

Company Registration No. 07687709 (England and Wales)

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

CRANMER EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Oldham, Henshaw and Church of England - represented by A Armitage Education Trust (Henshaw Trust)
- Chair of Board of Trustees - represented by J Gregory
- Manchester Diocesan Board of Education - represented by D Smith as Diocesan Corporate Member
A Coates resigned as Diocesan Corporate Member on 31 August 2021
M Bulmer was appointed by the Diocesan Corporate Member on 1 September 2021
- Reverend P Williamson

Trustees

J Gregory (Chair of Trust Board)
J A Hollis (Accounting Officer and Chief Executive Officer of Cranmer Education Trust)
T Mitchell
E Moores
P Winter (Chair of Audit, Risk & Finance Committee)
M Khan (Resigned 15 October 2021)
S Skidmore
S Curley
E Wood (Resigned 15 March 2021)
Reverend J Rosedale
R Lamb

Senior management team

- Chief Executive Officer J Hollis
- Director of Operations C Ellis
- Director of Finance B Harper
- Principal HR Officer C Kearns
- IT Manager C Hawes
- Business Manager J Clague (resigned March 2021)
- Business Manager L Wright (appointed April 2021)
- Finance Manager R Minton

Company registration number 07687709 (England and Wales)

Registered office Cranmer Education Trust
The Blue Coat School
Egerton Street
Oldham
OL1 3SQ

Academies operated

	Location	Principal
Mayfield Primary School	Mayfield Road, Oldham, OL1 4LG	M Couper-Barton
East Crompton St George's CofE Primary School	George Street, Shaw, Oldham, OL2 8AX	R Ross
The Blue Coat School	Egerton Street, Oldham, OL1 3SQ	R Higgins
St Anne's Church of England Academy	Hollin Lane, Middleton, Manchester, M24 6XN	C Heyes

CRANMER EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP 3 Hardman Street Manchester M3 3HF
Bankers	Lloyds TSB Church Street Blackburn BB2 1JQ
Solicitors	Hill Dickinson 1 St. Paul's Square Old Hall Street Liverpool L3 9SJ

CRANMER EDUCATION TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report and a strategic report under company law.

Cranmer Education Trust is a Multi Academy Trust which offers a broad and balanced curriculum in accordance with the tenets of the Church of England. During the period the Trust operated one secondary and two primary academies. A further secondary academy joined the Trust on 1 March 2021.

The secondary academy included in the Trust for the full year is The Blue Coat C of E School for pupils aged 11 to 18 serving a wide catchment area across North East Manchester.

The secondary academy which joined the Trust on 1 March 2021 is the St Anne's Church of England Academy based in Middleton for pupils 11 to 16 serving Middleton and Heywood.

The two primary academies are East Crompton St George C of E Primary School for pupils aged 4-11 with a local catchment area in Shaw which joined the Trust on 1 September 2015 and Mayfield Primary School for pupils aged 3-11 situated in the Derker area of Oldham which joined the Trust on 1 January 2016.

The Trust's academies have a combined roll of 2,967 (including St Anne's 761) in the school census of January 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Cranmer Education Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Cranmer Education Trust are also the Directors of the charitable company for the purposes of company law. The charitable company changed its name from The Blue Coat School to Cranmer Education Trust on 1 May 2015 when the company converted to multi academy trust status.

Details of the trustees who served during the year (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

The Trust has opted into the Department for Education risk protection arrangement (RPA). This scheme protects trustees and officers from claims arising from negligent acts, errors and omissions occurring while on Trust business and provides unlimited cover.

Method of recruitment and appointment or election of Trustees

All members of the Trust Board are appointed and/or elected in accordance with the Articles of Association.

Trustees (Directors) are recruited by invitation dependent upon their expertise, experience and skills under the following conditions as set out in the Articles of Association as updated effective date 31 October 2019:

- Directors appointed by Members shall not exceed 13
- Directors who are employees including the Chief Executive Officer- number not to exceed one third of total Directors Article 57
- Co-opted Directors -Directors appointed by the Directors under Article 58
- Parent Directors if appointed under Articles 53-56

The Board must comprise of at least three Trustees each with a term of office of 4 years (with the exception of any post held ex officio).

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees and local governors depends on their existing experience. Where appropriate, induction training is provided on charitable, educational, legal and financial matters. All are given access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents appropriate to their specific roles through the secure shared knowledge network – GovernorHub.

The Trust will institute training for Directors and local governors on their responsibilities within the Trust and will review its own needs in the light of its experience and responsibilities. These are likely to include:

- training for Directors in relation to their specific areas of oversight within the Trust.
- updates from the Diocesan Board of Education on the responsibilities of Directors and Members of Multi-Academy Trusts with a religious character
- training for Directors on their financial responsibilities, provided by an independent body
- training for Directors on their legal responsibilities and accountabilities as trustees, provided by an independent body
- induction training for new Directors and Governors
- training on the use of GovernorHub for the sharing of documents and information

Organisational structure

Cranmer Education Trust currently operates a management structure as follows: The Trust Board (including Audit, Risk and Finance Committee, Pay and Personnel Committee, Admissions Committee (new 20-21) and Standards Committee), local governance, the Principals of each Academy and the Executive Team of the Trust chaired by the Chief Executive Officer (CEO) who is also the Accounting Officer. The aim of the management structure is to devolve appropriate levels of responsibility to ensure responsive, high quality provision in all our schools. The management structure is set out in the following trust documents, the Scheme of Delegation, the Finance Manuals and Financial Responsibilities Key.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust using data results and budgets and making major decisions about the direction of the Trust, capital expenditure, senior staff appointments and the overall policy framework.

The Trust Board has established Local Governing Committees (LGC) in each academy of the Trust which receive delegated authority from the Trust Board to monitor and advise the Trust Board in relation to the functioning of the Academy under the remit of curriculum policy, safeguarding policy, admissions procedure, receiving and challenging local financial performance, compliance with Trust systems and procedures, appointments below principal level, monitoring and evaluating outcomes for pupils, estate maintenance and health and safety.

The Executive Team headed by the CEO comprised key personnel of the Trust: The Operations Director and the Finance Director supported by the Trust HR Manager, IT, Finance, and Business Managers. The team through the CEO was delegated by the Trust Board wide ranging responsibilities to support the work of the Trust to ensure value for money, high standards of educational provision and actions for pupils, and consistent practice especially in areas such as procurement, IT, finance, and facilities. The team was expanded in 2020-21 to include the Business Manager of the main secondary and the Trust Finance Manager in readiness for the expansion of the Trust.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

The Strategic Leadership Team, including the Director of Operations, Finance Director and the Principals of each Academy, chaired by the CEO consult on and assist the Trust Board and Executive Team with the development of policy and procedures as a key communication tool for the Trust. The group is not a committee and does not have any formal powers delegated to it by the Trust Board.

During 20-21, the Trust worked on other projects which will affect the organisational structure of the Trust going forward:

- Continued working with DFE and the successful tendered contractor Wilmott Dixon to open a Free School in Oldham to be named The Brian Clarke CE Academy. Planning permission has been given and work will start on site before Christmas 2021. The school will open in temporary accommodation on 1 September 2022 at the site of the Blue Coat School with plans to transfer the school to its permanent site before the end of 22-23
- Successfully applied and won the opportunity to open a Teaching School Hub for Oldham and Tameside in 21-22

Arrangements for setting pay and remuneration of key management personnel

Factors considered in determining the pay and remuneration of key management personnel include the skills required (qualifications and experience), responsibility levels and autonomy. For new posts, benchmarking exercises and research is carried out so that the salaries paid are compatible with other similar posts outside the Trust. Posts within the Trust that have similar requirements are paid at comparable rates. The Trust also ensures that salaries are in line with market requirements as far as possible so that the best staff are recruited and retained, and staff are well motivated.

Trade Union Facility Time

The Trust did not have any relevant Trade Union Officials undertaking facility time in its employment.

Related parties, connected charities and co-operation with other organisations

The Blue Coat School was designated a National Teaching School and a National Support School in 2013 and as such has established an Alliance (The Northern Alliance) of sixteen schools/colleges, from all phases and from 6 Local Authority areas to promote the professional development of staff so as to improve provision and outcomes for young people. During the current period the Alliance has provided school to school support through its network of Specialist Leaders of Education (SLE's), and undertook significant projects in relation to Subject Networks and primary and secondary teacher development for Oldham Council.

From 1 September 2017 the Trust became a designated centre for School Centered Initial Teacher Training (SCITT) under the trading name Manchester Nexus SCITT with full responsibility for the recruitment, training and assessing of the SCITT teacher training program with Liverpool Hope University providing the PGCE element of the course- 63 students completed the SCITT program for 20-21 and 68 joined the program for 2021-22.

The Trust was successful in its application to become a Teaching School Hub in 2021-22 and during this period has been actively working with partners to set up the leadership, training facilitators and mentors needed to provide the activities the Hub will be regulated to perform for the DfE including the role of Appropriate Body.

The Trust is also commissioned by the Local Authority to provide Quality Assurance for provision for Newly Qualified Teachers in Oldham and leads a support network for staff responsible for that provision.

Streamlined energy and carbon reporting

This content is included under that heading within the strategic report section.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Engagement with employees (including disabled persons)

The Trust has a Trade Union Recognition Agreement and an established and effective Joint Consultation and Negotiation Committee (JCNC), which is well attended by union representatives and meets at least twice per year. All recognised trade unions are represented.

All employees have an annual appraisal in the context of school and Trust priorities. All schools have 2 whole-staff inset days per year, on the same days, so that trust priorities, policy and development can be shared and developed. All schools have a meetings system and other communications mechanisms to support school improvement and staff development. As a very big school (1650+ pupils), Blue Coat also has a staff consultative committee.

