustees and / or when it changes. Local governors also complete a declaration form and the summary of these are published on school websites.

#### **Review of value for money**

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

The Accounting Officer considers how the CET'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 CET has delivered improved value for money during the year by:

- ICT Hardware - Securing discounts by ensuring equipment is purchased in bulk at a Trust level rather than by individual schools.
- Building Compliance - Testing contracts are organised at a Trust level which in turn is removing duplication and ensuring suppliers are in a position to offer more competitive pricing.
- Health & Safety - Remains a top priority to prevent the potential loss of revenue. Staff receive timely and appropriate training, there is a systematic approach to Health and Safety reviews, which in turn is ensuring a cultural change to attitudes when it comes to Health and Safety.
- Curriculum Software - CET is in the process of aligning a number of the software products used in classroom, to identify those that are no longer used or when still in use to purchase at a Trust level to secure lower prices.
- Catering Provision - CET has developed a number of servery set-ups in the smaller schools to reduce the costs associated with producing school meals. This project will continue to be rolled out when funding can be secured to meet the capital investment required to make these changes.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of CET 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 at CET for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

## **Crofty Education Trust**

### **Governance statement (continued)**

#### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which CET 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 CET's significant risks that has been in place for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

There were no material control or other issues reported by the Responsible Officer to date.

The Board of Trustees employed the Cornwall Council Audit Department as internal auditor for the period 1st September 2023 to 31st August 2024.

The Trustees at the start of each year agree a program of internal audits which in turn reflect areas of concern identified as part of CET's risk assessment process. The program is fluid and can be adapted if new risks are identified throughout the year.

The Trustees ensure each term an internal audit is completed and that the terms of reference for each audit are agreed in advance. After each audit the FAR Committee received a report from the internal auditors, the report also contains management responses to areas of concerns, including timeframes to address the problems identified. Planned actions to internal audit findings continue to be reported to Trustees via a detailed tracker until they are resolved.

#### **Review of effectiveness**

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

- the discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within CET 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 FAR and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**Crofty Education Trust**  
**Governance statement (continued)**

Approved by order of the members of the Board of Trustees on 10 December 2024 and signed on its behalf by:

  
.....  
M Hosking  
Trustee

  
.....  
S Hague  
Chief Executive Officer

## **Crofty Education Trust**

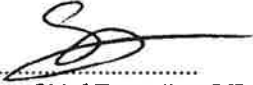
### **Statement of regularity, propriety and compliance**

As Accounting Officer of CET, I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between CET and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Handbook 2023.

I confirm that CET continues to operate a proactive approach to Health and Safety which in turn is helping to ensure this culture is embraced by all those impacted by CET's operation. I can confirm there are no active HSE investigations at present and Trustees receive regular updates on all estates matters.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by CET, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Handbook 2023.

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.



.....  
S Hague, Chief Executive Officer  
Accounting officer

10 December 2024



## Crofty Education Trust

### Statement of Trustees' Responsibilities

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 apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2023 to 2024;
- 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; and
- 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 on 10 December 2024 and signed on its behalf by:

  
.....  
M Hosking  
Trustee

## **Crofty Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Crofty Education Trust**

#### **Opinion**

We have audited the financial statements of Crofty Education Trust (the 'Academy') for the year ended 31 August 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2024 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2023 to 2024.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

#### **Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)**

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

## **Crofty Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Crofty Education Trust (continued)**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

We have nothing to report in respect of the following matters where 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 Statement of Trustees' Responsibilities [set out on page 23], the Trustees 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'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 or to cease operations, or have no realistic alternative but to do so.

#### **Auditor Responsibilities for the audit of the financial statements**

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

## **Crofty Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Crofty Education Trust (continued)**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The Academy must meet the obligations set by the ESFA and other funders in order to continue to receive public funding. The Academy is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation set by the Charities SORP (FRS102) and the ESFA Academy Trust Handbook.
- We have considered the nature of the Academy sector, control environment and the performance of the Academy. Those charged with governance have been questioned about their own identification and assessment of the risks of irregularities.
- The trust is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, and anti-money laundering.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

## Crofty Education Trust

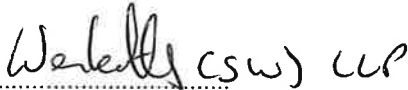
### Independent Auditor's Report on the Financial Statements to the Members of Crofty Education Trust (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the Academy's Trustees, 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's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Croney (Senior Statutory Auditor)  
For and on behalf of Westcotts (SW) LLP, Statutory Auditor

Plym House  
3 Longbridge Road  
Plymouth  
Devon  
PL6 8LT

Date: 11/12/24

## **Crofty Education Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Crofty Education Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Crofty Education Trust during the period 1 September 2023 to 31 August 2024 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 Crofty Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Crofty Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Crofty Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the board of trustees' accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the board of trustees' funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 from 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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.
- 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 review and detailed substantive testing of transactions.

