

Company registration number 07338707 (England and Wales)

THE CHARTER SCHOOLS EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

THE CHARTER SCHOOLS EDUCATIONAL TRUST

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THE CHARTER SCHOOLS EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

E Amadi MVO
S Bowler
E Brown
M Gibbs CBE
S Russell
D Gallie (Appointed 24 April 2025)

Trustees

C Buchanan (Accounting officer)
K Robinson
J Slater (Chair)
C Wren
A Mavolwane Wright
H Gough
L Lartey
L Balan (Chair of Finance Committee)
R Woods (Appointed 2 September 2024)
J Faulkner
D Allan (Chair of Audit and Risk Committee)

Senior management team

- CEO
- CFO (appointed 1 September 2024)
- Head of Governance and Compliance
- Director of People
- Director of Secondary Education
- Director of Primary Education
- Director of Teaching School Hub
- Director of Estates (appointed 1 January 2025)

C Buchanan
A Lynn
S Varcoe
B Barrett
G Phillips
L Ellis
S Botchway
C Evans

Company secretary

S Varcoe

Company registration number

07338707 (England and Wales)

Registered office

The Charter School North Dulwich
Red Post Hill
North Dulwich
London
SE24 9JH

Academies operated

The Charter Institute
Loughborough Primary School
The Charter School North Dulwich
The Charter School East Dulwich
Charles Dickens Primary School
Dulwich Hamlet Junior School
The Belham Primary School
Lyndhurst Primary School
Streatham Wells Primary School
The Charter School Bermondsey

Location

Southwark
Lambeth
Southwark
Southwark
Southwark
Southwark
Southwark
Southwark
Lambeth
Southwark

Head Teacher

G Williams
M Pain
A Harbottle
M Eggleton
C Purcell
A Sprakes
T Turnham
S Wordlaw
M Huntley

THE CHARTER SCHOOLS EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Azets
First Floor
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH
United Kingdom

Bankers

Royal Bank of Scotland plc
Sheffield Attercliffe Branch
747 Attercliffe Road
Sheffield
South Yorkshire
S9 3RF
United Kingdom

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The multi academy trust now operates three inclusive secondary schools, two of which have 6th Form provision, four primary schools, three with an attached nursery, and one junior school. The majority serve the London Borough of Southwark apart from two primary school's in the London Borough of Lambeth.

- The Charter School North Dulwich had a roll number of 1,488 (capacity of 1,344)
- The Charter School East Dulwich had a roll number of 1,405 in the school (capacity of 1,680)*
- The Charter School Bermondsey had a roll number of 508 in the school (capacity of 600)
- Charles Dickens Primary School had a roll number of 421 in the school (capacity 420) and 68 in its nursery provision
- The Belham Primary School had a roll number of 390 in the school (capacity of 420)
- Loughborough Primary School had a roll number of 257 (capacity 280)**
- Lyndhurst Primary School had a roll number of 407 in the school (capacity 420) and 83 in its nursery provision
- Dulwich Hamlet Junior School had a roll number of 374 (capacity of 360)
- Streatham Wells Primary School had a roll number of 202 in the school (capacity 210) and 14 in its nursery provision

*The Charter School East Dulwich is not yet at full capacity as the Phase 2 of the new school build was not due for completion until the end of August 2025. The build is now complete.

** Loughborough Primary School joined the Trust in October 2024.

Structure, governance and management

Constitution

The Charter Schools Educational 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 academy trust. The trustees of The Charter Schools Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Charter Schools Educational Trust.

The principal goal of The Charter Schools Educational Trust is to advance, for the public benefit, education in the United Kingdom by establishing and running schools that serve the needs of their local communities.

The charitable company receives funding under the terms of its Funding Agreement entered into with the Secretary of State for Education.

The Trustees of The Charter Schools Educational Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he 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.

Trustees' indemnities

The Charter Schools Educational Trust and its schools are part of the DFE's risk protection arrangement (RPA) which indemnifies trustees, governors and executives from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Method of recruitment and appointment or election of Trustees

In line with the articles of association, the number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. "Trustees" means the directors of the Trust (and "Trustee" means any one of those directors), subject to the definition of this term as set out in the articles. Up to six Trustees are appointed by the Members, and up to five Trustees can be co-opted by the Member appointed Trustees. The CEO is also appointed as a Trustee.

There are no elected parent Trustees on the Board as the Trust has local governing bodies in each school and each of these has, as part of its constitution, two elected parent governors and two elected staff governors.

Trustees are appointed based upon the contribution they can make to the development and success of the Trust and its schools. The Trust considers the balance of skills and expertise as well as considering the diversity of the Board when making appointments and the Trust Board undertakes a skills audit and annual self-review annually to help inform recruitment.

The Trust uses a variety of available channels for attracting new trustees, including in-house marketing via our websites, newsletters and social media channels, personal networks and any available recruitment services such as those provided by Governors for Schools and Inspiring Governance. However, it should be noted that the DfE has recently withdrawn funding from these platforms and the Inspiring Governance platform has since been shut down.

Policies and procedures adopted for the induction and training of Trustees

There is a rigorous process for recruitment with appropriate vetting, and skills requirements for the board are carefully considered. The training and induction provided for new Trustees depends on their existing experience. The Trust has adopted a common policy for the induction and training of both Trustees and Local Governors who sit on the local governing bodies. Training is provided by a mix of in house and by external agencies. Trustees and Governors are signposted to policies, procedures, minutes and accounts that they will need to undertake their role. In addition, the Trust subscribes to several professional organisations which give Trustees and Governors a wealth of up-to-date guidance and support. This includes membership of the National Governance Association (NGA) and the Confederation of School Trusts (CST).

All Trustees are aware of their role and duties as company directors and charity trustees. This is in line with the Companies Act 2006 and all have accessed information from the Charity Commission guidance CC3 "The essential trustee: what you need to know, what you need to do". All trustees are also aware of the requirements of the Academies Trust Handbook and are advised of any changes annually and the schedule of 'musts' annually.

Trustee training provided by the NGA and the Confederation of School Trusts has also been made available, as well as bespoke training sessions provided in-house. Trustees are required to complete safeguarding training as part of their induction and then as an annual update throughout their term of office.

The Trust's governance team regularly update Trustees on any changes to regulatory or statutory requirements.

Trustees and Local Governors

The Charter Schools Educational Trust is the body legally responsible for the operation of each school within the group. The Trustees are listed in this report. The Trust's articles of association and funding agreements together with the scheme of delegation form the basis of how each school is governed.

The Trust's schools each have a local governing body (LGB), the remit of which is to support the Trust Board with the oversight and scrutiny of pupil achievement, safeguarding, SEND and stakeholder engagement. The roles and responsibilities of the LGB is defined within the Trust Scheme of Delegation.

The Trust also has committees for Finance, Audit and Risk, Standards and People and Pay, each with their own delegated responsibilities.

During the year under review, the Trustees held seven full Board meetings and additional strategy day. Additionally, Trustees and Local Governors have regularly visit the schools in person as part of their scrutiny and oversight activities. In order to ensure good communication between the various layers of governance, Trustees may attend school LGB meetings across the Trust and we operate a termly Chairs' Forum where the Chair of the Trust and the LGB Chairs can meet to discuss any issues in person.

We continued to realise the benefits of virtual meeting technology to support Trustee and Governor attendance at committee meetings and training sessions.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Organisational structure

In accordance with the funding agreement with the Department for Education, the Trustees have made governance arrangements as described above. The Trustees are responsible for ensuring that high standards of corporate governance are maintained.