People who state they have a disability on job application forms are given an interview for the role if they meet the essential criteria on the job description, they do not have to meet the desirable criteria. The Trust has an Equality Policy which details the support available for disabled employees during their employment at the Trust including the treatment of disabled people who become disabled and the training, career development and promotion of disabled people. The policy is on the Cranmer Education Trust website link <https://www.cranmereducationtrust.com/trust-policies/>.

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

Please see Promoting the Success of the Company Included in the Strategic report

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad, balanced, rich and differentiated curriculum, and which shall include:

- i. Church of England schools conducted in accordance with the principles, practices and tenets of the Church of England particularly in relation to arranging for religious education and daily acts of worship and in accordance with any trust deed governing the use of land used by the relevant Academy and having regard to any advice and following directives issued by the Diocesan Board of Education; and
- ii. other academies with or without a designated religious character,

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated as Church of England schools.

The Trust is dedicated to serve young people, to help and enable them to become everything they can be and everything that they are meant to be.

Objectives, Strategies and Activities - Achievements and Performance

Please see tables on pages 7-8.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives and Outcomes 2020-21	Achievements and Performance
1. Continue to improve educational outcomes of pupils at key assessment points and maximise progress for all, especially those pupils for whom COVID-19 has been most damaging.	<ul style="list-style-type: none"> • Despite the disruption caused by COVID, and as a result of the support the Cranmer Education Trust was able to give to schools, both operationally and for school improvement, all schools (including St Anne's which joined formally on 1st March 2021 but with which the CET had been working closely with since 2019) pressed ahead with curriculum development and improvement, which has been independently quality assured by external and expert School Improvement Partners. • The primary curriculum and subject leadership was a priority, with the breadth of curriculum being further developed alongside a precision curriculum for English and Maths which focussed forensically on the recovery of lost learning, whilst keeping pace with expected learning for the new academic year. • Educational outcomes for pupils were in line with school targets (secondary) based on the reduced curriculum assessed. St George's KS2 pupils achieved above Age-Related Expectations in Maths and just below in Reading. Writing, where sustained practice is essential, remains a priority. KS1 and Early Years remain priorities for improvement. Mayfield outcomes were significantly below national in both Reading and Writing, especially at KS1, although the gap reduced at KS2. These remain priorities for improvement.
2. Enable schools to face strategic challenges	<ul style="list-style-type: none"> • Marketing investment has led to improvement in pupil numbers at East Crompton St George's and successful 2FE launch at Mayfield Primary School. This will remain a priority. • St Anne's CE Academy numbers are viable, but further work is needed to build the school as the school of choice in an area where capacity now significantly exceeds supply following the opening of a new secondary free school. • Successful launch of recruitment for The Brian Clarke CE Academy – ongoing • Blue Coat Admissions – resolved following 2 adjudications. Evidence of attendance at worship to be reintroduced from 31st October 2021 following appointment of new Area Dean and ability to engage with clergy. • Costs managed across all schools. Freezing of teachers' pay whilst not helping morale, recruitment and retention, has improved the budgetary position of the schools and the wider Trust.
3. Implement Growth Strategy to extend educational opportunities to move young people and build reputation and resilience of Trust	<ul style="list-style-type: none"> • St Anne's CE Academy transferred. Impact of improvement strategy reflected in Ofsted COVID Monitoring Visit in spring 2021 and independent review in June 2021. Ongoing • All achieved including temporary accommodation for part of the year 1 for The Brian Clarke CE Academy. • Successful designation as Teaching School Hub for Oldham and Tameside. Stakeholder model successfully established – strong strategic partnership established including small-medium local trusts, former Teaching School Alliances, and outstanding schools. Uptake also from schools from Kirklees, Calderdale, Stockport, Manchester, and Rochdale.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

4. Develop Trust capacity and identity	<ul style="list-style-type: none"> Both ongoing. Finance Team strengthened; marketing resource increased. New systems – iTrent (Payroll) and Financials Live (Finance) are being embedded steadily.
5. Ensure strong governance and controls	<ul style="list-style-type: none"> Governance continued remotely but successfully throughout COVID. Local Governing Committees at primaries are developing their understanding/ownership and ability to challenge. Strong IEB established at St Anne's CE Academy, including 3 senior educational professionals. Committee structure of Trust Board further strengthened by broadening the remit of Pay Committee to include People/HR oversight.
6. Strengthen the CE ethos of the Trust	<ul style="list-style-type: none"> Text for the school year was from Psalm 62: <i>"Find rest my soul, in God alone; my hope comes from him. Truly he is my rock and my salvation; he is my fortress; I will not be shaken".</i> The Christian ethos underpinned the assemblies, form reflection and whole school worship, much of this delivered through technology because of Public Health England restrictions. During Advent and Lent, Blue Coat was able to safely and respectfully delivery communion to students and staff in their bubbles after a collective "virtual" liturgy. Christmas and Easter worship continued in both Blue Coat (at the Parish Church) and East Crompton St George's (in school), although with more limited numbers at any one time. Mayfield Primary School had to close the week before Christmas as a result of so many staff absences/isolations. The Trust Chaplain led virtual assemblies for both primaries joining together, a wonderful development of the sense of community in worship. Fundraising continued with students packing shoe boxes, collecting for foodbanks and writing letters to those isolated in nursing homes at Christmas. And during Lent, students took on some of the 40 acts with great passion, doing chores at home and picking up litter in their local communities. Weekly worship themes linked to the Christian calendar and world event enabled students and staff to engage in Christian principles and reflection, with a biblical basis. Themes such as Pentecost and Advent allowed students of all faiths and none to learn about these important events in the Christian calendar, whilst themes such as caring, compassion, human rights, honesty, joy and kindness allowed the exploration of fundamental Christian principles and values. St Anne's CE Academy joined the Cranmer Education Trust on 1st March 2021. After Easter a service of celebration and welcome was led by Bishop Mark of Middleton, accompanied by a video of pupils from the other 3 schools in the Trust, all welcoming St Anne's CE Academy, in their own, heart-warming ways. Pupils received their new ties; the verse for the year is displayed across the school; a member of SLT has taken responsibility for the leadership of ethos to develop worship at whole school and form reflection level, supported by the school chaplain, in the context of St Anne's CE Academy, whilst drawing on the central resources of the Cranmer Education Trust.
7. Manage uncertainties of COVID-19 to protect health and welfare of pupils and staff, and educational provision during periods of intense disruption.	<ul style="list-style-type: none"> All achieved (see above). Headteachers and staff report their appreciation of the Trust systems and support throughout COVID which enabled, supported, and challenged them in their provision for children and young people Noted marked contract with other schools where educational improvement stopped, and leadership was overwhelmed by the demands.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Public benefit

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

The key public benefit which the Trust aims to develop is the provision of continued high-quality education for all students through the objects, aims and strategies detailed above. The achievements against the annual objectives are also detailed above.

STRATEGIC REPORT

Achievements and performance

— see objectives, strategies and activities

Key Financial Performance Indicators

Performance in Pupil achievement and progress across the Trust is included in objectives, strategies and activities section on pages 7-8.

In relation to financial performance:

- Maintenance of reserves - to ensure that the Trust retains enough general reserves to cover £200k of any emergency capital maintenance work, £200k as protection for future changes in funding and at least two months of Trust salary costs which is equivalent to £2,521k. General Restricted and Unrestricted reserves carried forward at 31 August 2021 total £3,360k.
- Annual staff costs benchmarking to ensure that staff costs remain within benchmarked national limits from the 2021 Academy Benchmarking Report. Report for 19-20 shows the following averages
Staff costs % as total costs — average 75.3 % - The Trust % for 20-21 is 72.9 %
Teaching staff to pupil ratio — average 20:1 for MATs — The Trust ratio for 20-21 is 21:5
- To achieve an annual operating surplus pre depreciation, capital grants, FRS 102 pension adjustments, donation of academy assets and endowment gains — net surplus for 2020-21 has been achieved of £627k.
- To pursue and increase year on year alternative sources of revenue funding contributing to income received from educational operations — Level of alternative income sources was maintained up to the pandemic— see table below

Income	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000
Donations excluding capital grants	11	36	44	46
Other trading activities excluding MAT set up grants and balances transferred in on conversion and SCITT bursaries including pupil catering income	1,093	1,695	1,732	1,486
Investment income	1	1	1	1
Total income alternative sources	1,105	1,732	1,777	1,533
Funding from educational operations excluding pupil catering income	15,034	11,636	10,770	10,533
Total income for comparison purposes excluding bursaries, Teaching School hub set up grant and capital gains	16,139	13,360	12,547	12,066
Alternative source income as percentage of total income for comparison purposes	7%	13%	14.1%	12.7%

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

The effect of COVID on income from catering, school activities and teaching school income generation has resulted in a flattening of the income generation in 2020-21.

Non-financial performance indicators include examination results as detailed in objectives and outcomes above.

Going Concern

The Trust has received details of 2021/22 Department of Education funding and made assessment of the impact of potential changes and risk areas. Whilst risks and uncertainties remain as detailed in the principal risk section on page 13, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the charitable company

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

(a) The likely consequence of any decision in the long term

The Trust has strong governance supported by an experienced executive team. All decisions are approved within this structure and against the long-term strategic aims of the Trust. Primarily, the Trust's strategy is to improve educational outcomes for all students - decisions at every level are informed by this and their impact on all stakeholders.