## Crofty Education Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Crofty Education Trust and the Education and Skills Funding Agency (continued)

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Adam Croney

For and on behalf of Westcotts (SW) LLP, Chartered Accountants

Plym House  
3 Longbridge Road  
Plymouth  
Devon  
PL6 8LT

Date: 11/12/24

## Crofty Education Trust

### Statement of Financial Activities for the Year Ended 31 August 2024 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2024 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants					
		-	62,599	1,123,795	1,186,394
Other trading activities	5	21,130	-	-	21,130
Investments	6	105,690	-	-	105,690
Charitable activities	4	1,146,924	21,882,924	-	23,029,848
<b>Total income</b>		<u>1,273,744</u>	<u>21,945,523</u>	<u>1,123,795</u>	<u>24,343,062</u>
<b>Expenditure on:</b>					
Charitable activities					
	9	1,297,287	22,341,470	1,352,150	24,990,907
<b>Total expenditure</b>		<u>1,297,287</u>	<u>22,341,470</u>	<u>1,352,150</u>	<u>24,990,907</u>
<b>Net expenditure</b>		(23,543)	(395,947)	(228,355)	(647,845)
Transfers between funds					
		-	(117,669)	115,629	(2,040)
		<u>(23,543)</u>	<u>(513,616)</u>	<u>(112,726)</u>	<u>(649,885)</u>
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes					
	26	-	112,000	-	112,000
<b>Net movement in deficit</b>		(23,543)	(401,616)	(112,726)	(537,885)
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2023					
		<u>2,006,878</u>	<u>74,616</u>	<u>39,658,222</u>	<u>41,739,716</u>
<b>Total funds/(deficit) carried forward at 31 August 2024</b>		<u>1,983,335</u>	<u>(327,000)</u>	<u>39,545,496</u>	<u>41,201,831</u>



## Crofty Education Trust

### Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2023 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants					
		-	66,938	1,112,014	1,178,952
Transfer of existing academies joining the Trust					
		718,401	(1,054,000)	8,190,885	7,855,286
Other trading activities					
	5	25,794	-	-	25,794
Investments					
	6	40,502	-	-	40,502
<i>Charitable activities:</i>					
Charitable activities					
	4	<u>854,605</u>	<u>18,983,186</u>	<u>-</u>	<u>19,837,791</u>
<b>Total</b>					
		1,639,302	17,996,124	9,302,899	28,938,325
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Charitable activities					
	9	1,302,860	19,090,431	1,173,918	21,567,209
Other expenditure					
		<u>-</u>	<u>-</u>	<u>3,493,964</u>	<u>3,493,964</u>
<b>Net income/(expenditure)</b>					
		336,442	(1,094,307)	4,635,017	3,877,152
Transfers between funds					
		-	20,255	(20,255)	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes					
	26	<u>-</u>	<u>2,495,000</u>	<u>-</u>	<u>2,495,000</u>
<b>Net movement in funds</b>					
		336,442	1,420,948	4,614,762	6,372,152
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2022					
		<u>1,670,436</u>	<u>(1,346,332)</u>	<u>35,043,460</u>	<u>35,367,564</u>
Total funds carried forward at 31 August 2023					
		<u><u>2,006,878</u></u>	<u><u>74,616</u></u>	<u><u>39,658,222</u></u>	<u><u>41,739,716</u></u>

**Crofty Education Trust**  
**(Registration number: 10354924)**  
**Balance Sheet as at 31 August 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	14	39,493,376	38,550,542
<b>Current assets</b>			
Debtors	15	1,013,611	1,589,936
Cash at bank and in hand		1,235,271	879,568
Investments		<u>1,498,397</u>	<u>2,654,528</u>
		3,747,279	5,124,032
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	17	<u>(1,711,824)</u>	<u>(1,410,858)</u>
Net current assets		<u>2,035,455</u>	<u>3,713,174</u>
Total assets less current liabilities		<u>41,528,831</u>	<u>42,263,716</u>
Net assets excluding pension liability		41,528,831	42,263,716
Defined benefit pension scheme liability	26	<u>(327,000)</u>	<u>(524,000)</u>
<b>Total net assets</b>		<u><b>41,201,831</b></u>	<u><b>41,739,716</b></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	18	39,545,496	39,658,222
Restricted income funds	18	-	598,616
Pension reserve	18	<u>(327,000)</u>	<u>(524,000)</u>
		39,218,496	39,732,838
<b>Unrestricted funds</b>			
Unrestricted general fund	18	<u>1,983,335</u>	<u>2,006,878</u>
<b>Total funds</b>		<u><b>41,201,831</b></u>	<u><b>41,739,716</b></u>