Trustees are responsible for setting general policy, adopting an annual strategic plan and setting the annual budget. They exercise their powers and functions with a view to fulfilling a largely strategic leadership role in the running of the schools, addressing such matters as:

- Setting the overall Trust Mission, Vision, and Values
- Assessing and managing risk across the Trust
- Agreeing the Trust's Development Plan and KPIs
- Ensuring compliance with legal requirements under Company and Charity law
- Ensuring sound financial management and administration
- Establishing and maintaining effective internal controls
- The management of all resources including estates
- The monitoring of educational standards
- Ensuring compliance with the Trust's responsibilities in respect of Safeguarding, SEND, Data Protection and Health and Safety
- Helping the schools to be responsive to the needs of parents, carers and our communities

The Trust Board had the following committees in place during the year in question:

- **Finance Committee** – which met six times during the year 2024-25. This committee was separated from the Audit and Risk committee in January 2025 in preparation for the Trust's income exceeding £50m and the statutory requirement at that point for these committees to be separate.
- **Audit and Risk Committee** - which met four times during the year. This became a separate committee from the Finance committee in January 2025 in line with statutory guidance
- **People and Pay Committee** – which met three times (once per term)
- **Standards Committee** – which met three times (once per term)

The Board's committee structure is reviewed each year, and each committee has agreed terms of reference.

The Trust also ensures that each school has an effective Local Governing Body in place, which includes up to two elected parent governors and up to two elected staff governors. The Trustees delegate defined responsibilities for the oversight of each school to the Local Governing Body (LGB) as defined in the Trust Scheme of Delegation. The Headteacher of each school is a member of the LGB, ex officio.

The Trust Executive Team consists of the CEO, the CFO, the Director of Operations, the Director of People and the two directors of education (Primary and Secondary). It also includes the Director of the Teaching School Hub and the Director of Estates who was appointed during the year. Together they lead on the strategic operation of the Trust and its schools by implementing the policies laid down by Trustees and reporting back to them regularly.

The Headteachers across the Trust are responsible for the day-to-day operation of their schools including the management of their allocated school budgets, the appointment of staff in their respective schools and the management of safeguarding and SEND provision in their settings.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a People and Pay committee that has the responsibility for agreeing the pay of the CEO and Senior Executive positions. The committee is supported in its role for CEO pay by an external specialist who is engaged for this task. Senior Executive pay is set by reference to benchmarking and comparison of pay with similar roles across the sector.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	13
Full-time equivalent employee number	0.63

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	13
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	51,853
Total pay bill	37,381,408
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	105%
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Related parties and other connected charities and organisations

There are no organisations that directly sponsor The Charter Schools Educational Trust. Individual schools within the Trust may have PTA organisations which are registered as charities and operated separately from the Trust.

Transactions with connected organisations during the year under review have been disclosed in note 24, related party transactions. This note to the financial statements provides disclosure of related party transactions that took place in the period of account in addition to certain trustee's remuneration and expenses as disclosed in note 11.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of non-selective schools to advance, for the public benefit, the outcomes of all its pupils between the ages of 2 and 19.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Schools' aims and objectives.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Objectives, strategies and activities

The Trust's mission is to build better futures for children and young people. Our work will improve the lives of children and young people, now and in the long term.

The Trust's strategic aims are:

Schools that excel

- All our pupils achieve higher outcomes than national comparators and have the knowledge, skills and confidence to succeed at the next stage of their educational journey
- Greatest support for those pupils who need it most
- Commitment to continuous improvement
- Evidence-informed teaching within a powerful knowledge curriculum
- Deliberate and proactive teaching of positive behaviours
- Broad and rich opportunities for pupils to develop creativity through learning about and participation in the arts
- Promoting leadership and community service for all pupils
- Families valued as partners.

People that inspire

- A clear talent-management strategy for all roles
- Trust-wide career development programme
- An employer of choice in South London
- Developing leaders who reflect the diversity of our community
- A sector leader for staff wellbeing
- A successful Teaching School Hub and EEF Research School.

Partnerships that make a difference

- Mobilising evidence-informed knowledge of 'what works'
- Working together to improve outcomes for all our pupils
- Sharing strong practice and resources
- Promoting innovation in our schools
- Amplifying our learning to improve the sector

Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report

Achievements and performance

The 2024–25 academic year was a year of growth and consolidation for The Charter Schools Educational Trust. With the addition of Loughborough Primary School, we now educate over 6,000 children across nine schools in South East London. Our mission - Better Futures for Children and Young People - has continued to guide every aspect of our work, with a particular focus this year on improving outcomes for disadvantaged pupils, strengthening organisational sustainability, and extending our influence as a system leader.

Professional Development

Professional development remained central to our strategy. The Teaching School Hub once again met all KPIs, training over 600 Early Career Teachers and supporting NPQs across South London. Alongside this, we launched the Impact Leaders Programme and delivered the second year of the Charter Professional Qualification for Teaching Assistants (CPQTA), both of which have strengthened leadership and classroom expertise across our schools.

The Early Years Stronger Practice Hub was recommissioned by the DfE and supported more than 1,000 early years practitioners across the region, sharing evidence-informed practice in language, literacy, and maths.

Our Research School continued to scale up nationally significant projects in partnership with the Education Endowment Foundation (EEF). Fluency Focus, our flagship reading fluency programme, successfully passed its next stage of testing and expanded to 30 schools, moving into the next phase of 100 schools. Supported Sentences, a pipeline project to strengthen writing in primary schools, doubled its reach from 10 to 20 schools this year.

We also hosted our first regional Diverse Leaders Network event, building leadership networks that reflect the diversity of our communities and helping to widen participation in senior roles across the sector.

Academic Performance and Enrichment

This year's performance highlights the progress made across our primary and secondary schools. Primary outcomes demonstrated strength across the board, surpassing national averages in core subjects:

- Reading: 86% of students achieved the Expected Standard (EXS)
- Maths: 82% achieved EXS
- Writing: 87% achieved EXS
- Combined RWN: 77%

For disadvantaged pupils, 70% achieved the combined standard — higher than the estimated national average for all pupils. The disadvantage gap narrowed in every primary school where it existed in 2023/24.

Secondary Outcomes:

Secondary results were mixed but showed areas of clear success.

- The Charter School North Dulwich sustained strong outcomes with 79% of pupils achieving grade 9–5 in English and Maths, and disadvantaged attainment rising from 23% in 2024 to 49% in 2025.
- The Charter School East Dulwich improved significantly, with 64% achieving grade 9–5 in English and Maths (up from 54%), and disadvantaged pupils achieving 45% (up from 29%).
- The Charter School Bermondsey remained below trust averages at 33% grade 9–5, although disadvantaged pupils marginally outperformed their peers, reflecting the targeted interventions in place.

At post-16, results at both East and North Dulwich strengthened. The number of students progressing onto higher education including Oxbridge, medicine, veterinary science, and dentistry reached its highest level to date, reflecting the ambition and support provided through our sixth forms.

Enrichment:

All schools continued to provide broad enrichment, including cultural exchanges, sustainability projects, and creative opportunities via our extensive musical instrument tuition provision. A highlight has been the launch of pupil Eco-Charter, embedding environmental awareness and student agency across the Trust.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

External Validation and School Improvement

• All our schools underwent successful Challenge Partners reviews, receiving positive external validation of their culture, behaviour, and curriculum. The Belham Primary and The Charter School East Dulwich were praised for ambitious curricula and improved behaviour and culture in ungraded inspections. The review of Lyndhurst Primary celebrated consolidated improvements in teaching and behaviour following targeted Trust support. Senior leaders also participated actively in the Challenge Partners network, strengthening collaboration and sharing best practice nationally.