(b) The interests of the company's employees

The Trust's employees are the reason for its success, the basis of engagement with employees is included in the Trustee report on page 6. All employees have access to various well being services, participate in frequent training and are kept safe by strong health and safety policies. There are informal and formal feedback processes, and issues are addressed as quickly as possible.

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

The Trust engages in business relationships in an open and transparent way to develop relationships based on trust and mutual understanding. In engaging with suppliers, the Trust ensures procurement policies set out in the Trust's Financial Manuals are followed in relation to obtaining quotes and tendering. The Trust maintains a list of suppliers whose services are key to the operation of the Trust and with whom the Trust has developed good relationships but not to the detriment of remaining at arm's length and ensuring public procurement and best practice is adhered to.

(d) The impact of the company's operations on the community and the environment

The Trust recognises the need to care for the environment, and seeks to identify the areas of the organisation which have an environmental impact and to minimise this impact.

Through our estates strategy the Trust constantly updates inefficient practices and strives to upgrade to more energy efficient solutions in capital improvement projects. The Trust encourages staff and suppliers to reduce environmental impact through reduced waste and energy consumption.

Students are both taught environmental responsibility through the school curriculum and are encouraged to participate in practical initiatives.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The reputation and contributing performance of the Trust is critical to the deliverance of the best possible outcomes for the students. We endeavour to build long lasting and trusted relationships with the public, suppliers, delivery partners, and funding bodies. Our organisational values include excellence quality and achievement, and these are promoted throughout the Trust in everything we do. Recruitment, training and appraisals reinforces these values with staff.

(f) The need to act fairly as between members of the company

The Trust ensures its staff, governors Trustees and members are treated fairly through having a clear vision for the Trust which is communicated throughout the organisation by strong leaders through robust strategy and strong internal controls.

The Trust respects and celebrates the diversity within our community and is committed to providing an environment which ensures that all students and staff are treated with dignity and respect. A positive learning and working environment is the aim of the Trust, free from discrimination, harassment, or victimisation.

Financial review

Statement of Financial Activities

Trust income increased in the period with the inclusion of St Anne's GAG and other DFE funding for the last 6 months of the year of £2.6m and the donation of net assets of the St Anne's Academy Trust of £19m. COVID disrupted the previously steady growth of other income to the Trust (see KPIs) however SCITT tuition fees continued to rise (2020-21: £587,000, 2019-20: £529,000. Significant grants were received from DFE towards the rise in Teachers' pay and pensions totaling £649,000 (2020: £533,000) but only £50k further money was received regarding the startup grant towards our journey to open a Free School in Oldham – there is still £220,000 to be paid to the Trust for this work.

Expenditure in 2020-21 overall has seen a £3million increase on 2019-20 mainly due to St Anne's joining the Trust (costs of £2.7m in the 6 months to 31 August 2021). The Trust has been affected by COVID in the increase in costs for supply staff, PPE and other disposables for sanitation and cleaning costs, but these increases have been offset by reductions in services, particularly catering and other premises costs such as utilities.

During the period ending 31 August 2021 total income excluding capital grants, gains and losses on endowment and pension fund and academy donation was £16,823,000 (2020: £14,043,000) and total operational expenditure before depreciation of £1,015,000 (2020: £640,000) was £17,035,000 (2020: £14,264,000) resulting in an operating loss (before depreciation, other gains and losses, but after FRS 102 defined benefit pension adjustments) of £212,000 (2020 loss: £221,000). The total in year deficit on restricted general funds (excluding pension) was £2,427k (2020: £355k) and the total in year surplus on unrestricted funds was £253k (2020: £52k deficit).

Financial position

The Trust at 31 August 2021 shows a solvent position within cash of £4,179k (2020: £3,043k), fixed asset investments of £574k (2020: £Nil) and net current assets of £3,464k (2020: £2,931k). Increases are significant due to the inclusion of St Anne's which brought into the Trust net current assets of £919k on 1 March 2021, see note 31.

Capital

Capital Grants of £2,472,000 (2020: £1,754,000) were received – including £2,003,000 from the Local Authority for the expansion of Mayfield and £227,000 Condition Improvement Funding from DFE for the roofs and pipework at the Blue Coat School and £160k from the local Authority to fund an Alternate Provision suite at St Anne's of which £2,368,000 was used to fund capital assets alongside £401k capital funds unused from prior years and £241,000 (2020: £186,000) from GAG. Devolved Capital Funding of £nil (2020: £17,000) has been carried forward unutilised this period. £104,000 of Condition Improvement Funding has been accounted for in this period though not utilised as yet to acquire fixed assets as it is required by the accounting policies to accrue funding not yet received when the grant is not conditional.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Reserves policy

The Trust has maximised reserves to provide a buffer for any funding cashflow delays, protection for future changes in funding and for capital estate investment/maintenance requirements as stated in the Key Performance Indicator section of the Trustees report. The total level of reserves held by the Trust at 31 August 2021 is £30,198k (2020: £12,628k).

During the year the net assets of St Anne's Church of England Academy were transferred into the Trust increasing reserves by £19,011,000 including £477,000 of endowment fund and £20,255,000 of fixed asset funds representing the fair value of fixed assets at the date of transfer and a revalued pension scheme deficit of £2,163,000.

Restricted general reserves total £1,271,000 (2020: £696,000) excluding the Trust's pension liability of £12,279,000 (2020: £6,494,000). However, the presence of a pension deficit does not mean that an immediate liability crystallises, as any such pension deficit arising through the triennial valuation of the scheme will be managed through increased future pension contribution rates. The contribution rates of the March 2016 valuation updated to August 2021 have been incorporated into cashflow models. In Note 27, the Department of Education has guaranteed that in the event of Trust closure, any outstanding Local Government pension liability will be met by the Department.

During the year £241,000 of restricted general funds were transferred to fixed asset reserves to be utilised on capital acquisitions. Future capital acquisitions will be assessed as to whether these can be met by restricted general funds in the period or will be met from unrestricted funds.

The value of unrestricted reserves is £2,086,000 (2020: £1,833,000). These are freely available for general purposes and will be allocated in line with the strategic objectives of the Trust and the Trust reserve policy.

The endowment fund has been revalued at the end of the period to £574,000 showing a £97,000 gain in the period the endowment was included in the assets and funds of the Trust.

Details of the Trust's target reserves are included within the Key Performance Indicators on page 9. The Trustees are satisfied that the level of reserves is broadly in line with target.

Restricted fixed asset reserves total £38,546,000 (2020: £16,593,000) and includes the value of the assets and capital balances transferred by the local authority and the Manchester Diocesan Board of Education to the Trust on conversion of the secondary school in 2011 and the two primary schools in period ended 31 August 2016. It also reflects the inclusion from 1 March 2021 of the NBV of assets of St Anne's. The restricted fixed asset reserve also includes the funding of assets through grant income since conversion, any balance on capital funds received and not spent £104,000 (2020: £401,000) and is reduced by annual depreciation charges over the expected useful life of the assets concerned.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Investment policy

The investment policy requires the Trust to maintain sufficient funds to cover expenditure identified through revenue and capital cashflow predictions before considering any investment opportunities. The investment objectives include:

- achieving best financial return available whilst maintaining security of deposits
- to protect the capital value of any investment from risk of loss and inflation
- exercise investment appraisal with care and skill

Surpluses for investment will be identified and documented by Academy but amalgamated to maximise investment potential. For 20-21, Trustees have continued to defer the investment of any reserves to protect cash flow while estate maintenance projects are progressing and while establishing the Multi Academy Trust.

Endowment policy

The Trust has an Endowment policy in relation to the investment transferred to the Trust from St Anne's on 1 March 2021 and ring fenced for St Anne's use. The endowment policy states that the Trust Board as Corporate Trustees of the Endowment has delegated responsibility to the Audit Risk and Finance Committee, to review and monitor the Endowment – in particular to:

- Consider the effectiveness of the investment of the funds in maximising return whilst minimising the risk of loss or future erosion of the capital sum
- Consider the need for appropriate independent financial advice in relation to any potential investment
- Monitor the levels of reserve to ensure that funds remain above the original investment level.
- Undertake regular reviews of the Endowment funds and report to the Trust Board
- Consider any requests for the use of the unapplied investment return or dividend income

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed during the period. The principal risks are identified as follows:

- Educational risk - quality of education and progress and outcomes of pupils-
All of our schools are located in areas of high disadvantage. Baseline entry data in 2 schools is significantly below national and just on national in a third. Our new free school will also serve an area of high deprivation. This is compounded by the impact of Covid in NE Manchester and the disruption caused and ongoing to education, and to families. Mitigate by
 - 1) precision curriculum in primary to address learning loss and prevent the gap widening.
 - 2) curriculum and pedagogical review and ongoing development in secondaries
 - 3) pupil premium end recovery strategies in all schools
 - 3) investment in IT equipment, dongles to address the digital divide plus online learning and pastoral provision
- Educational risk: teacher recruitment and retention, national shortage, now exacerbated by Covid. This particularly affects secondary subject specialist teachers, leadership recruitment, specialist support staff. Mitigate through SCITT development and strategy for forthcoming market review of ITE; development of trust retention strategy particularly around staff wellbeing focusing on those areas that build loyalty, reduce the stressors where we can, and protective resilience
- Educational risk – Admission levels in school and admission criteria in church schools – impact on school budgets, education provision, viability and financial and educational strain on the Trust.. Mitigate these risks through appointment of marketing manager and marketing consultant to build strategy, reinstate attendance criteria. Review of admissions and policies and creation of admissions committee.
- Growth Risk - potentially bringing in, through re-brokerage, schools in future years some of which may be judged “inadequate” also involve political challenges and reputational risk. To mitigate this the Trust is developing its marketing and communications strategy, particularly through social media, to offset any negative publicity and building relationships with key individuals and bodies whose support/influence can have a positive effect to attract schools to joining the Trust and when faced with detractors with a particular agenda.
- Growth management risk - Expansion of the Trust could potentially deplete Trust resources and result in an inability to back fill due to funding. Actions taken by the Trust to mitigate this risk include plans to increase central capacity (both human and through more efficient automated systems), detailed planning of expansion requirements including management of pre-opening resources and application for emergency school improvement and potential transition/capacity funding for re-brokerage.
- Growth Risk – where expansion projects not delivered on time – pressure on quality of education provision, cost management, admissions, use of temporary accommodation. To mitigate - contingency planning prepared, communication channels maintained and used to actively pursue early works to mitigate issues, use of technical adviser by Trust to consider options, monitor costs closely.
- Health and Safety Risks - COVID transmission and reduced quality assurance (QA) ability due to COVID – risk mitigated through comprehensive risk assessments prepared for all aspects of Trust under COVID staff trained PPE and sanitizing equipment acquired, staff pupils and parent communication increased. Health and safety adviser visits continued. Standards Committee focus on H and S QA paperwork
- Key personnel recruitment, retention and succession risk - the risk of long-term sickness and any lack of succession, retention, development and recruitment of key staff. Actions taken by the Trust include protocols set for safe recruitment and use of online interviewing and online and remote provision of training and mentoring. The SCITT and leadership programmes to support teaching staff, a robust pay policy, use of staff surveys, expansion of the appraisal process to include career aspirations, monitoring of market forces and consideration of succession planning for key personnel.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

- SCITT- Implementation of new Core Content Framework and associated assessment, current Market review and results for SCITTs, changes in leadership. Actions taken by the Trust include SCITT management structure strengthened , review of curriculum and assessment to meet new CCF requirements, respond to Market review prepare for reaccreditation if required and continued focus on recruitment.
- Pension schemes - The Trust's employees are members of two defined pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The Trust has recognised its share of assets and liabilities of the LGPS in accordance with FRS102 and as a result, a deficit has been included in the accounts for 31 August 2021. The TPS has been accounted for as a defined contribution scheme. Due to the nature of the two schemes, there is an underlying risk to the Trust relating to the uncertainty of the future funding requirements of each scheme, the results of which impact on the contribution rates for future employer contributions to each scheme.
- Teaching School Hub – new activities and responsibilities for the Trust delivery against KPIs. Reputation if programmes are not rolled out in time and are not to standard. Actions taken by Trust include recruitment of skilled resource both internal and external to aid set up and management of the programmes and financial internal controls.

Risk Management

A Trust risk register is maintained and reviewed by the Audit, Risk and Finance Committee providing the basis for key internal controls, and on financial matters, the internal audit programme. Key controls in place are:

- Forensic data analysis
- Annual school improvement plans
- Organisation structure with clearly defined roles, authorisation levels and terms of reference
- Financial planning, budgeting and regular management reporting
- Formal written and published policies
- Vetting procedures as required by legislation for protection of the vulnerable
- Robust due diligence and tender procedures for new contracts and commissions

The Trust does not have any exposure to significant cash flow or liquidity issues nor does the Trust have any significant credit liabilities, only ordinary creditors from educational and construction activities disclosed in note 17.

Fundraising

The Trust has little activity in this area. No professional advisers or commercial participators are used to raise funds. Only small amounts are generated mainly from primary activities with parents. All fundraising undertaken during the year was monitored by the Trustees.

Streamlined energy and carbon reporting

	2021 kWh	2020 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	2,892,008	-
- Electricity purchased	1,259,430	-
- Fuel consumed for transport	117	-
	<u>4,151,555</u>	<u>-</u>

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

	2021	2020
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	529.70	-
- Fuel consumed for owned transport	0.29	-
	<hr/>	<hr/>
	529.99	-
Scope 2 - indirect emissions		
- Electricity purchased	267.41	-
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Trust	0.49	-
	<hr/>	<hr/>
Total gross emissions	797.89	-
	<hr/> <hr/>	<hr/> <hr/>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.27	-
	<hr/> <hr/>	<hr/> <hr/>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

The Trust has applied and received CIF funding to improve roofs and radiators and pipework at the oldest part of the Trust estate at Blue Coat School. The expansion of the site at Mayfield to 2FE includes energy efficient equipment. IT technology is used to enable staff meetings to take place remotely, to reduce the need for travel between sites.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for Future Periods

Aims and Objectives	Planned Activities
<p>1. To continue to improve educational outcomes of pupils at key assessment points and maximise progress for all, particularly disadvantaged pupils most affected by COVID-19.</p>	<ul style="list-style-type: none"> • Target setting for primaries re-focused on closing gaps, revisiting quality provision across the whole curriculum, and forensic and targeted improvements with Reading, Writing and Maths to ensure Mayfield Primary School achieves national averages for Aged-Related Expectations at both KS1 and KS2, and East Crompton St George's above Age-Related Expectations. Ensure EYFS at East Crompton St George's is "Good". • Target setting for secondaries is similar; St Anne's CE Academy set at national averages, overall progress in line with national, including Ebacc subjects. Blue Coat progress targets set at +0.4-0.5. • East Crompton St George's – writing focus across school • Mayfield Primary School – reading audit • Both primary schools – KS1 improvement: East Crompton St George's – EYFS to move to "Good". • Blue Coat – external review in February 2022 • St Anne's CE Academy – focus moving to implementation of curriculum and quality of teaching for all pupils.
<p>2. To strengthen and deepen the CE ethos of the Trust as part of the CE mission serving the different community needs.</p>	<ul style="list-style-type: none"> • Development of Christian ethos at St Anne's CE Academy and The Brian Clarke CE Academy - what it means to be a Christian school in that place, with and for those young people and what that means for worship, care and nurture, the role of the school chaplain. • St Anne's CE Academy serves a very disadvantaged community, with a high proportion of young people living with the fall-out of poverty, including significant mental health issues. Support and challenge the actualisation of Christian ethos. • The Brian Clarke CE Academy will serve a multi-cultural and multi-faith community, also with high levels of disadvantage, poverty and culture difference, with very different parental approaches, family and community norms, the oral culture of Sylheti and isolation of first-generation immigrants, especially mothers, whose first language is not English. The school will need a sacred and safe space and worship which enables them to participate. • Increase/improve support for children of other faiths in Blue Coat, East Crompton St George's, Mayfield Primary School and St Anne's CE Academy and awareness of/respect for the wider community of faith commitment and what we have in common and can achieve together. • Verse for the Year: Ephesians 4:29 on Encouragement: <i>"When you talk do not say hurtful things but say what people need – words that will help others become stronger. Then what you say will do good to those who listen to you".</i>

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

<p>3. Successful delivery of The Brian Clarke CE Academy and the school's delivery of high-quality educational provision, care, and nurture for young people</p>	<p>Focus for the year 2021-22 will be on:</p> <ul style="list-style-type: none"> • Delivery of the permanent build fully ready to open in May 2023. • Quality of provision in temporary accommodation from September 2022 to May 2023 and the transition. • Pupil recruitment to achieve multi-cultural, multi-faith vision and ensure financial viability. • High quality staff appointment - budgetary management the CET support to achieve appointments with expertise and experience who will grow the school with the Headteacher. • Ongoing relationship building with the local community, including engagement of local businesses in support of the school. • Establishment of shadow governing body. • Successful completion of all DfE compliance and quality checks, leading to Funding Agreements.
<p>4. Development of next stage growth strategy to extend Trust benefit to more children and young people, adding value through size to provide the essential services for schools which LAs no longer can: SEND, Early Help for families, attendance and family support; links to social care and NHS re domestic violence, mental health and substance abuse.</p>	<ul style="list-style-type: none"> • Business plan to identify critical mass of schools to deliver the benefits of growth over 3 and 5 years. • Detailed growth plan with a matrix of schools across Oldham, Rochdale and Tameside. • Development of marketing and communication strategy to build reputation and awareness. • Ensure leadership capacity and sustainability/succession plan for Executive Team with focus on growth. • Build relationships with strategic authorities to support the development of a strong MAT across CE and community sector which can effectively support schools in areas of high challenge and deprivation. • Further develop school improvement offer and service through SCITT, Teaching School Hub; review a wider offer of School-to-School support drawing on capacity of the Hub and potential of support through local strategic services, both to improve the quality for children locally and to support the ability to Cranmer Education Trust to forge alliances and achieve our vision.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust does not hold, and the Trustees do not anticipate that it will in the future hold any funds as custodian for any third party.

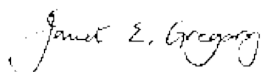
AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 21 December 2021 and signed on the Board's behalf by:



J Gregory

Chair of Trust Board

CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Trustees	Meetings attended	Out of possible
J Gregory (Chair of Trust Board)	4	4
J A Hollis (Accounting Officer and Chief Executive Officer of Cranmer Education Trust)	4	4
T Mitchell	3	4
E Moores	4	4
P Winter (Chair of Audit, Risk & Finance Committee)	4	4
M Khan (Resigned 15 October 2021)	1	4
S Skidmore	3	4
S Curley	3	4
E Wood (Resigned 15 March 2021)	2	2
Reverend J Rosedale	4	4
R Lamb	3	4

CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

During the period 2020-21, Trustees competently and effectively dealt with the following areas:

- Capacity of the Trust to grow and strengthen.
- Performance of the schools and specifically leadership.

Risk areas and actions taken to mitigate.

- Work undertaken by the Trust towards the opening of The Brian Clarke CE Academy
- Metrics showing trends re Trust performance educationally and financially.
- Health and Safety reviews
- Successful application to open a Teaching School Hub
- Procurement matters including CIF bid and Catering tender
- Policy development.