The financial statements on pages 30 to 61 were approved by the Trustees, and authorised for issue on 10 December 2024 and signed on their behalf by:

  
.....  
M Hosking  
Trustee

## Crofty Education Trust

### Statement of Cash Flows for the year ended 31 August 2024

	Note	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	272,771	255,051
Cash flows from investing activities	22	(1,073,199)	(818,073)
Cash flows from financing activities	21	-	1,216,971
Change in cash and cash equivalents in the year		(800,428)	653,949
Cash and cash equivalents at 1 September		3,534,096	2,880,147
Cash and cash equivalents at 31 August	23	2,733,668	3,534,096

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024

#### 1 Accounting policies

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

##### **Basis of preparation**

The financial statements of the CET, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### **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 company 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.

##### **Income**

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

##### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 1 Accounting policies (continued)

##### ***Donations***

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

##### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### ***Transfer of existing academies into the trust***

Where assets and liabilities are received on the transfer of an existing academy into CET, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to CET. An equal amount of income is recognised for the transfer of an existing academy into CET within donations and capital grant income to the net assets acquired.

##### ***Expenditure***

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

##### ***Charitable activities***

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

##### ***Interest receivable***

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

##### ***Taxation***

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

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

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold building improvements	2% to 20% straight line
Freehold buildings	2% straight line
Furniture and equipment	10% to 33.33% straight line
Computer equipment	20% to 33% straight line
Motor vehicles	20% straight line
Freehold land	Not depreciated
Plant and machinery	10% to 20% straight line

##### 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.

##### 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.

##### 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.

## **Crofty Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**

#### **1 Accounting policies (continued)**

##### **Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

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

##### **Pension benefits**

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 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 based on 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 net income/(expenditure) 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.

## **Crofty Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**

#### **1 Accounting policies (continued)**

##### **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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources, which are to be applied to specific capital purposes imposed by 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.

##### **Critical accounting estimates and areas of judgement**

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

##### ***Critical accounting estimates and assumptions***

CET 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 'Member Liability', will impact on 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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 judgement***

CET obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires CET 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 recognise in the Balance Sheet.



## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within CET were subject to limits at 31 August 2024 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The following academies exceeded the limits during the year ended 31 August 2024:

All other academies within CET that were subject to limits did not exceed them.

#### 3 Donations and capital grants

	Restricted General Funds £	Restricted Fixed Asset Funds £	2024 Total £	2023 Total £
Capital grants	-	1,116,096	1,116,096	1,112,014
Other donations	62,599	7,699	70,298	66,938
Transfer of existing academies joining the Trust	-	-	-	7,855,286
	<u>62,599</u>	<u>1,123,795</u>	<u>1,186,394</u>	<u>9,034,238</u>

The income from donations and capital grants was £1,186,393 (2023: £1,178,952) which was allocated between the funds as follows; £Nil unrestricted funds (2023: £Nil), £62,599 restricted funds (2023: £66,938), £1,123,795 restricted fixed asset funds (2023: £1,112,014) and £Nil endowment funds (2023: £Nil).

#### 4 Funding for the academy trust's charitable activities

	Unrestricted Funds £	Restricted General Funds £	2024 Total £	2023 Total £
<b>Educational operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant	-	16,972,724	16,972,724	14,631,783
Pupil Premium	-	1,466,463	1,466,463	1,292,570
UIFSM	-	509,789	509,789	424,400
Supplementary grant	-	-	-	423,659
Others	-	1,407,481	1,407,481	919,888
	<u>-</u>	<u>20,356,457</u>	<u>20,356,457</u>	<u>17,692,300</u>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 4 Funding for the academy trust's charitable activities (continued)

	Unrestricted Funds £	Restricted General Funds £	2024 Total £	2023 Total £
<b>Other Government grants</b>				
Higher Needs	-	567,737	567,737	492,924
Other Government Grants	-	184,022	184,022	203,985
Early Years	-	749,073	749,073	593,977
	-	1,500,832	1,500,832	1,290,886
Other income from CET's educational operations	1,146,924	25,635	1,172,559	854,605
<b>Total grants</b>	<b>1,146,924</b>	<b>21,882,924</b>	<b>23,029,848</b>	<b>19,837,791</b>

The funding for educational operations was £23,029,848 (2023: £19,837,791) which was allocated between the funds as follows; £1,146,924 unrestricted funds (2023: £854,605), £21,882,925 restricted funds (2023: £18,983,186), £Nil restricted fixed asset funds (2023: £Nil) and £Nil endowment funds (2023: £Nil).