Trust schools also enjoyed positive recognition from Ofsted:

• Charles Dickens Primary School was judged Outstanding in all areas in July 2025 — its second consecutive Outstanding in all areas judgement.

Our Pupil Premium Project remained central to the year's school improvement work. Each school identified its biggest leverage point:

- At North Dulwich, improved attendance and teaching led to tangible gains for disadvantaged pupils.
- At East Dulwich and Bermondsey, intervention programmes focused on accelerating Year 11 outcomes.
- At all primary schools, targeted strategies narrowed the disadvantage gap, with sustained gains in reading, writing, and maths.
- Bermondsey launched an attendance strategy, the impact of which we expect to see in 2025/26.

Progress Against Strategic Objectives

Our objectives for 2025, outlined in the Trust Development Plan, prioritize strengthening governance, enhancing financial sustainability, and improving student outcomes. Key achievements this year include:

- **Improved pupil outcomes:** Primary attainment remained significantly above national averages, with gaps narrowing. Secondary outcomes improved at North and East Dulwich, with more work required at Bermondsey. Post-16 progression reached record levels.
- **Enhanced financial sustainability:** we have delivered a significant surplus which in turn has strengthened reserves, and we have secured matched funding from local authorities for some small scale estates projects.
- **Strengthened governance and HR systems:** Centralised HR processes improved compliance and case management, while new workforce strategies are preparing the Trust for long-term sustainability.
- **Invested in estates:** Projects were delivered at Loughborough, Lyndhurst and Dulwich Hamlet and part-funded by local authority grants. Phase two of Charter East Dulwich was finally completed including a new SEND provision, library, hall, 6th form block and music classrooms.
- **Expanded system leadership:** The Early Years Hub, Research School projects, and Teaching School Hub have all consolidated and extended TCSET's regional and national role in sector improvement.

Looking Forward - Plans for the future

In 2025/26, we will:

- Sustain our focus on narrowing secondary disadvantage gaps, with targeted interventions at Bermondsey and East Dulwich.
- Embed maths mastery at Loughborough and accelerate phonics and writing learning at Lyndhurst.
- Deliver our new HR and Workforce Strategy, balancing financial sustainability with staff wellbeing and development.
- Expand our nursery provision through the Charter Nurseries model at Lyndhurst, Charles Dickens, and Streatham Wells.
- Scale our Research School projects (Fluency Focus and Supported Sentences) to wider national reach.
- Build on the London South Learning Partnership to deepen collaboration and school improvement across South London.

By continuing to focus on outcomes, sustainability, and partnership, the Trust will deliver on its vision: Schools that excel, people who inspire, and partnerships that make a difference.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees 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.

Financial review

The Trust has the following financial objectives:

- To generate sufficient levels of income to support the operations and asset base of the Trust schools;
- To ensure the charitable company sets a budget that provides sufficient and targeted resources to achieve the highest possible standards of educational attainment in the schools;
- To achieve an annual operating surplus at the Trust level;
- To use the pupil premium effectively to raise standards for all pupils in this category and to address any gaps in the achievement of these pupils when compared to that of their peers'
- To ensure there is sufficient capital expenditure to develop the charitable company's sites and environments to meet the challenges of teaching and learning in the 21st century; and
- To allocate carried forward funds for continued capital investment in order to improve achievement as its schools.

Sound financial control is ensured by the structure of governance including the Scheme of Delegation and committee terms of reference.

In the year ended 31 August 2025 the trust incurred the following surpluses / (deficits) before transfers on its key funds :-

Unrestricted Funds		Restricted General Funds		Restricted Fixed Asset Funds	
2025	2024	2025	2024	2025	2024
£2,020k	£2,122k	(£55k)	(£2,634k)	£33,092k	£21,290k

After transactions between funds and recognised gains / (losses) on the defined benefit pension scheme the Trust held the following funds as at 31 August 2025:-

Unrestricted Funds		Restricted General Funds (including pension liability)		Restricted Fixed Asset Funds	
2025	2024	2025	2024	2025	2024
£1,895k	£363k	Nil	(£159k)	£246.1m	£212.9m

The majority of the charitable company's income for the year ended 31 August 2025 was obtained from the DFE in the form of a general annual grant (GAG) and other grants. This income totalled £42.8m (2024: £38.5m) and represents 82% (2024: 83%) of the total income received in the year if assets and liabilities donated on conversion are excluded from total income.

During the year ended 31 August 2025, total expenditure of £52.5m (2024: £49.0m).

The total charge relating to the pension liability of £507k (2024: £293k) and expenditure on the fixed asset fund of £3,911k (2024: £3,186k) relating to the annual depreciation charge contributed to a surplus of £35,057k (2024: surplus £20,778k). The excess of income over expenditure for the year (excluding restricted fixed asset fund and before transfers between funds) was £1.97m (2024: expenditure over income £0.5m)

At 31 August 2025 the net book value of fixed assets was £245.1m (2024: £212.7m) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Reserves policy

The Trustees have agreed, in line with Department for Education expectations, to raise its revenue reserves target to 5% of the total income of the Trust to mitigate the risk of future income reduction and increased expenditure, and to provide funds to support the growth and development of the Trust.

The key financial risks for The Charter Schools Educational Trust are a reduction to future income due to Government funding changes and/or falling pupil roll, or delays in receipt of grant funding, and an increase in expenditure caused by increases in public sector pay and pension costs.

The Trustees and the executive management team are acutely aware of the need to balance financial prudence with maintaining the top-quality education The Charter Schools Educational Trust prides itself on.

The total reserves as at 31 August 2025 amounted to £247.9m (2024: £213.1m) which comprised primarily of restricted fixed asset reserves. The unrestricted reserves amounted to £1,895k (2024: £363k).

The charitable company has a pension scheme liability of £Nil (2024: £159k) as at 31 August 2025 which is included in the restricted reserves.

Investment policy

The Trust has procedures in place to regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

The Trust will normally seek to avoid its current account going overdrawn and will identify funds surplus to immediate cash requirements. The surplus funds are transferred to the charitable company's deposit accounts which bear a higher interest rates.

The investment policy is reviewed regularly by the Audit & Risk Committee to balance prudence and value for money.

Principal risks and uncertainties

The Trustees have identified and assessed the major risks to which the charitable company is exposed. Formal risk management processes have been designed and implemented to mitigate those risks, including the provision of appropriate insurances, suitable financial procedures and other policies and procedures.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Financial and risk management objectives and policies

Principal Risks and Uncertainties

The Trustees have identified and regularly reviewed the major risks faced by the Trust in 2024/25.

Financial sustainability

The Trust continues to operate from a position of overall financial stability, with improved reserves and a year-end surplus. However, structural pressures remain due to rising staff costs and demographic decline in pupil rolls. These create tighter margins in some schools, particularly at secondary level and in smaller primaries. Careful forward planning, cost control, and effective use of reserves are therefore essential to maintaining financial resilience.

Educational outcomes

Although primary attainment and secondary is above national averages, outcomes remain variable across some schools. Charter Bermondsey requires sustained improvement, and Loughborough Primary continues to need focused support in mathematics and attendance.

Workforce and HR

The Trust benefits from a stable and highly experienced workforce, which supports strong teaching and learning but also creates structural cost pressures and limits flexibility to expand roles in areas such as special needs and pastoral care. The centralisation of HR has strengthened oversight, but the service is still embedding capacity to manage complex casework and deliver proactive workforce planning. Addressing workload and supporting staff wellbeing remain important to sustaining performance over the coming financial year.