Challenges for the Board:

- Growth, in the context of national changes to the academisation and re-brokerage policies and the Free Schools program
- Capacity of the Board and the need to ensure a range of strategic expertise and succession and monitoring of delegated tasks.
- Capacity of the Trust to resource and fund growth.
- Growth of admissions in schools to maximize funding
- Impact of COVID on schools and the community

Data used by Board

The Board uses a summary dashboard including financial and educational performance. Termly data is consolidated for Trustees in respect of Health and Safety and safeguarding reviews by Local Governors. Trust provides Governor Hub facilities for the sharing of data to Governance. The data provided to the Board is therefore sufficient quantity and quality to enable the Board to understand the Trust's status and challenge positions.

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value-for-money framework through appointment, planning and review of internal scrutiny/external auditor work and review of the effectiveness of internal controls. It also monitors the risk profile of the Trust and approves the Academy Risk register and Business Continuity Plan. The meetings of this Committee alongside the full Trust Board meetings and the regular monthly distribution to the Chairs of the Trust Board and the Audit and Finance Committee of the finance position of the Trust ensures that Trustees meet the requirements of maintaining effective oversight of funds.

The Audit, Risk and Finance Committee met 4 times in the year.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
T Mitchell	4	4
E Moores	2	4
P Winter (Chair of Audit, Risk & Finance Committee)	4	4
M Khan (Resigned 15 October 2021)	0	4
S Skidmore	2	4
S Curley	3	4

CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

Pay and Personnel Committee

A Pay Committee was established during 2018-19 to review national pay awards for teachers and support staff and to review salary ranges and recommend/approve performance awards for CEO, Headteachers and Executive staff. The committee met once in October during this year. The committee changed its name to Pay and Personnel Committee in July 2021 and expanded its remit to include the review of policy and consultation outcomes with the JCNC. Decisions on Significant Change and appeals against significant change are now made at Trust Committee level, acting for the employer.

Attendance at the meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
T Mitchell (Chair)	0	1
E Moores	1	1
R Lamb	1	1

Standards Committee

A Standards Committee was established in 2019-20 to focus on standards across the educational institutions owned and operated by the Trust. The Standards Committee met 4 times in the year.

Attendance at the meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
E Wood (Chair) (resigned 15 March 2021)	1	1
R Lamb (appointed Chair from 16 March 2021)	4	4
Reverend J Rosedale	4	4
J Gregory	3	4
S Curley (Appointed 29 April 2021)	1	1

Admissions Committee

An Admissions Committee was established in 2020-21 to monitor and review each schools admissions policy and oversee consultations on admissions. The Admissions Committee met 6 times in the year.

Attendance at the meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Gregory (Chair)	6	6
R Lamb	6	6
Reverend J Rosedale	6	6
E Moores (appointed 21 October 2020)	2	5
P Winter (appointed 21 October 2020)	4	5

CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

The last external review of Governance was undertaken by Jane Lewis, published July 2019. Recommendations included:

- Developing a governance plan for the new free school including succession planning
- Review governance arrangements across the trust in light of the expansion
- Develop Governance training and development plan
- Provide a clear induction process for new trustees

The actions and plans from the Governance review were in part put on hold with the pandemic – the governance plan for the new free school is underway with a Board now in place and the governor arrangements across the Trust are continually monitored with the review remaining the measure to ensure effectiveness of the Trust – the next review to assess changes made has not yet been planned given the continued uncertainty from COVID.

The Articles include the delegation of local responsibilities to Local Governing Committees. The principles of the Scheme of Delegation were last reviewed and revised 2018/19 in preparation for the expansion of the Trust.

The Scheme of Delegation was to be reviewed again during 2020/21 and further Governance reviews and training undertaken however this was interrupted by the COVID pandemic. Governance meetings have continued throughout lockdown via Governor Hub and Teams and internal scrutiny and independent reviews of governance procedures by external advisers such as Health and Safety specialists confirmed that governance systems remained in place even during difficult days of the pandemic.

Review of value for money

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

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

- The growth of the Trust to bring economies of scale – Transfer of St Anne's Church of England Academy into the Trust on 1 March 2021 and continued work by the Trust with DFE on setting up the new The Brian Clarke CE Academy in Oldham in 2022-23
- Successful application to open a Teaching School Hub to ensure good quality provision of teacher development to the Trust and other organisations in the Oldham and Tameside area over the next three years.
- Review and benchmark of Trust contracts for services that are central to the running of the Trust to ensure value for money is achieved through all the academies. During 20-21 this included a tender process for the provision of catering in two schools in the Trust and the review of the MIS market for the purpose of purchase for The Brian Clarke CE Academy and the consideration of the roll out across the Trust.

The purpose of the system of internal control

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

CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal scrutiny function and appointed School Business Services Ltd to carry out an independent internal scrutiny.

The internal reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. During the year the internal auditor was employed to undertake work on the following areas, however, the restrictions imposed by COVID19 meant that work could only be performed through limited desktop review with no physical checking on site. Work performed as shown below

- Governance and risk
- IT server health check
- New Payroll system – set up and procedures

On a termly basis, the internal scrutineer reports to the Trust Board, through the Audit, Risk and Finance Committee on the operation of the systems of control and on the discharge of the Trust Board financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal scrutineer summary opinion:

Full assurance can be given to the Trust Board that the controls relied upon at the time of Scrutiny were suitably designed, consistently applied and effective in their application. Despite the challenges of Covid-19, the committees had met regularly and fulfilled their obligations.

Suggestions were offered to improve the effectiveness of the control over Payroll/Personnel files and personnel record keeping and contract acceptance, the Risk register and procedures surrounding Gifts and Hospitality. However none of the issues raised were significant/material control issues, only suggestions.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility of reviewing the effectiveness of the system of internal control. During the year ended 31 August 2021 the review has been informed by:

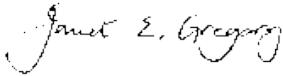
- the work of the internal reviewer
- the work of the external auditor
- the school resource management self – assessment tool and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

CRANMER EDUCATION TRUST

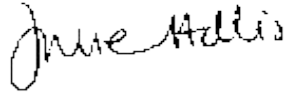
GOVERNANCE STATEMENT (CONTINUED)

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

Approved by order of the members of the Board of Trustees on 21 December 2021 and signed on its behalf by:



J Gregory
Chair of Trust Board



J A Hollis
Accounting Officer and Chief Executive Officer of Cranmer Education Trust

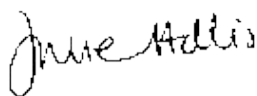
CRANMER EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cranmer Education Trust I have considered my responsibility to notify the Academy Trust Board and the Education and Skills Funding Agency (EFSA) of material irregularity, impropriety and non-compliance with EFSA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



J A Hollis
Accounting Officer

21 December 2021

CRANMER EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of Cranmer Education Trust for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

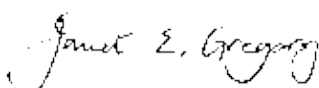
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 21 December 2021 and signed on its behalf by:



J Gregory

Chair of Trust Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANMER EDUCATION TRUST

Opinion

We have audited the financial statements of Cranmer Education Trust (the "charitable company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANMER EDUCATION TRUST (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 27, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANMER EDUCATION TRUST (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and evaluating relevant advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

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



John Guest (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

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22/12/21

CRANMER EDUCATION TRUST

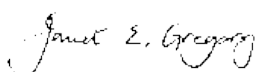
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total 2021	Total 2020
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and capital grants	4	11	-	2,472	-	2,483	1,790
Donations - transfer of existing academy into the trust	31	337	(2,058)	20,255	477	19,011	-
Charitable activities:							
- Funding for educational operations	5	62	15,021	-	-	15,083	11,889
- Funding for teaching school	30	-	1,537	-	-	1,537	1,593
Other trading activities	6	115	76	-	-	191	524
Investments	7	1	-	-	-	1	1
Total		<u>526</u>	<u>14,576</u>	<u>22,727</u>	<u>477</u>	<u>38,306</u>	<u>15,797</u>
Expenditure on:							
Charitable activities:							
- Educational operations	9	273	15,184	1,015	-	16,472	13,337
- Teaching school	30	-	1,578	-	-	1,578	1,567
Total	8	<u>273</u>	<u>16,762</u>	<u>1,015</u>	<u>-</u>	<u>18,050</u>	<u>14,904</u>
Gains on endowment investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>97</u>	<u>97</u>	<u>-</u>
Net income/(expenditure)		253	(2,186)	21,712	574	20,353	893
Transfers between funds	20	-	(241)	241	-	-	-
Other recognised gains/(losses)							
Actuarial losses on defined benefit obligations	27	-	(2,783)	-	-	(2,783)	(1,198)
Net movement in funds		<u>253</u>	<u>(5,210)</u>	<u>21,953</u>	<u>574</u>	<u>17,570</u>	<u>(305)</u>
Reconciliation of funds							
Total funds brought forward		<u>1,833</u>	<u>(5,798)</u>	<u>16,593</u>	<u>-</u>	<u>12,628</u>	<u>12,933</u>
Total funds carried forward		<u>2,086</u>	<u>(11,008)</u>	<u>38,546</u>	<u>574</u>	<u>30,198</u>	<u>12,628</u>