#### 5 Other trading activities

	Unrestricted Funds £	2024 Total £	2023 Total £
Lettings	21,130	21,130	25,794

The income from other trading activities was £21,130 (2023: £25,794) which was allocated between the funds as follows; £21,130 unrestricted funds (2023: £25,794), £Nil restricted funds (2023: £Nil), £Nil restricted fixed asset funds (2023: £Nil) and £Nil endowment funds (2023: £Nil).

#### 6 Investment income

	Unrestricted Funds £	2024 Total £	2023 Total £
Bank interest	105,690	105,690	40,502

The income from other trading activities was £105,690 (2023: £40,502) which was allocated between the funds as follows; £105,690 unrestricted funds (2023: £40,502), £Nil restricted funds (2023: £Nil), £Nil restricted fixed asset funds (2023: £Nil) and £Nil endowment funds (2023: £Nil).

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 7 Expenditure

	Non Pay Expenditure			2024 Total £	2023 Total £
	Staff costs £	Premises £	Other costs £		
<b>Academy trust's educational operations</b>					
Direct costs	16,627,029	1,352,150	1,146,331	19,125,510	15,883,638
Allocated support costs	2,032,491	1,735,549	2,097,357	5,865,397	5,683,571
Other expenditure	-	-	-	-	3,493,964
	<u>18,659,520</u>	<u>3,087,699</u>	<u>3,243,688</u>	<u>24,990,907</u>	<u>25,061,173</u>

#### Net income/(expenditure) for the year includes:

	2024 £	2023 £
Operating lease rentals	92,488	35,992
Depreciation	1,352,151	1,173,918
Fees payable to auditor - audit	16,500	7,500
- other audit services	5,000	8,000
Impairment charge	-	3,493,964
	<u>-</u>	<u>3,493,964</u>

#### 8 Other expenditure

	2024 £	2023 £
Land and building impairment charge	-	3,493,964
	<u>-</u>	<u>3,493,964</u>

CET schools were professionally valued by Montagu Evans across the following dates: 31st August 2021 and 31st August 2022. The valuations revealed that a number of schools were being held at an overstated amount on the fixed asset register. As a result an impairment charge of £3,493,964 was recognised last year.

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 9 Charitable activities

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Direct costs - educational operations	19,125,510	15,883,638
Support costs - educational operations	5,865,397	5,683,571
Other expenditure	-	3,493,964
	<b>24,990,907</b>	<b>25,061,173</b>

	<b>Educational operations</b>	<b>2024 Total</b>	<b>2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Analysis of support costs</b>			
Pension finance costs	(85,000)	(85,000)	367,000
Staff costs	2,117,491	2,117,491	1,689,947
Depreciation	-	-	143,425
Recruitment and other staff costs	344,697	344,697	342,654
Maintenance of premises and equipment	466,445	466,445	391,652
Cleaning	433,353	433,353	311,643
Rent, rates and utilities	247,044	247,044	53,275
Heat and light	503,815	503,815	381,613
Insurance	84,892	84,892	83,665
Security and transport	61,819	61,819	47,602
Catering	887,436	887,436	835,664
Technology costs	267,645	267,645	201,690
Office overheads	227,064	227,064	199,614
Legal and professional	298,626	298,626	610,620
Bank interest and charges	1,328	1,328	2,160
Governance costs	8,742	8,742	21,347
Total support costs	<b>5,865,397</b>	<b>5,865,397</b>	<b>5,683,571</b>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 10 Staff

##### Staff costs and employee benefits

	2024 £	2023 £
<b>Staff costs during the year were:</b>		
Wages and salaries	13,470,475	11,473,780
Social security costs	1,158,338	911,034
Operating costs of defined benefit pension schemes	<u>3,041,748</u>	<u>2,654,935</u>
	17,670,561	15,039,749
Agency staff costs	988,959	948,588
Staff restructuring costs	<u>-</u>	<u>4,543</u>
	<u>18,659,520</u>	<u>15,992,880</u>
		<b>2023 £</b>

##### Staff restructuring costs comprise:

Redundancy payments		<u>4,543</u>
---------------------	--	--------------

##### Severance payments

CET paid - severance payments in the year disclosed in the following bands:

	2024 £	2023 £
0 - £25,000	<u>-</u>	<u>1</u>

##### Staff numbers

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

	2024 No	2023 No
Teachers	179	192
Administration and educational support	334	348
Management	<u>15</u>	<u>11</u>
	<u>528</u>	<u>551</u>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 10 Staff (continued)

##### Higher paid staff

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

	2024 No	2023 No
£60,001 - £70,000	7	5
£70,001 - £80,000	5	3
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
£130,001 - £140,000	1	-

##### Key management personnel

The key management personnel of CET comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to CET was £404,875 (2023: £372,223).