Safeguarding and compliance

The increasing complexity of pupil needs, combined with ongoing legal and regulatory requirements, continues to place pressure on staff and systems. Safeguarding remains a top priority, requiring consistent vigilance and monitoring.

Technology and estates

Persistent concerns about IT reliability and cyber security present operational risks. Estates risks have reduced following major works in the last three years, but longer-term risks remain around energy efficiency and meeting decarbonisation commitments.

Overall Mitigations

- Strong governance through Board committees and regular review of Trust and local risk registers. Comprehensive financial monitoring, three-year planning, and centralised procurement and contract management.
- Targeted school improvement and leadership support, with a trust-wide focus on Pupil Premium, curriculum, and attendance.
- Workforce strategy development, embedding of central HR systems, and investment in leadership development, wellbeing, and flexible working.
- IT contract management and infrastructure investment, alongside cyber security checks.
- Strategic estates planning, including carbon counting, staff training, and decarbonisation projects.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Pupil Agency and Curriculum

Every school now has an active Eco-Council, supported by a shared climate action plan (now in its third year) and termly projects on food waste, plastic reduction, and clean air. These activities ensure pupils and students can play a leading role in shaping sustainable habits across our schools and communities.

Sustainability themes are also increasingly embedded into teaching and learning. In geography and science, climate literacy and the circular economy are taught explicitly, while a partnership project with *Climate Change All Change* has linked design technology with environmental awareness. This reflects our belief that sustainability is as much about equipping children for the future as it is about reducing our environmental footprint.

Capital Investment and Efficiency Gains

Alongside pupil - and curriculum-led change, the Trust has continued to target capital resources towards energy efficiency and long-term cost reduction. This year:

- At Loughborough Primary, an air source heat pump was installed to provide a lower-carbon, future-proof heating solution.
- At Streatham Wells, new boilers and hot water systems were installed, allowing a previously fitted air source heat pump to operate at full efficiency.
- Roofing, piping, and infrastructure repairs across multiple schools reduced energy loss and stabilised long-term energy performance.

Operational Capacity and Risk Management

We are also developing the capability of premises staff, ensuring site managers are active partners in decarbonisation. This supports value for money from capital projects and embeds sustainable practices into daily operations. At a Trust-wide level, we have begun baseline carbon counting with Let's Go Zero, providing measurable benchmarks for future planning and ensuring alignment with national policy and funding opportunities.

Financial Stewardship and Long-Term Strategy

Our sustainability-first approach reduces reliance on reactive capital expenditure and mitigates the risk of energy cost volatility. With many historic estates issues now resolved (boilers, roofs, windows), we can increasingly direct future investment towards energy reduction, carbon efficiency, and broader sustainability goals including taking great account of tertiary/3rd space emissions.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Streamlined energy and carbon reporting

	2025 kWh	2024 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	3,354,431	3,019,511
- Fuel consumed for transport	46,331	65,940
- Electricity purchased	2,457,001	1,820,177
	<u>5,857,763</u>	<u>4,905,628</u>
	2025	2024
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	613.73	550.12
- Fuel consumed for owned transport	17.66	18.76
	<u>631.39</u>	<u>568.88</u>
Scope 2 - indirect emissions		
- Electricity purchased	434.89	348.04
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Trust	-	-
	<u>1,066.28</u>	<u>916.92</u>
Total gross emissions		
	<u>0.20</u>	<u>0.19</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		

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 2025 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

Sustainability and energy reduction

The Trust's commitment to sustainability is led by Charter.Sustain, a cross-role and cross-school group chaired by the Director of Primary Education. Its goal is to embed a *sustainability-first mindset* across all areas of the Trust's work, combining pupil agency, curriculum innovation, and financial stewardship.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2025 and signed on its behalf by:

J Slater

Chair

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2025

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, C Buchanan, 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 The Charter Schools Educational 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 members have met formally once during the year. Attendance during the year at meetings of the members was as follows:

Trustees	Meetings attended	Out of possible
M Amadi MVO	1	1
M Gibbs CBE	1	1
S Bowler	-	1
E Brown	-	1
S Russell	1	1
D Gallie (appointed 24 April 2025)	-	1

The Trust and its nine local governing bodies (LGBs) have a calendar of meetings agreed in advance and meet at least four times during the accounting period. The Trust Board has committees with specific delegated responsibilities who report back to the full board. These are the Finance Committee, the Audit and Risk Committee, the People and Pay committee and the Standards committee. The responsibilities of the Trust and its committees, as well as those of the LGBs are clearly set out in the Terms of Reference and the Trust's Scheme of Delegation.

The Board of Trustees has formally met seven times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
C Buchanan (Accounting officer)	7	7
K Robinson	6	7
J Slater (Chair)	7	7
C Wren	6	7
A Mavolwane Wright	5	7
H Gough	7	7
L Lartey	2	7
L Balan (Chair of Finance Committee)	6	7
R Woods (Appointed 2 September 2024)	5	7
J Faulkner	6	7
D Allan (Chair of Audit and Risk Committee)	5	7

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

The key change in board composition over the last year was the appointment of Rachel Woods as a Trustee from the 2 September 2024.

During the year the Board have mainly been focussed on delivering the key strategic priorities for the year. This has seen focus on:

- Improving outcomes for disadvantaged pupils
- Improving the financial health and sustainability of the Trust
- Continued implementation of the Trust Estates master plan
- System leadership development and improvement

Conflicts of interest

The Trust maintains a register of Interest for Members, Trustees, Local Governors and any staff with budgetary responsibility and this is updated and confirmed regularly so that they can be monitored for potential conflicts on a continuous basis.

All new Trustees are advised that they will have to declare any interests and must read and sign the Trustee Code of Conduct to confirm that they will always act in the best interests of the Trust and its schools at all times, and not act in the interest of, or as a representative of, any group or individual. Trustees must also declare any interest they may have in an item of business on the agenda and immediately remove themselves from the meeting while it is under discussion. Any conflict of interest will be declared at the start of any meeting, should the situation arise.

Governance reviews

The Trust Board has continued to ensure that the governance structure of the Trust is suitable for a growing MAT, which has clear lines of separation between its various governance layers. During the year the recommendations of the external review of governance (ERG) carried out in the summer of 2024 have continued to be addressed to ensure that the governance structures and processes are appropriate for the Trust as it grows and reflect the DfE's guidance on best practice.

Trust Full Board meetings were primarily held in person, with virtual meeting technology used to facilitate attendance of some trustees on the occasion that they could not attend in person. Some committee meetings continued to be held online as the advances in modern virtual meeting technology continues to facilitate improved attendance from volunteers as the number of meetings over the course of the year increased.

Trustees and Local Governors have continued to attend regular training updates on key areas of governance throughout the year as provided by the in-House team, and a variety of external training services including from the Confederation of School Trusts (CST) and the National Governance Association. This offers flexibility for governance volunteers to access relevant training and maximises participation as we seek to update and increase Trustee and Governor skills and knowledge.