CRANMER EDUCATION TRUST**BALANCE SHEET****AS AT 31 AUGUST 2021**

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		38,439		16,191
Investments	15		574		-
			<u>39,013</u>		<u>16,191</u>
Current assets					
Debtors	16	704		1,006	
Cash at bank and in hand		4,179		3,043	
		<u>4,883</u>		<u>4,049</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(1,419)		(1,118)	
		<u></u>		<u></u>	
Net current assets			3,464		2,931
			<u>42,477</u>		<u>19,122</u>
Net assets excluding pension liability					
Defined benefit pension scheme liability	27		(12,279)		(6,494)
			<u>30,198</u>		<u>12,628</u>
Total net assets			<u><u>30,198</u></u>		<u><u>12,628</u></u>
Funds of the Trust:					
Restricted funds	20				
- Restricted fixed asset funds			38,546		16,593
- Restricted income funds			1,271		696
- Pension reserve			(12,279)		(6,494)
- Endowment funds			574		-
			<u>28,112</u>		<u>10,795</u>
Total restricted funds					
Unrestricted income funds	20		2,086		1,833
			<u>30,198</u>		<u>12,628</u>
Total funds			<u><u>30,198</u></u>		<u><u>12,628</u></u>

The financial statements on pages 31 to 62 were approved by the board of trustees and authorised for issue on 21 December 2021 and are signed on their behalf by:



J Gregory
Chair of Trust Board

CRANMER EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	24		876		797
Cash funds transferred on conversion			498		-
			<u>1,374</u>		<u>797</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1		1	
Capital grants from DfE Group		2,769		1,220	
Purchase of tangible fixed assets		(3,008)		(1,558)	
		<u></u>		<u></u>	
Net cash used in investing activities			(238)		(337)
			<u></u>		<u></u>
Net increase in cash and cash equivalents in the reporting period			1,136		460
Cash and cash equivalents at beginning of the year			3,043		2,583
			<u></u>		<u></u>
Cash and cash equivalents at end of the year			<u>4,179</u>		<u>3,043</u>

CRANMER EDUCATION TRUST

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

1 Accounting policies

General information

Cranmer Education Trust is a Charitable Company (the "Trust"). The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' Report.

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 Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention modified to include certain financial investments at fair value 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The Trustees have reviewed and approved budgets and cashflow forecasts for 2021/22 and future years, and considered the following:

The MAT's financial position, its financial plans (including anticipated student numbers), the demand for places and the broader environment which includes any additional demands placed on the budget because of Covid-19 to ensure that the MAT can continue to operate safely and the inclusion of the financial impact and risks associated with St Anne's Church of England Academy which joined the Trust on 1 March 2021 and the opening of the new free school, Brian Clarke Church of England Academy on 1 September 2023.

In the light of this review the trustees have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. This the trustees consider is appropriate to prepare the financial statements on a going concern basis.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Conversion to an academy trust and academies joining the trust

The transfer of St Anne's CofE Academy into the Trust on 1 March 2021, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred to the academy trust have been valued at their fair values and recognised in the balance sheet at the point where the risks and rewards of ownership passed to the Trust. The fair value has been derived based on that of equivalent items. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer to the academy trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds and endowment funds. Further details of the transaction are set out in note 31.

The Trust, since academisation in 2011 has held the land and buildings of The Blue Coat School on a licence to occupy from the owners, the Oldham Henshaw and Church of England Education Trust evidenced in the Church Supplemental Agreement. The land and buildings are recognised in the balance sheet on the basis of the flow of future economic benefit from the use of the property and its continuing occupancy by the school on the basis of substance over form. The property was valued at depreciated replacement cost in 2015 by Sanderson Weatherall Quantity Surveyors and is being depreciated over its remaining useful economic life.

On conversion to academies, during year ended 31 August 2016, East Crompton St George's CofE Primary School and Mayfield Primary School included transfer of property under lease agreements and license arrangements for £Nil consideration. The land and buildings were valued by Kier Group plc for the ESFA on the basis of fair value and were transferred to the Trust as follows:

Mayfield Primary School - 125 year lease agreement with Oldham Council

East Crompton St George's CofE Primary School - license agreement within the Church Supplemental Agreement for the use of the Land owned by the Manchester Diocesan Board of Education until the agreement is terminated.

Income

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

Grants

Grants are included in the 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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust has provided the goods or services.

Interest receivable

Interest receivable is included in the SOFA on a receivable basis, and is stated inclusive of related tax credits.

Endowment income

Endowment income is recognised in the period it is received.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the SOFA 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.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Depreciation is provided on all tangible fixed assets other than licenced land and assets under construction, so as to write off the cost of assets less their residual values on a straight line basis over their useful lives on the following bases:

Leasehold land and buildings	2% per annum
Plant and machinery	10% per annum
Land - leased	Over life of the lease
Land - licence agreement	No depreciation is charged
ICT/Educational equipment and motor vehicles	20% - 33% per annum
Assets in the course of construction	No depreciation is charged
Major school improvements	5% per annum

Where an asset comprises of two or more components that have substantially different useful lives, each component must be depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 SOFA.

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 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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Investments

Fixed asset investments are stated at market value.

Financial instruments

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments. The Trust only holds basic financial instruments as defined in FRS 102.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

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 note 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.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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 as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees. Designated funds are unrestricted funds which the Trustees have set aside for specific purposes.

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 DfE, ESFA and RSC.

Endowment fund was a trust fund set up by the sponsors of St Anne's CE Academy which was transferred to the Trust on 1 March 2021. It is fully invested in an Endowment Trust Fund run by Fundsmith investors – Fundsmith Equity Fund T Class Inc. The fund is governed by an Endowment policy and any gain in value or dividends received ring fenced for St Anne's use – see page 12

Agency arrangements

The Trust acts as an agent in the administering of 16-19 Vulnerable Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the SOFA to the extent that the Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA. The funds received and paid and any balances held are disclosed in note 28.

2 Critical accounting estimates and areas of judgement

Accounting 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.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement (Continued)

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability of £12,279k (2020: £6,494k).

Fixed assets

The categorisation of fixed asset expenditure in the accounts for the purpose of depreciation is based on an estimate of the expected useful life for each asset involved. Assets have been categorised into set bases of expected life in order to simplify the calculation and disclosure of the basis of depreciation. The amount of depreciation subject to uncertainty is £1,015k (2020: £640k). Any change in this estimate would have a resulting impact on the net book value of the assets of £38,439k (2020: £16,191k) stated in the balance sheet. The useful life basis are described in note 1.

Critical areas of judgement

Judgement is used by the Trustees in assessing the fair value of assets and liabilities on transfer into the Academy Trust. The Trust seeks the advice of a professional firm of valuers in this regard.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Statement of financial activities - comparative year information

Year ended 31 August 2020	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2020 £'000
Income and endowments from:				
Donations and capital grants	36	-	1,754	1,790
Charitable activities:				
- Funding for educational operations	269	11,620	-	11,889
- Funding for teaching school	-	1,593	-	1,593
Other trading activities	123	401	-	524
Investments	1	-	-	1
Total	429	13,614	1,754	15,797
Expenditure on:				
Charitable activities:				
- Educational operations	481	12,216	640	13,337
- Teaching school	-	1,567	-	1,567
Total	481	13,783	640	14,904
Net income/(expenditure)	(52)	(169)	1,114	893
Transfers between funds	-	(186)	186	-
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	-	(1,198)	-	(1,198)
Net movement in funds	(52)	(1,553)	1,300	(305)

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	2,472	2,472	1,754
Other donations	11	-	11	36
	11	2,472	2,483	1,790

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	12,623	12,623	9,843
Other DfE / ESFA grants:				
- Pupil premium	-	596	596	437
- Start up grants	-	-	-	30
- Teachers' pension grant	-	483	483	393
- Teachers' pay grant	-	166	166	140
- Others	-	255	255	389
	<u>-</u>	<u>14,123</u>	<u>14,123</u>	<u>11,232</u>
Other government grants				
Local authority grants	-	603	603	364
	<u>-</u>	<u>603</u>	<u>603</u>	<u>364</u>
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium		187	187	-
Other DfE / ESFA COVID-19 funding	-	106	106	10
	<u>-</u>	<u>293</u>	<u>293</u>	<u>10</u>
COVID-19 additional funding (non-DfE / ESFA)				
Coronavirus job retention scheme grant	13	-	13	6
	<u>13</u>	<u>-</u>	<u>13</u>	<u>6</u>
Other incoming resources	49	2	51	277
	<u>49</u>	<u>2</u>	<u>51</u>	<u>277</u>
	<u>62</u>	<u>15,021</u>	<u>15,083</u>	<u>11,889</u>

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

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Funding for the Trust's educational operations (Continued)

The Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under exceptional government funding.

The funding received for coronavirus exceptional support covers £187k of catch-up premium costs, £27k of emergency funding costs, £79k of Covid testing costs and £13k of furlough costs. These costs are included in notes 8 and 9 below as appropriate.

The Trust furloughed some of its peri music teachers staff under the government's Coronavirus Job Retention Scheme. The funding received of £13k relates to staff costs in respect of 3 staff, which are included within note 10 below as appropriate.