#### 11 Central services

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

- School Improvement Services
- Speech and Language Support
- SEN Support
- Governance Services
- Finance & HR Services, including payroll
- Risk Assessment Management & Advice
- Policy & Estates Management
- Health & Safety Management & Advice
- Management of Trust Wide Contracts
- Procurement Services
- ICT Management & Support

CET charges for these services on the following basis:

CET no longer runs a top slice model, but have now opted for a full community (GAG) Pooling model. This means that each school provides a surplus or in some cases a deficit which is used to meet the costs of running the Central Services.

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 12 Related party transactions - trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, expenses totalling £1,415 (2023 - £3,385) were reimbursed or paid directly to 2 Trustees (2023 - 2). Expenses related to admin fees and mileage.

Other related party transactions involving the Trustees are set out in note 28.

#### 13 Trustees' and officers' insurance

From 1st October 2024, all CET schools have 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 CET business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

#### 14 Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and Machinery £	Computer equipment £	Motor vehicles £	2024 Total £
<b>Cost</b>						
At 1 September 2023	45,659,162	1,545,285	-	1,729,965	66,133	49,000,545
Additions	<u>1,968,665</u>	<u>29,972</u>	<u>123,526</u>	<u>172,822</u>	<u>-</u>	<u>2,294,985</u>
At 31 August 2024	<u>47,627,827</u>	<u>1,575,257</u>	<u>123,526</u>	<u>1,902,787</u>	<u>66,133</u>	<u>51,295,530</u>
<b>Depreciation</b>						
At 1 September 2023	7,868,990	1,125,153	-	1,393,753	62,107	10,450,003
Charge for the year	<u>937,173</u>	<u>152,622</u>	<u>19,685</u>	<u>241,664</u>	<u>1,007</u>	<u>1,352,151</u>
At 31 August 2024	<u>8,806,163</u>	<u>1,277,775</u>	<u>19,685</u>	<u>1,635,417</u>	<u>63,114</u>	<u>11,802,154</u>
<b>Net book value</b>						
At 31 August 2024	<u>38,821,664</u>	<u>297,482</u>	<u>103,841</u>	<u>267,370</u>	<u>3,019</u>	<u>39,493,376</u>
At 31 August 2023	<u>37,790,172</u>	<u>420,132</u>	<u>-</u>	<u>336,212</u>	<u>4,026</u>	<u>38,550,542</u>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 14 Tangible fixed assets (continued)

CET schools were professionally value by Montagu Evans across the following dates: 31st August 2020, 31 August 2021 and 31st August 2022. The valuations revealed that a number of schools were being held at an overstated amount on the fixed asset register. As a result an impairment charge of £3,493,964 was recognised last year.

The value of land not depreciated included in the net book value of freehold property displayed above is £4,839,100 (2023: £4,737,605).

The value of land not depreciated included in the net book value of long-term leasehold property displayed above is £nil (2023: £101,495).

#### 15 Debtors

	2024	2023
	£	£
Trade debtors	168,384	575
Other debtors	-	1,967
Accrued Income and prepayments	613,614	1,339,986
Tax recoverable	231,613	247,408
	1,013,611	1,589,936

#### 16 Current asset investments

	2024	2023
	£	£
Notice deposits	1,498,397	2,654,528

#### 17 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	558,448	157
Other taxation and social security	613,926	243,666
Other creditors	423	298,462
Accruals	112,016	581,003
Deferred income	427,011	287,570
	1,711,824	1,410,858



## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 17 Creditors: amounts falling due within one year (continued)

	2024 £	2023 £
<b>Deferred income</b>		
Deferred income at 1 September 2023	287,570	200,739
Resources deferred in the period	427,011	287,570
Amounts released from previous periods	<u>(287,570)</u>	<u>(200,739)</u>
Deferred income at 31 August 2024	<u>427,011</u>	<u>287,570</u>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 18 Funds