All newly appointed governors and trustees are required to undertake induction training so that they understand their role and ongoing support and guidance is provided to all volunteers from the Trust's governance team.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

The Trust Head of Governance is responsible for leading on Governance and Compliance and is also the Company Secretary. They are supported by an experienced in-house Governance and Compliance manager and a specialist external clerk. Together their main responsibilities are to:

- Provide advice to the Trust board and its committees, including Local Governing Bodies, on governance, constitutional and procedural matters.
- Providing effective administrative support to Trust Members, the Trust Board, Local Governing Bodies and their committees.
- Ensure the Trust Board and all committees are properly constituted
- Manage information effectively in accordance with legal requirements under charity law and company law
Coordinating Trust policies and ensure compliance across the Trust

All Trustees and Governors received updated Safeguarding and online safety training during the course of the year. All training is recorded, and additional training needs are identified via the annual skills audits for both the Trust Board and the local governing bodies.

Trustees and Local Governors have continued to attend regular training updates on key areas of governance throughout the year as provided by the in-House team, specifically in the areas of Safeguarding, SEND and Pupil Premium

Both the Trust Board and Local Governing Bodies undertook a self-evaluation process in the summer term to ensure that they remain effective in ensuring that the Trust meets its core objectives to identify any skills gaps or training needs and to inform governance recruitment.

Finance Committee

As part of its governance structure, the full Finance Committee met six times last year. In the Autumn term the finance committee was a joint committee with Audit and Risk, but they were separated into two distinct committees in the spring term in anticipation of the Trust's revenue growing beyond £50million in 2025-26.

The finance committee has the delegated responsibility for the strategic oversight of the management of the Trust's funds.

Its purpose is:

Financial policy and planning

- To review, adopt and monitor a Finance Policy which includes the local scheme of delegation for spending and budgetary adjustments for the committee, Trust executive team, headteacher and other nominated staff.
- To review, adopt and monitor all additional financial policies, including a charging and remissions policy.
- To review and maintain a three-year financial plan, taking into account the priorities of the Trust Development Plan, roll projection and signals from central government and (if applicable) the LA regarding future years' budgets, within the constraints of available information.
- To review and propose to the Trust Board for adoption an annual Trust budget considering the priorities of the Trust and School Development Plans.
- To ensure that sufficient funds are set aside for pay increments as set out in the Pay Policy.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Financial monitoring

- To monitor the income and expenditure throughout the year of all delegated and devolved funds against the annual budget plan.
- To receive at monthly budget monitoring reports from the CFO.
- To report back to each meeting of Trust Board and to alert them of potential problems or significant anomalies at an early date.
- To award contracts within specified limits in accordance with the procurement policy
- To ensure systems of internal financial control are effective
- To make sure that the accounts are properly finalised and reported each year

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Buchanan (Accounting officer)	6	6
J Slater (Chair)	6	6
C Wren	4	6
L Balan (Chair of Finance Committee)	6	6
D Allan (Chair of Audit and Risk Committee)	6	6

The audit committee is a sub-committee of the main Board of Trustees.

The Trust has now established a dedicated Audit and Risk Committee which met 4 times last year and has the responsibility to:

- To oversee and approve the Trust's programme of internal scrutiny
- Ensure that risks are being recorded and addressed appropriately
- Report to the Board on the adequacy of the Trust's internal control framework, including both financial and non-financial controls and management of risks
- To review the auditor's findings and actions taken by the executive team in response to those findings.
- To considers the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken.
- To recommend to the Trust Board and the Members the appointment or reappointment of the auditors

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Buchanan (Accounting officer)	4	4
J Slater (Chair)	3	4
C Wren	2	4
L Balan (Chair of Finance Committee)	4	4
D Allan (Chair of Audit and Risk Committee)	4	4

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

People and Pay Committee

The people and pay committee met three times during the year and has the responsibility to:

- To ensure that the Trust manages all its staff members effectively in accordance with the Trust's vision, values, culture and strategic aims.
- To approve the Trust's HR policies (as delegated to it by the Board) and ensure these align with the Trust's vision, values and culture as well as current legal and regulatory requirements.
- To maintain oversight of the Trust's staffing structure and any senior staff changes.
- To approve the annual review of the salaries of Trust Senior Executives in accordance with the Trust's Pay Policies and Procedures.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
H Gough (Chair of People and Pay Committee)	3	3
C Wren	2	3
K Robinson	3	3
R Woods	3	3
C Buchanan OBE	3	3

Standards committee

The standards committee is responsible for ensuring that standards across the Trust, especially in regard to pupils and learning, are set, achieved and maintained. The Standards Committee has responsibility to:

- Monitor and evaluate pupil achievement and the quality of teaching
- Ensure the Trust provides a high-quality learning experience and delivers a broad and balanced curriculum in keeping with the Trust's vision and values, all pupil needs and any legal requirements.
- Monitor safeguarding and behaviour including exclusions
- Monitor complaints (annual report)
- Review stakeholder engagement
- Review impact of Trust initiatives and school improvement
- Review and recommend policies appropriate to this committee

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Faulkner (Chair of Standards Committee)	3	3
L Lartey	-	3
A Mavolwane Wright	3	3
K Robinson	3	3
C Buchanan OBE	3	3
J Slater	2	3

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Review of value for money

As accounting officer during the year, C Buchanan has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Trust has ensured that the Trust has delivered improved value for money during the year through:

- **Raising standards and narrowing gaps:** Average outcomes across primary schools were significantly above national averages, with disadvantaged pupils outperforming national averages for all pupils. At secondary level, improvements at Charter East Dulwich and Charter North Dulwich narrowed disadvantage gaps, while post-16 progression to Oxbridge, medicine, veterinary science and dentistry reached record levels. This demonstrates strong return on investment in targeted Pupil Premium strategies and high-quality teaching.
- **Strengthening workforce capacity:** Delivering training for teachers and leaders through the Teaching School Hub, including over 600 Early Career Teachers and a wide range of NPQs, alongside the Trust's own Impact Leaders Programme and the Charter Professional Qualification for Teaching Assistants. These initiatives ensure workforce sustainability and talent retention, reducing future recruitment costs and supporting upward career progression within and outside the trust.
- **Improving financial resilience and internal controls:** Strengthening oversight through improved monthly financial reporting and variance analysis; embedding the Trust's reserves, pay, procurement, and financial delegation policies and ensuring compliance through internal and external audit processes.
- **Consolidating contracts and driving efficiencies:** Improving service through the consolidation and re-brokering of major contracts for HR (including payroll) alongside the development of a Trust-wide procurement plan and rolling out of a contract management system.
- **Investing strategically in estates:** Targeting School Capital Allocation and matched central or local government funding to improve long-term energy efficiency and improve provision for Early years and special needs. Projects this year included the installation of an air source heat pumps, early years refurbishment and toilet upgrades at Loughborough Primary and a boiler replacement at Streatham Wells and various roofing, pipes and window replacements across the trust. Training for premises managers has ensured better long-term maintenance and value for money from capital works.
- **Extending civic and system leadership:** Securing recommissioning of the Early Years Stronger Practice Hub (supporting over 1,000 practitioners across London) and scaled evidence-informed projects through the Research School. This extends the Trust's impact regionally and nationally without significant additional cost, representing strong public value from existing expertise.

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 Charter Schools Educational Trust for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2024 to 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

The risk and control framework

The Trust's risk and control framework is based on the receipt and review of regular management information and updates on operational procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other key performance indicators
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties alongside clear job descriptions for those in the central team
- identification and management of risks, including both financial and non-financial risks, with oversight of these by the Audit and Risk Committee
- Internal audits and external reviews

The Trustees are aware of the need for a specific internal audit function, which is separate from the external audit function in line with the requirements of the Academies Trust Handbook 2024, and appointed TSO Education as internal auditor for 2024/25 to review identified financial and procurement processes, and Computeam to carry out a cyber security audit. The reports are received by the Audit & Risk Committee and reported as appropriate to the Trust.