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	13	-	13	1
Catering income	8	-	8	29
Music tuition	-	-	-	22
Trips	-	7	7	300
Other income	94	69	163	172
	<u>115</u>	<u>76</u>	<u>191</u>	<u>524</u>

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Interest from short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

8 Expenditure

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2021 £'000	Total 2020 £'000
Academy's educational operations					
- Direct costs	10,000	-	551	10,551	8,406
- Allocated support costs	2,601	2,007	1,313	5,921	4,931
Teaching school					
- Direct costs	518	-	903	1,421	1,469
- Allocated support costs	127	-	30	157	98
	<u>13,246</u>	<u>2,007</u>	<u>2,797</u>	<u>18,050</u>	<u>14,904</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2021 £'000	2020 £'000
Operating lease rentals	41	40
Depreciation of tangible fixed assets	1,015	640
Net interest on defined benefit pension liability	134	94
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	31	20
- Other services	4	8
	<u>35</u>	<u>28</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Direct costs				
Educational operations	-	10,551	10,551	8,406
Teaching school	-	1,421	1,421	1,469
Support costs				
Educational operations	273	5,648	5,921	4,931
Teaching school	-	157	157	98
	<u>273</u>	<u>5,805</u>	<u>6,078</u>	<u>5,029</u>

	Teaching school £'000	Educational operations £'000	Total 2021 £'000	Total 2020 £'000
Analysis of support costs				
Support staff costs	127	2,601	2,728	1,962
Depreciation	-	1,015	1,015	640
Technology costs	-	266	266	218
Premises costs	-	992	992	776
Legal costs	-	25	25	8
Other support costs	27	986	1,013	1,392
Governance costs	3	36	39	33
	<u>157</u>	<u>5,921</u>	<u>6,078</u>	<u>5,029</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	9,371	7,330
Social security costs	976	750
Pension costs	2,775	2,175
Staff costs - employees	13,122	10,255
Agency staff costs	37	82
Staff restructuring costs	87	-
Total staff expenditure	13,246	10,337

Staff restructuring costs comprise:

Redundancy payments	87	-
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Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £Nil).

Staff numbers

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

	2021 Number	2020 Number
Teachers	144	112
Administration and support	145	123
Management	26	19
	315	254

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	138	105
Administration and support	111	85
Management	25	19
	274	209

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff (Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	11	3
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£110,000 - £120,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £482,000 (2020: £415,000).

11 Central services

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

- 1 Payroll services;
- 2 Legal services;
- 3 Audit and accountancy;
- 4 IT infrastructure;
- 5 Website and marketing;
- 6 Finance software;
- 7 Insurance (excluding RPA);
- 8 Human resources;
- 9 Finance services;
- 10 IT support;
- 11 Estates support;
- 12 Data support;
- 13 Strategic leadership;
- 14 Admin Executive Assistant;
- 15 School improvement services;
- 16 HR support

The Trust charges for these services on the following basis:

- Points 1-9 and 15 - Allocated over the time the Academy is in the Trust and pupil or staff numbers in each Academy
- Points 10-14 and 16 - Allocated over the time the Academy is in the Trust and 35/15/15/35 split secondary/primary/primary/secondary

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Central services (Continued)

The amounts charged during the year were as follows:	2021	2020
	£'000	£'000
Mayfield Primary School	119	121
East Crompton St George's CofE Primary School	99	110
The Blue Coat School	410	337
St Anne's Church of England Academy	178	-
	<u>806</u>	<u>568</u>

12 Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or has received other benefits from employment with the Trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the role of Chief Executive Officer under their contract of employment, and not in respect of their services as Trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their roles as Trustees.

The value of Trustees' remuneration and other benefits are as follows:

J A Hollis - Chief Executive Officer:
Remuneration £105,793 (2020: £89,568)
Employer's pension contributions paid £Nil (2020: £Nil)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020: £44) were reimbursed to Nil (2020: one) Trustees of the Trust.

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

13 Trustees and officers' insurance

The Trust has opted into the Department for Education risk protection arrangement (RPA), as 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 Trust 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 membership.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	ICT/ Educational equipment and motor vehicles	Assets in the course of construction	Major school improvements	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2020	13,223	678	1,686	1,444	3,827	20,858
Transfer of school joining	19,337	71	173	-	674	20,255
Additions	-	64	100	2,844	-	3,008
Transfer	2,314	67	162	(3,901)	1,358	-
Disposals	(63)	-	-	-	-	(63)
At 31 August 2021	34,811	880	2,121	387	5,859	44,058
Depreciation						
At 1 September 2020	1,865	275	1,352	-	1,175	4,667
On disposals	(63)	-	-	-	-	(63)
Charge for the year	494	78	193	-	250	1,015
At 31 August 2021	2,296	353	1,545	-	1,425	5,619
Net book value						
At 31 August 2021	32,515	527	576	387	4,434	38,439
At 31 August 2020	11,358	403	334	1,444	2,652	16,191

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Fixed asset investments

	Investments £'000
Market value	
At 1 September 2020	-
Acquisitions at cost	574
	<u>574</u>
At 31 August 2021	<u>574</u>
Historical cost:	
At 31 August 2021	-
	<u>-</u>
At 31 August 2020	<u>-</u>

At the year end the investments were carried at a market value of £574,000 (2020: £Nil). On 1 March 2021, investments valued at £477,000 (2020: £Nil) were transferred into Cranmer Education Trust on the acquisition of St Anne's Academy. During the year investments of £Nil (2020: £Nil) were disposed. The investment portfolio appreciated in value by £97,000 (2020: £Nil).

16 Debtors

	2021 £'000	2020 £'000
Trade debtors	16	30
VAT recoverable	119	84
Prepayments and accrued income	569	892
	<u>704</u>	<u>1,006</u>

17 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	133	6
Other taxation and social security	279	178
Other creditors	262	161
Accruals and deferred income (see note 18)	745	773
	<u>1,419</u>	<u>1,118</u>

18 Deferred income

	2021 £'000	2020 £'000
Deferred income is included within:		
Creditors due within one year	75	29

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Deferred income (Continued)

Deferred income at 1 September 2020	29	49
Released from previous years	(29)	(49)
Resources deferred in the year	75	29
	<u>75</u>	<u>29</u>
Deferred income at 31 August 2021	75	29

At the balance sheet date the Trust was holding funds received in advance in relation to rates relief from ESFA of £26,000 (2020: £Nil), universal free school meals £17,000 (2020: £29,000) and income in advance in relation to teaching school of £32,000 (2020: £Nil)

The year end balance of £75,000 is expected to be released in the 2021/22 year.

19 Financial instruments

The Trust has the following financial instruments measured at fair value through profit or loss at 31 August:

	2021	2020
	£'000	£'000
Carrying amount of financial assets	574	-
	<u>574</u>	<u>-</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	-	12,623	(11,949)	(241)	433
Other DfE / ESFA grants:					
- Pupil premium	-	596	(596)	-	-
- Teachers' pension grant	-	483	(483)	-	-
- Teachers' pay grant	-	166	(166)	-	-
- Others	-	255	(255)	-	-
Catch-up premium	-	187	(187)	-	-
Other DfE / ESFA COVID-19 funding	-	106	(106)	-	-
Other government grants	-	603	(603)	-	-
Teaching school	38	1,537	(1,578)	-	(3)
Other restricted funds	658	183	-	-	841
Pension reserve	(6,494)	(2,163)	(839)	(2,783)	(12,279)
	<u>(5,798)</u>	<u>14,576</u>	<u>(16,762)</u>	<u>(3,024)</u>	<u>(11,008)</u>
Restricted fixed asset funds					
Inherited on conversion	9,820	20,255	(538)	-	29,537
DfE group capital grants	5,410	2,472	(274)	-	7,608
Capital expenditure from GAG	1,363	-	(203)	241	1,401
	<u>16,593</u>	<u>22,727</u>	<u>(1,015)</u>	<u>241</u>	<u>38,546</u>
Restricted endowment fund	-	477	-	97	574
Total restricted funds	<u>10,795</u>	<u>37,780</u>	<u>(17,777)</u>	<u>(2,686)</u>	<u>28,112</u>
Unrestricted funds					
Inherited on conversion	-	337	(273)	-	64
Inherited funds	105	-	-	-	105
Unrestricted funds	1,728	189	-	-	1,917
	<u>1,833</u>	<u>526</u>	<u>(273)</u>	<u>-</u>	<u>2,086</u>
Total funds	<u>12,628</u>	<u>38,306</u>	<u>(18,050)</u>	<u>(2,686)</u>	<u>30,198</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds (Continued)

The Trust is not subject to GAG carry forward limits.

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

During the year £241,000 of restricted general funds were transferred to fixed asset reserves to be utilised on capital acquisitions. The remaining £1,274k of restricted funds, excluding pension deficit, will be allocated in line with the strategic objectives of the Trust in priority to unrestricted funds.

The value of unrestricted reserves is £2,086,000 (2020: £1,833,000). These are freely available for general purposes and will be allocated in line with the strategic objectives of the Trust.