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

	Balance at 1 September 2023 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2024 £
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant	409,045	16,972,724	(17,264,101)	(117,668)	-
UIFSM	-	509,789	(509,789)	-	-
Pupil Premium	-	1,466,463	(1,466,463)	-	-
Other DfE/ESFA Grants	189,571	1,495,714	(1,685,285)	-	-
Higher Needs	-	567,737	(567,737)	-	-
Early Years	-	749,073	(749,073)	-	-
Other Grants	-	184,021	(184,021)	-	-
Pension reserve	(524,000)	85,000	-	112,000	(327,000)
<i>Restricted fixed asset funds</i>					
Transfer on conversion	23,780,855	(65,968)	(546,854)	(2,039)	23,165,994
Transfer of existing academies joining the Trust	7,038,317	1,189,763	(234,225)	-	7,993,855
DfE Group capital grants	3,969,233	-	(563,889)	-	3,405,344
Capital expenditure from GAG	651,479	-	-	117,668	769,147
Other capital grants	4,210,679	-	477	-	4,211,156
Capital donation	7,659	-	(7,659)	-	-
<b>Total restricted funds</b>	<b>39,732,838</b>	<b>23,154,316</b>	<b>(23,778,619)</b>	<b>109,961</b>	<b>39,218,496</b>
<i>Unrestricted general funds</i>					
General funds	2,006,878	1,273,744	(1,297,288)	-	1,983,334
<b>Total unrestricted funds</b>	<b>2,006,878</b>	<b>1,273,744</b>	<b>(1,297,288)</b>	<b>-</b>	<b>1,983,334</b>
<b>Total endowment funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funds</b>	<b>41,739,716</b>	<b>24,428,060</b>	<b>(25,075,907)</b>	<b>109,961</b>	<b>41,201,830</b>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 18 Funds (continued)

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

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant	145,072	14,631,783	(14,388,065)	20,255	409,045
UIFSM	-	424,400	(424,400)	-	-
Pupil Premium	-	1,292,570	(1,292,570)	-	-
Supplementary Grant	-	423,659	(423,659)	-	-
Other DfE/ESFA Grants	-	919,888	(730,317)	-	189,571
Higher Needs	-	492,924	(492,924)	-	-
Early Years	-	593,977	(593,977)	-	-
Other Grants	106,596	203,985	(310,581)	-	-
Donations	-	66,938	(66,938)	-	-
Pension reserve	(1,598,000)	(1,054,000)	(367,000)	2,495,000	(524,000)
<i>Restricted fixed asset funds</i>					
Transfer on conversion	27,305,186	-	(3,524,331)	-	23,780,855
Transfer of existing academies joining the Trust	-	7,744,120	(705,803)	-	7,038,317
DfE Group capital grants	3,260,736	1,004,205	(210,683)	(85,025)	3,969,233
Capital expenditure from GAG	671,804	-	(85,095)	64,770	651,479
Other capital grants	3,767,283	554,574	(111,178)	-	4,210,679
Capital donation	38,451	-	(30,792)	-	7,659
<b>Total restricted funds</b>	<b>33,697,128</b>	<b>27,299,023</b>	<b>(23,758,313)</b>	<b>2,495,000</b>	<b>39,732,838</b>
<i>Unrestricted general funds</i>					
General funds	1,227,436	1,639,302	(1,302,860)	443,000	2,006,878

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 18 Funds (continued)

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
<i>Unrestricted designated funds</i>					
Investment fund	35,000	-	-	(35,000)	-
Solar panel match fund	75,000	-	-	(75,000)	-
Roskear library upgrade	13,000	-	-	(13,000)	-
Enhanced maintenance fund	200,000	-	-	(200,000)	-
Portreath extension	120,000	-	-	(120,000)	-
<b>Total unrestricted funds</b>	<b>1,670,436</b>	<b>1,639,302</b>	<b>(1,302,860)</b>	<b>-</b>	<b>2,006,878</b>
<b>Total endowment funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funds</b>	<b>35,367,564</b>	<b>28,938,325</b>	<b>(25,061,173)</b>	<b>2,495,000</b>	<b>41,739,716</b>

## **Crofty Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**

#### **18 Funds (continued)**

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

#### **Restricted Funds**

##### **General Annual Grant (GAG)**

Income from the ESFA which is to be used for the normal running costs of CET, including education and support costs.

##### **Universal Infant Free School Meals (UIFSM)**

Universal Infant Free School Meals income provided by the ESFA to fund a free school meal to every pupil in reception and years 1 and 2.

##### **Pupil Premium**

Funding received from the ESFA for children that qualify for free school meals to enable CET to address the current underlying inequalities between those children and their wealthier peers.

##### **Supplementary grant**

Additional ESFA funding allocated to mainstream schools and academies to provide support for the costs of the Health and Social Care Levy and wider costs.

##### **Other DfE/ESFA grants**

These are split between Sports funding, Rates relief, Teacher's Pay and Pension grants, Recovery Premium, National Tutoring income and Mainstream Academy Grant.

##### **Higher needs**

Income received from the Local Authority to fund further support for pupils with additional needs.

##### **Early years**

Income received from the Local Authority to fund nursery provision.

##### **Other grants**

Includes other smaller restricted grants from the Local Authority.

##### **Pension Reserve**

CET's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to academy.

#### **Restricted Fixed Asset Funds**

##### **Fixed assets transferred on conversion**

This represents the buildings and equipment donated to the school on conversion to an Academy Trust.