The internal auditors' roles include giving advice on financial and non-financial matters and performing a range of checks on the Trust's systems. The checks carried out in the current period included:

- A review of the Trust's monthly finance closedown procedures
- A review of the Trust's cash and banking processes
- A review of our cyber security

The Trust can confirm the internal auditor has delivered their schedule of work as planned. Additionally, the Trust carries out an annual safeguarding audit at each school in the Trust.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit & Risk Committee and will ensure continuous improvement of the system is in place.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the Board of Trustees is of the opinion that the Trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the Board of Trustees on 10 December 2025 and signed on its behalf by:

C Buchanan
Accounting officer

J Slater
Chair

THE CHARTER SCHOOLS EDUCATIONAL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2025

As accounting officer of The Charter Schools Educational Trust, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the trust's funding agreement with the Department for Education (DfE), and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the Trust Board of Trustees and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or 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 DfE.

C Buchanan
Accounting Officer

10 December 2025

THE CHARTER SCHOOLS EDUCATIONAL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2025

The trustees (who are also the directors of The Charter Schools Educational Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 2024 to 2025 published by the Department for Education, 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 2024 to 2025;
- 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 10 December 2025 and signed on its behalf by:

J Slater
Chair

THE CHARTER SCHOOLS EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CHARTER SCHOOLS EDUCATIONAL TRUST

FOR THE YEAR ENDED 31 AUGUST 2025

Opinion

We have audited the financial statements of The Charter Schools Educational Trust for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025 issued by the Department for Education.

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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025.

Basis for opinion

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

Conclusions relating to going concern

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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CHARTER SCHOOLS EDUCATIONAL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CHARTER SCHOOLS EDUCATIONAL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2024 to 2025 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Michelle Wilkes FCA (Senior Statutory Auditor)

For and on behalf of Azets, Statutory Auditor
Chartered Accountants

First Floor
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH
United Kingdom

17 December 2025

THE CHARTER SCHOOLS EDUCATIONAL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CHARTER SCHOOLS EDUCATIONAL TRUST AND THE SECRETARY OF STATE FOR EDUCATION

FOR THE YEAR ENDED 31 AUGUST 2025

In accordance with the terms of our engagement letter dated 16 June 2025 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by The Charter Schools Educational Trust during the period 1 September 2024 to 31 August 2025 have not been applied to the purposes intended by Parliament and that the financial transactions do not conform to the authorities which govern them.

This report is made solely to The Charter Schools Educational Trust and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Charter Schools Educational Trust and the Secretary of State for Education 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 The Charter Schools Educational Trust and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of The Charter Schools Educational Trust and the reporting accountant

The accounting officer is responsible, under the requirements of The Charter Schools Educational Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 2024 to 31 August 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the DfE, which requires a limited assurance engagement as set out in our engagement letter.

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

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

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

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 high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CHARTER SCHOOLS EDUCATIONAL TRUST AND THE SECRETARY OF STATE FOR EDUCATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 has not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets
First Floor
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH
United Kingdom

17 December 2025

THE CHARTER SCHOOLS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2025 £'000	Total 2024 £'000
Income and endowments from:						
Donations and capital grants	3	146	172	13,185	13,503	24,707
Donations - transfer from local authority on conversion	27	(3)	(104)	23,818	23,711	-
Charitable activities:						
- Funding for educational operations	4	783	46,878	-	47,661	42,141
- Teaching school		-	260	-	260	260
Other trading activities	5	2,389	-	-	2,389	2,616
Investments	6	66	-	-	66	49
Total		<u>3,381</u>	<u>47,206</u>	<u>37,003</u>	<u>87,590</u>	<u>69,773</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,361	47,001	3,911	52,273	48,735
- Teaching school		-	260	-	260	260
Total	8	<u>1,361</u>	<u>47,261</u>	<u>3,911</u>	<u>52,533</u>	<u>48,995</u>
Net income/(expenditure)		2,020	(55)	33,092	35,057	20,778
Transfers between funds	17	(488)	458	30	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(244)	-	(244)	554
Net movement in funds		<u>1,532</u>	<u>159</u>	<u>33,122</u>	<u>34,813</u>	<u>21,332</u>
Reconciliation of funds						
Total funds brought forward		<u>363</u>	<u>(159)</u>	<u>212,936</u>	<u>213,140</u>	<u>191,808</u>
Total funds carried forward		<u>1,895</u>	<u>-</u>	<u>246,058</u>	<u>247,953</u>	<u>213,140</u>

THE CHARTER SCHOOLS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

Comparative year information Year ended 31 August 2024	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed asset £'000	2024 £'000
Income and endowments from:					
Donations and capital grants	3	87	12	24,608	24,707
Charitable activities:					
- Funding for educational operations	4	674	41,467	-	42,141
- Teaching school		-	260	-	260
Other trading activities	5	2,616	-	-	2,616
Investments	6	49	-	-	49
Total		3,426	41,739	24,608	69,773
Expenditure on:					
Charitable activities:					
- Educational operations	9	1,304	44,113	3,318	48,735
- Teaching school		-	260	-	260
Total	8	1,304	44,373	3,318	48,995
Net income/(expenditure)		2,122	(2,634)	21,290	20,778
Transfers between funds	17	(3,033)	2,927	106	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	554	-	554
Net movement in funds		(911)	847	21,396	21,332
Reconciliation of funds					
Total funds brought forward		1,274	(1,006)	191,540	191,808
Total funds carried forward		363	(159)	212,936	213,140

THE CHARTER SCHOOLS EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		245,099		212,655
Current assets					
Debtors	14	2,205		2,190	
Cash at bank and in hand		4,431		638	
		6,636		2,828	
Current liabilities					
Creditors: amounts falling due within one year	15	(3,782)		(2,184)	
Net current assets			2,854		644
Net assets excluding pension liability			247,953		213,299
Defined benefit pension scheme liability	19		-		(159)
Total net assets			247,953		213,140
Funds of the Trust:					
Restricted funds	17				
- Fixed asset funds			246,058		212,936
- Pension reserve			-		(159)
Total restricted funds			246,058		212,777
Unrestricted income funds	17		1,895		363
Total funds			247,953		213,140

The financial statements on pages 31 to 60 were approved by the Trustees and authorised for issue on 10 December 2025 and are signed on their behalf by:

J Slater
Chair

Company registration number 07338707 (England and Wales)

THE CHARTER SCHOOLS EDUCATIONAL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £'000	£'000	2024 £'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		3,080		(1,420)
Cash funds transferred on conversion	27		24		-
			<u>3,104</u>		<u>(1,420)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		66		49	
Capital grants from DfE Group		1,455		1,179	
Capital funding received from sponsors and others		107		58	
Purchase of tangible fixed assets		(914)		(1,375)	
		<u></u>		<u></u>	
Net cash provided by/(used in) investing activities			714		(89)
Cash flows from financing activities					
Finance costs		(25)		(30)	
		<u></u>		<u></u>	
Net cash used in financing activities			(25)		(30)
Net increase/(decrease) in cash and cash equivalents in the reporting period			3,793		(1,539)
Cash and cash equivalents at beginning of the year			638		2,177
Cash and cash equivalents at end of the year			<u>4,431</u>		<u>638</u>

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

The Charter Schools Educational Trust is a charitable company. 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.

1.1 Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2024 to 2025 issued by the Department for Education, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust 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 assets and liabilities transferred on conversion from Loughborough Primary School to the academy trust have been valued at their fair value. No adjustments were required to be made to fair value of assets and liabilities on conversion. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Fixed assets have been valued on conversion by the directors on the basis of comparison to schools in the local area. Defined benefit pension liabilities have been included on conversion on the basis of an actuarial valuation under FRS102. Further details of the transaction are set out in note 27.