Restricted fixed asset reserves total £38,546,000 (2020: £16,593,000) and includes the value of the assets and capital balances transferred by the local authority and the Manchester Diocesan Board of Education to the Trust on conversion of the secondary school in 2011, the two primary schools in period ended 31 August 2016 and St Anne's CofE Academy in 2021, (£20,255,000) of which £6,143,000 resulted from fair value adjustments to land and buildings and sports facilities following a third party valuation undertaken by Sanderson Weatherall Quantity Surveyors. The restricted fixed asset reserve also includes the funding of assets through grant income since conversion, any balance on capital funds received in the period and not spent £Nil (2020: £17,000) and is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The restricted fixed asset reserve also includes £185,000 (2020: £384,000) of Conditional Improvement Funding agreed unconditionally with the DfE but not yet received by the Trust at 31 August 2021 and £72,000 of Local Authority funding being the capped amount outstanding from the Local Authority on the completion of the expansion of Mayfield Academy in April 2021.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds (Continued)

Funds prior year

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	9,843	(9,657)	(186)	-
Other DfE / ESFA grants:					
- Universal infant free school meals	-	-	-	-	-
- Pupil premium	-	437	(437)	-	-
- Start up grants	-	30	(30)	-	-
- Teachers' pension grant	-	393	(393)	-	-
- Teachers' pay grant	-	140	(140)	-	-
- Others	-	389	(389)	-	-
Other government grants	-	364	(364)	-	-
Teaching school	12	1,593	(1,567)	-	38
Other restricted funds	412	425	(179)	-	658
Pension reserve	(4,669)	-	(627)	(1,198)	(6,494)
	<u>(4,245)</u>	<u>13,614</u>	<u>(13,783)</u>	<u>(1,384)</u>	<u>(5,798)</u>
Restricted fixed asset funds					
Inherited on conversion	10,041	-	(221)	-	9,820
DfE group capital grants	3,900	1,754	(244)	-	5,410
Capital expenditure from GAG	1,352	-	(175)	186	1,363
	<u>15,293</u>	<u>1,754</u>	<u>(640)</u>	<u>186</u>	<u>16,593</u>
Total restricted funds	<u>11,048</u>	<u>15,368</u>	<u>(14,423)</u>	<u>(1,198)</u>	<u>10,795</u>
Unrestricted funds					
Inherited funds	105	-	-	-	105
Unrestricted funds	1,780	429	(481)	-	1,728
	<u>1,885</u>	<u>429</u>	<u>(481)</u>	<u>-</u>	<u>1,833</u>
Total funds	<u>12,933</u>	<u>15,797</u>	<u>(14,904)</u>	<u>(1,198)</u>	<u>12,628</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds (Continued)

Total funds analysis by academy

	2021 £'000	2020 £'000
Fund balances at 31 August 2021 were allocated as follows:		
Mayfield Primary School	139	209
East Crompton St George's CofE Primary School	57	217
The Blue Coat School	1,432	1,969
St Anne's Church of England Academy	1,147	-
Central services	1,156	134
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	3,931	2,529
Restricted fixed asset fund	38,546	16,593
Pension reserve	(12,279)	(6,494)
	<hr/>	<hr/>
Total funds	30,198	12,628
	<hr/>	<hr/>

Total cost analysis by academy

Expenditure incurred by each academy during the year excluding depreciation and pension adjustments was as follows:

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000	Total 2020 £'000
Mayfield Primary School	883	142	78	230	1,333	1,258
East Crompton St George's CofE Primary School	817	141	66	182	1,206	1,100
The Blue Coat School	7,050	898	414	1,211	9,573	9,866
St Anne's Church of England Academy	1,745	262	125	295	2,427	-
Central services	39	475	21	1,124	1,659	1,414
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,534	1,918	704	3,042	16,198	13,638
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	-	-	38,439	-	38,439
Fixed asset investments	-	574	-	-	574
Current assets	2,086	2,116	107	574	4,883
Creditors falling due within one year	-	(1,419)	-	-	(1,419)
Defined benefit pension liability	-	(12,279)	-	-	(12,279)
Total net assets	<u>2,086</u>	<u>(11,008)</u>	<u>38,546</u>	<u>574</u>	<u>30,198</u>

	Unrestricted Funds	Restricted funds: General	Fixed asset	Endowment Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	-	-	16,191	-	16,191
Current assets	1,833	1,814	402	-	4,049
Creditors falling due within one year	-	(1,118)	-	-	(1,118)
Defined benefit pension liability	-	(6,494)	-	-	(6,494)
Total net assets	<u>1,833</u>	<u>(5,798)</u>	<u>16,593</u>	<u>-</u>	<u>12,628</u>

22 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	43	39
Amounts due between one and five years	29	48
	<u>72</u>	<u>87</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

23 Capital commitments

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the financial statements	146	2,440

24 Reconciliation of net income to net cash flow from operating activities

	2021 £'000	2020 £'000
Net income for the reporting period (as per the statement of financial activities)	20,353	883
Adjusted for:		
Net surplus on transfer of academy in the trust	(19,011)	-
Capital grants from DfE and other capital income	(2,472)	(1,754)
Interest receivable	(1)	(1)
Pension costs less contributions payable	705	533
Pension scheme finance costs	134	94
Depreciation of tangible fixed assets	1,015	640
Gain on endowment	(97)	-
Movements in working capital:		
Decrease/(increase) in debtors	5	(92)
Increase in creditors	301	484
Stocks, debtors and creditors transferred on conversion	(56)	-
Net cash provided by operating activities	876	787

25 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	3,043	1,136	4,179

26 Members' liability

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

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

27 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £275,000 (2020: £161,000) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. Retirement and other pension benefits are paid by public funds provided by Parliament. The Trust has set out below the information available on the scheme.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards. The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,537,516 (2020: £1,222,113).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

27 Pension and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6 to 20.6% for employers between 2021 and 2023 and 5.5 to 12.5% for employees.

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the transfer in from another academy trust who were already members of the scheme and new employees who were eligible to and did join the Scheme whose cumulative retirement benefit was transferred to the Academy Trust in the year. The obligation in respect of employees who transferred represents their cumulative service to the date of transfer.

During the year St Anne's CofE Academy transferred in to the Trust. The obligation in respect of employees who transferred with St Anne's CofE Academy to the Trust representing their cumulative service to the predecessor employer was recognised in the SoFA as part of the gain on transfer as set out in note 30.

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

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	540	432
Employees' contributions	167	130
	<u>707</u>	<u>562</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2021 by a qualified independent actuary.

	2021 %	2020 %
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7
	<u>1.7</u>	<u>1.7</u>

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

	2021 Years	2020 Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0
	<u>25.3</u>	<u>25.0</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

27 Pension and similar obligations (Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021	2020
	£'000	£'000
Discount rate - 0.1% (2020: -0.5%)	727	1,898
CPI rate +0.1% (2020: +0.5%)	607	1,545
Salary increase rate +0.1% (2020: +0.5%)	107	310

The Trust's share of the assets in the scheme

	2021	2020
	Fair value	Fair value
	£'000	£'000
Equities	11,426	5,276
Bonds	2,413	1,241
Cash	1,127	698
Property	1,127	543
Total fair value of assets	16,093	7,758

The actual return on scheme assets was £2,110,000 (2020: £(183,000)).

Amount recognised in the statement of financial activities

	2021	2020
	£'000	£'000
Current service cost	1,245	959
Net interest cost	134	94
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	6
Total operating charge	1,379	1,059

Changes in the present value of defined benefit obligations

	2021
	£'000
At 1 September 2020	14,252
Transferred in on schools joining the Trust	7,803
Current service cost	1,245
Interest cost	319
Employee contributions	167
Actuarial loss	4,708
Benefits paid	(122)
At 31 August 2021	28,372

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

27 Pension and similar obligations (Continued)

Changes in the fair value of the Trust's share of scheme assets

	2021 £'000
At 1 September 2020	7,758
Transferred in on schools joining the Trust	5,640
Interest income	185
Return on plan assets (excluding net interest on the net defined pension liability)	1,925
Employer contributions	540
Employee contributions	167
Benefits paid	(122)
	<hr/>
At 31 August 2021	16,093 <hr/>

28 Related party transactions

No related party transactions took place in the period of account other than certain trustee's remuneration and expenses already disclosed in note 12.

29 Agency arrangements

The Trust distributes 16-19 Vulnerable Bursary Funds to students, on behalf of the ESFA. In the year the Trust received £1,200 (2020: £Nil) of vulnerable bursary and disbursed £1,200 (2020: £Nil) to the relevant students from the fund. The Trust had no beneficial interest in these transactions.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

30 Teaching school trading account

	2021		2020	
	£'000	£'000	£'000	£'000
Direct income				
Fee income		1,537		1,593
Direct costs				
Direct staff costs	518		533	
Other direct costs	903		936	
	<u>1,421</u>		<u>1,469</u>	
Other costs				
Support staff costs	127		77	
Other support costs	27		19	
Share of governance costs	3		2	
	<u>157</u>		<u>98</u>	
Total operating costs		(1,578)		(1,567)
(Deficit)/surplus from teaching school		(41)		26
Teaching school balances at 1 September 2020		38		12
Teaching school balances at 31 August 2021		<u>(3)</u>		<u>38</u>

31 Transfer of existing academies into the Trust

St Anne's Church of England Academy

On 1 March 2021 St Anne's CofE Academy transferred from Middleton Academy Limited and all the operations and assets and liabilities were transferred to Cranmer Education Trust for £nil consideration.

The substance of the transfer is that of a gift and it has been accounted for on that basis. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain in the Statement of Financial Activities. The land and buildings and sports facilities were valued at depreciated replacement cost by Sanderson Weatherall Quantity Surveyors. The Greater Manchester Pension Fund value was recalculated by the pension fund actuaries Hymans Robertson at the date of transfer to the Trust under the assumptions for the Trust at 31 August 2020 in line with FRS 102 accounting standards.

The total income and endowments and net income comprise total income of £21,244k and net income of £19,011k contributed by Middleton Academy Limited between the date of transfer and 31 August 2021.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

31 Transfer of existing academies into the Trust (Continued)

Net assets acquired	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
Leasehold land and buildings	13,101	6,236	19,337
Other tangible fixed assets	1,011	(93)	918
Debtors	14	-	14
Investments	477	-	477
Creditors	(70)	-	(70)
Cash and cash equivalents	498	-	498
Pension scheme	(2,609)	446	(2,163)
Total net assets	12,422	6,589	19,011

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 6 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Cranmer Education Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of Cranmer Education Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Cranmer Education Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Cranmer Education Trust's funding agreement with the Secretary of State for Education dated 23 March 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Cranmer Education Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2020 to 31 August 2021 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Cranmer Education Trust and the ESFA in accordance with the terms of our engagement letter dated 6 July 2017. Our work has been undertaken so that we might state to the Cranmer 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 Cranmer Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP

Chartered accountants
3 Hardman Street
Manchester
M3 3HF

Dated: 22 December 2021