##### **Tangible fixed asset fund transferred from Trusts**

This represents buildings and equipment donated to the school from academies joining CET.

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 18 Funds (continued)

##### **Fixed assets purchased from GAG and other restricted funds**

Funds transferred from the restricted GAG fund to purchase fixed assets.

##### **DfE/ESFA capital grants**

Funding received from the DfE/ESFA to cover the maintenance and purchase of fixed asset additions.

##### **Capital donation**

This represents laptops (fixed assets) that were donated to the schools to support children from low income families during lockdown.

##### **Other capital grants**

Included within other capital grants are PFI grants from the Local Council, as well as grants from the Big Lottery and the Belling Trust.

Fund balances for each school at 31 August 2024 and 31 August 2023 were zero, hence a breakdown by school is not included in these accounts. CET pool all reserves.

##### **Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs (excluding depreciation) £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
Pencoys Primary School	844,494	84,560	41,496	319,802	1,290,352	1,190,497
Rosemellin Primary School	1,630,238	117,914	72,101	504,380	2,324,633	2,062,747
Portreath Primary School	595,569	50,420	37,819	181,103	864,911	797,940
Illogan Primary School	796,290	72,762	43,176	301,868	1,214,096	1,106,752
Weeth Primary School	879,597	71,310	43,940	307,922	1,302,769	1,135,981
Treloweth Primary School	1,905,190	109,405	127,277	496,973	2,638,845	2,539,645
Roskear Primary School	1,749,402	225,033	137,642	503,869	2,615,946	2,393,342
Lanner Primary School	848,966	99,886	41,268	265,775	1,255,895	1,126,570
Pennoweth Primary School	1,305,136	142,307	68,179	392,140	1,907,762	1,677,069

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 18 Funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2024 £	Total 2023 £
Garras Community Primary School	365,852	32,340	24,284	188,253	610,729	334,274
Godolphin Primary School	371,626	43,591	22,722	156,478	594,417	383,774
Halwin School	356,566	65,345	19,600	175,266	616,777	389,774
Pare Eglos School	1,593,219	400,330	97,820	579,282	2,670,651	1,628,586
Sithney Community Primary School	415,220	59,524	19,044	166,009	659,797	454,408
Trannack Primary School	385,064	51,390	50,067	155,754	642,275	353,758
Porthleven School	789,919	84,121	33,550	273,746	1,181,336	782,186
Central Services	<u>406,385</u>	<u>687,274</u>	<u>14,925</u>	<u>311,824</u>	<u>1,420,408</u>	<u>1,669,656</u>
CET Total	<u>15,238,733</u>	<u>2,397,512</u>	<u>894,910</u>	<u>5,280,444</u>	<u>23,811,599</u>	<u>20,026,959</u>
				<b>2024</b>		<b>2023</b>
				£		£

#### Total funds analysis by academy

CET	1,983,335	2,605,494
Restricted fixed asset fund	39,545,496	39,658,222
Pension reserve	<u>(327,000)</u>	<u>(524,000)</u>
<b>Total funds</b>	<b><u>41,201,831</u></b>	<b><u>41,739,716</u></b>

#### 19 Analysis of net assets between funds

Fund balances at 31 August 2024 are represented by:

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 19 Analysis of net assets between funds (continued)

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	39,493,376	39,493,376
Current assets	3,695,159	-	52,120	3,747,279
Current liabilities	(1,711,824)	-	-	(1,711,824)
Pension scheme liability	-	(327,000)	-	(327,000)
<b>Total net assets</b>	<b><u>1,983,335</u></b>	<b><u>(327,000)</u></b>	<b><u>39,545,496</u></b>	<b><u>41,201,831</u></b>

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	38,550,542	38,550,542
Current assets	3,417,736	598,616	1,107,680	5,124,032
Current liabilities	(1,410,858)	-	-	(1,410,858)
Provisions	-	(524,000)	-	(524,000)
<b>Total net assets</b>	<b><u>2,006,878</u></b>	<b><u>74,616</u></b>	<b><u>39,658,222</u></b>	<b><u>41,739,716</u></b>



## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 20 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2024	2023
	£	£
Net (expenditure)/income	(649,885)	3,877,152
Depreciation	1,352,151	1,173,918
Capital grants from DfE and other capital income	(1,116,096)	(1,112,014)
Interest receivable	(105,690)	(40,502)
Defined benefit pension scheme obligation inherited	(85,000)	367,000
Decrease in debtors	576,325	153,132
Increase in creditors	300,966	197,685
Impairment charge	-	3,493,964
Schools joining CET	-	(7,855,284)
Net cash provided by Operating Activities	<u>272,771</u>	<u>255,051</u>