1.4 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.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Transfer of assets from existing academies

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

1.5 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.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

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.

1.6 Tangible fixed assets and depreciation

Assets costing £5k or groups of assets costing £30k or more containing items over £1k 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 statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Charter School North Dulwich buildings are included on the basis of a desktop depreciated insurance valuation prepared by ESFA on conversion in 2010. The land on which the school is sited is leased on a 200 year lease granted to 1955 and transferred to the Trust in November 2011.

The Charter School East Dulwich buildings are included at cost. The land on which the school is sited is included at a desktop DfE valuation.

Charles Dickens Primary School buildings were included on the basis of an external DfE valuation. The land on which the school is sited is included at a desktop DfE valuation. The land and buildings are owned by the Trust.

Lyndhurst Primary School buildings are included on the basis of an external DfE valuation. The land on which the school is sited is included at a desktop DfE valuation.

The land and buildings at The Belham Primary School are occupied under the terms of a short-term arrangement. It is expected that a long term lease of 125 years will be put into place when snagging issues are resolved, and long term lease negotiations with the Local Authority are concluded. When that has been achieved a valuation for the Belham Primary School leasehold interest will be included as a fixed asset.

The buildings at Dulwich Hamlet Junior School are included on the basis of an external valuation of building reinstatement costs for insurance purposes, which was carried out in 2011. The land on which the school is sited is included at a desktop DfE valuation.

Streatham Wells Primary School land and buildings have been included on the basis of a valuation by the directors where comparison was made to schools in the local area.

Charter Schools Bermondsey land has been included on the basis of a valuation by the directors where comparison was made to schools in the local area. The buildings have been included at cost of construction.

Loughborough Primary School buildings are included on the basis of a desktop DfE valuation. The land on which the school is sited is included at a desktop DfE valuation.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

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

Freehold land and buildings	Buildings over 50 years, land is not depreciated.
Leasehold land and buildings	Buildings over 50 years, land is over the remaining term of the lease.
Leasehold improvements	25 years
Assets under construction	
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	4 years

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

1.7 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.

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.10 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.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.11 Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 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.

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 Education and Skills Funding Agency/Department for Education.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

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.

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.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

2 Critical accounting estimates and areas of judgement

(Continued)

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 19, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. 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.

The pension value also includes an asset ceiling adjustment and the assumptions used to calculate this are:

- The scheme is open to new entrants;
- There is a minimum funding requirement in relation to the LGPS;
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period;
- The present value in the above calculations are calculated using an annuity representing participation into perpetuity.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Property valuations

The leasehold properties have been included at the valuation provided by the DfE when completing their desktop valuation. The academies have a 125 year lease from the date of conversion for the use of the land and buildings with the local authority.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Donated fixed assets	-	11,623	11,623	23,371
Capital grants	-	1,557	1,557	1,237
Other donations	146	177	323	99
	<u>146</u>	<u>13,357</u>	<u>13,503</u>	<u>24,707</u>

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

4 Funding for the Trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Educational operations				
DfE/ESFA grants				
General annual grant (GAG)	-	32,976	32,976	29,131
16-19 core funding	-	3,959	3,959	3,883
Other DfE/ESFA grants:				
- UIFSM	-	231	231	225
- Pupil premium	-	1,853	1,853	1,536
- Recovery premium	-	-	-	261
- Start up grants	-	-	-	25
- MSAG	-	-	-	933
- Core budget schools grant	-	1,294	1,294	-
- NI grant	-	263	263	-
- PE and Sports Premium	-	103	103	96
- Rates	-	320	320	246
- Teachers Pension Grant	-	904	904	449
- Teachers Pay Grant	-	528	528	486
- DfE teaching grants	-	260	260	260
- Early Years Hub	-	218	218	667
- Lease reimbursement	-	-	-	229
- Others	-	153	153	50
	-	43,062	43,062	38,477
Other government grants				
Local authority grants	-	4,036	4,036	3,193
Special educational projects	-	40	40	57
	-	4,076	4,076	3,250
Other incoming resources				
Catering income	142	-	142	106
Urban health	-	-	-	-
	142	-	142	106
Total funding for educational operations	142	47,138	47,280	41,833
London South Teaching School Hub	641	-	641	568
Total funding	783	47,138	47,921	42,401

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Hire of facilities	357	-	357	342
Music services	381	-	381	409
Nursery, club fees and school fund	711	-	711	911
Trip income	280	-	280	398
Other income	660	-	660	556
	<u>2,389</u>	<u>-</u>	<u>2,389</u>	<u>2,616</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Short term deposits	66	-	66	49
	<u>66</u>	<u>-</u>	<u>66</u>	<u>49</u>

7 Central services

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

- Executive management
- Operations leadership and clerking
- Marketing and communications leadership
- Human resources;
- Financial services;
- Contract procurement and management;
- Premises management;
- Educational support services;
- Capital fundraising;
- Conversion and joining support.

The Trust charges for these services on the following basis:

- 6% of GAG School Budget Share (2024: 5% of GAG School Budget Share)

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

7 Central services

(Continued)

The amounts charged during the year were as follows:

	2025 £'000	2024 £'000
The Charter Institute	-	-
Loughborough Primary School	107	-
The Charter School North Dulwich	631	426
The Charter School East Dulwich	667	460
Charles Dickens Primary School	174	137
Dulwich Hamlet Junior School	131	103
The Belham Primary School	150	117
Lyndhurst Primary School	152	116
Streatham Wells Primary School	85	66
The Charter School Bermondsey	280	201
	<u>2,377</u>	<u>1,626</u>

8 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2025 £'000	Total 2024 £'000
Academy's educational operations					
- Direct costs	32,727	3,514	3,588	39,829	36,218
- Allocated support costs	5,477	3,281	3,686	12,444	12,517
Teaching school					
- Direct costs	260	-	-	260	260
	<u>38,464</u>	<u>6,795</u>	<u>7,274</u>	<u>52,533</u>	<u>48,995</u>

Net income/(expenditure) for the year includes:

	2025 £'000	2024 £'000
Operating lease rentals	70	52
Depreciation of tangible fixed assets	3,911	3,318
Fees payable to auditor for:		
- Audit	27	25
- Other services	21	17
- Under provision in prior year	8	-
- TPS work for previous years	9	-
Bank and loan interest	25	30
Net interest on defined benefit pension liability	(43)	17

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Direct costs				
Educational operations	717	39,112	39,829	36,218
Teaching school	-	260	260	260
Support costs				
Educational operations	644	11,800	12,444	12,517
	<u>1,361</u>	<u>51,172</u>	<u>52,533</u>	<u>48,995</u>
	<u><u>1,361</u></u>	<u><u>51,172</u></u>	<u><u>52,533</u></u>	<u><u>48,995</u></u>
Analysis of support costs				
	Teaching school £'000	Educational operations £'000	Total 2025 £'000	Total 2024 £'000
Support staff costs	-	5,477	5,477	5,824
Depreciation	-	397	397	516
Technology costs	-	447	447	563
Premises costs	-	2,884	2,884	2,843
Other support costs	-	3,174	3,174	2,729
Governance costs	-	65	65	42
	<u>-</u>	<u>12,444</u>	<u>12,444</u>	<u>12,517</u>
	<u><u>-</u></u>	<u><u>12,444</u></u>	<u><u>12,444</u></u>	<u><u>12,517</u></u>

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

10 Staff

Staff costs

Staff costs during the year were:

	2025 £'000	2024 £'000
Wages and salaries	27,660	25,619
Social security costs	3,169	2,581
Pension costs	6,152	5,117
Staff costs - employees	36,981	33,317
Agency staff costs	1,433	1,692
Staff restructuring costs	50	65
	38,464	35,074
Staff development and other staff costs	137	166
Total staff expenditure	38,601	35,240

Staff restructuring costs comprise:

Redundancy payments	47	-
Severance payments	3	65
	50	65

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs are special severance payments totalling £2,502 (2024: £65k). Individually, the payments were: £2,500 ; £1 and £1.