#### 21 Cash flows from financing activities

	2024	2023
	£	£
Cash on academies joining CET	<u>-</u>	<u>1,216,971</u>
Net cash provided by financing activities	<u>-</u>	<u>1,216,971</u>

#### 22 Cash flows from investing activities

	2024	2023
	£	£
Dividends, interest and rents from investments	105,690	40,502
Purchase of tangible fixed assets	(2,294,985)	(2,461,806)
Capital grants from DfE Group	<u>1,116,096</u>	<u>1,603,231</u>
Net cash used in investing activities	<u>(1,073,199)</u>	<u>(818,073)</u>

#### 23 Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand and at bank	1,235,271	879,568
Notice deposits (less than 3 months)	<u>1,498,397</u>	<u>2,654,528</u>
Total cash and cash equivalents	<u>2,733,668</u>	<u>3,534,096</u>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 24 Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash	879,568	355,703	1,235,271
Liquid investments	<u>2,654,528</u>	<u>(1,156,131)</u>	<u>1,498,397</u>
Total	<u>3,534,096</u>	<u>(800,428)</u>	<u>2,733,668</u>

#### 25 Member liability

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

#### 26 Pension and similar obligations

CET'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 . Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

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 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 member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

## **Crofty Education Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)**

#### **26 Pension and similar obligations (continued)**

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the period amounted to £1,755,056 (2023: £1,492,339).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, 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.

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 26 Pension and similar obligations (continued)

##### Local government pension schemes Cornwall Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £1,371,000 (2023 - £1,156,309), of which employer's contributions totalled £1,069,000 (2023 - £898,599) and employees' contributions totalled £302,000 (2023 - £257,710). The agreed contribution rates for future years are 20.2% per cent for employers and 5.5 to 12.5% per cent for employees. The scheme is managed by Cornwall Pension Fund.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

##### Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	2.70	3.00
Rate of increase for pensions in payment/inflation	3.00	3.00
Discount rate for scheme liabilities	<u>5.00</u>	<u>5.20</u>

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

	2024	2023
<b>Retiring today</b>		
Males retiring today	20.00	20.10
Females retiring today	24.10	24.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	21.80	21.90
Females retiring in 20 years	<u>25.00</u>	<u>25.00</u>

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 26 Pension and similar obligations (continued)

##### Sensitivity analysis

	2024	2023
	£	£
Discount rate +0.1%	(379,000)	(339,000)
Discount rate -0.1%	379,000	339,000
Mortality assumption – 1 year increase	618,000	543,000
Mortality assumption – 1 year decrease	(618,000)	(543,000)
CPI rate +0.1%	376,000	320,000
CPI rate -0.1%	<u>(376,000)</u>	<u>(320,000)</u>

The academy trust's share of the assets in the scheme were:

	2024	2023
	£	£
Equities	9,070,800	7,180,250
Corporate bonds	4,837,760	4,699,800
Property	907,080	913,850
Cash and other liquid assets	<u>302,360</u>	<u>261,100</u>
Total market value of assets	<u>15,118,000</u>	<u>13,055,000</u>

The actual return on scheme assets was £176,000 (2023 - £196,000).

## Crofty Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

#### 26 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2024 £	2023 £
Current service cost	(959,000)	(1,163,000)
Interest income	709,000	490,000
Interest cost	<u>(734,000)</u>	<u>(593,000)</u>
Total amount recognized in the SOFA	<u>(984,000)</u>	<u>(1,266,000)</u>

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

	2024 £	2023 £
At start of period	13,579,000	10,360,000
Transferred in on existing academies joining the trust	-	4,513,000
Current service cost	959,000	1,163,000
Interest cost	734,000	593,000
Employee contributions	302,000	258,000
Actuarial (gain)/loss	64,000	(3,163,000)
Benefits paid	<u>(193,000)</u>	<u>(145,000)</u>
At 31 August	<u>15,445,000</u>	<u>13,579,000</u>

##### Changes in the fair value of academy's share of scheme assets:

	2024 £	2023 £
At start of period	13,055,000	8,762,000
Transferred in on existing academies joining the trust	-	3,459,000
Interest income	709,000	490,000
Actuarial gain/(loss)	176,000	(668,000)
Employer contributions	1,069,000	899,000
Employee contributions	302,000	258,000
Benefits paid	<u>(193,000)</u>	<u>(145,000)</u>
At 31 August	<u>15,118,000</u>	<u>13,055,000</u>

#### 27 Operating lease commitments

	2024 £	2023 £
Not later than 1 year	119,234	41,389
Later than 1 year and not later than 5 years	<u>283,934</u>	<u>41,529</u>
	<u>403,168</u>	<u>82,918</u>

**Crofty Education Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2024  
(continued)**

**28 Related party transactions**

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 12.