Staff numbers

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

	2025 Number	2024 Number
Teachers	311	314
Administration and support	295	274
Management	19	15
	625	603

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

10 Staff

(Continued)

Higher paid staff

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

	2025 Number	2024 Number
£60,000 - £70,000	42	13
£70,001 - £80,000	24	22
£80,001 - £90,000	13	8
£90,001 - £100,000	4	3
£100,001 - £110,000	1	3
£110,001 - £120,000	6	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-
	=====	=====

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,127k (2024: £894k),

11 Trustees' remuneration and expenses

The CEO has been paid remuneration or has received other benefits from an employment with the Trust. The CEO only receives remuneration in respect of services provided undertaking the role of CEO under her contract of employment, and not in respect of services as trustee.

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

C Buchanan (CEO):

- Remuneration £175,000 - £180,000 (2024: £165,000 - £170,000)
- Employer's pension contributions £50,000 - £55,000 (2024: £45,000 - £50,000)

During the year ended 31 August 2025, there were expenses reimbursed to 1 trustee amounting to £1,313 (2024: £1,100 - 1 trustee) relating to travel, educational subscriptions and ICT administration tools.

Other related party transactions involving the trustees are set out in the related parties note.

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the Trust has insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10m (2024: £10m) on any one claim.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

13	Tangible fixed assets	Freehold land and buildings £'000	Leasehold land and buildings £'000	Leasehold improvements £'000	Assets under construction £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
	Cost								
	At 1 September 2024	15,895	213,218	3,522	-	987	1,438	81	235,141
	Transfer on conversion / donated asset	-	35,441	-	-	-	-	-	35,441
	Additions	-	-	204	273	117	320	-	914
	At 31 August 2025	15,895	248,659	3,726	273	1,104	1,758	81	271,496
	Depreciation								
	At 1 September 2024	307	19,626	543	-	769	1,160	81	22,486
	Charge for the year	77	3,333	104	-	230	167	-	3,911
	At 31 August 2025	384	22,959	647	-	999	1,327	81	26,397
	Net book value								
	At 31 August 2025	15,511	225,700	3,079	273	105	431	-	245,099
	At 31 August 2024	15,588	193,592	2,979	-	218	278	-	212,655

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

13 Tangible fixed assets

(Continued)

The net book value of leasehold land (where this has been separately valued and recognised) at 31 August 2025 is £138,464,579 (2024: £119,263,175).

The freehold land is valued at £12,065,000 and is not depreciated.

Leasehold improvements additions in the year relates to buildings and facilities upgrades and improvements made at Charter Schools North Dulwich, Charles Dickens Primary School, Lyndhurst Primary School, Belham Primary School, Loughborough Primary School and Streatham Wells Primary School.

Leasehold land and buildings additions include the valuation of land and buildings at Loughborough Primary School on conversion to an academy. In addition, Phase 2 at CED was transferred to the Trust prior to 31 August 2025. The value included in the fixed assets above relates to the costs that have been incurred and agreed. Further costs have been incurred but are currently being disputed and as a result these costs are not included above.

14 Debtors

	2025 £'000	2024 £'000
Trade debtors	25	285
VAT recoverable	446	303
Other debtors	-	176
Prepayments and accrued income	1,734	1,426
	<u>2,205</u>	<u>2,190</u>

15 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	786	544
Other taxation and social security	795	651
Other creditors	799	24
Accruals and deferred income	1,402	965
	<u>3,782</u>	<u>2,184</u>

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

16 Deferred income

	2025 £'000	2024 £'000
Deferred income is included within:		
Creditors due within one year	461	335
	=====	=====
Deferred income at 1 September 2024	335	391
Released from previous years	(335)	(391)
Resources deferred in the year	461	335
	=====	=====
Deferred income at 31 August 2025	461	335
	=====	=====

At the balance sheet date the trust was holding funds for EY funding (£167k), music lessons (£34k, Appropriate Body income (£63k), unspent bursary (£26k) and also Universal Infant Free School Meals (£141k) income relating to the next financial year.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Funds

	Balance at 1 September 2024 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2025 £'000
Restricted general funds					
General Annual Grant (GAG)	-	36,935	(37,393)	458	-
UIFSM	-	231	(231)	-	-
Pupil premium	-	1,853	(1,853)	-	-
Other DfE/ESFA grants	-	3,783	(3,783)	-	-
Other government grants	-	4,076	(4,076)	-	-
Teaching school	-	260	(260)	-	-
Other restricted funds	-	172	(172)	-	-
Pension reserve	(159)	(104)	507	(244)	-
	(159)	47,206	(47,261)	214	-
Restricted fixed asset funds					
DfE group capital grants	281	1,557	-	(879)	959
Other capital donations	-	5	-	(5)	-
General fixed assets	212,655	35,441	(3,911)	914	245,099
	212,936	37,003	(3,911)	30	246,058
Total restricted funds	212,777	84,209	(51,172)	244	246,058
Unrestricted funds					
General funds	313	2,740	(998)	(488)	1,567
London South Teaching School Hub	50	641	(363)	-	328
	363	3,381	(1,361)	(488)	1,895
Total funds	213,140	87,590	(52,533)	(244)	247,953

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the schools.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2025.

Other DfE/ESFA grants: This includes the pupil premium, rates relief, universal free school meals, trust capacity funding, teachers pay, teachers pensions, PE and sports premium, core schools budget grant, NIC grant, supplementary grants, Teaching School Grant and Stronger Practices Hub.

Other government grants: This includes SEN funding, pupil premium and High Needs funding.

DfE / ESFA capital grants: This relates to DFC, CIF and SCA.

The transfer of funds relates to the purchase of fixed assets during the period, and the overspend on GAG.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Funds

(Continued)

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

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General Annual Grant (GAG)	-	33,014	(35,941)	2,927	-
Start up grants	-	25	(25)	-	-
UIFSM	-	225	(225)	-	-
Pupil premium	-	1,536	(1,536)	-	-
Other DfE/ESFA grants	-	3,417	(3,417)	-	-
Other government grants	-	3,250	(3,250)	-	-
Teaching school	-	260	(260)	-	-
Other restricted funds	-	12	(12)	-	-
Pension reserve	(1,006)	-	293	554	(159)
	(1,006)	41,739	(44,373)	3,481	(159)
Restricted fixed asset funds					
DfE group capital grants	313	1,237	-	(1,269)	281
General fixed assets	191,227	23,371	(3,318)	1,375	212,655
	191,540	24,608	(3,318)	106	212,936
Total restricted funds	190,534	66,347	(47,691)	3,587	212,777
Unrestricted funds					
General funds	1,274	2,858	(786)	(3,033)	313
London South Teaching School Hub	-	568	(518)	-	50
	1,274	3,426	(1,304)	(3,033)	363
Total funds	191,808	69,773	(48,995)	554	213,140

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Funds

(Continued)

Total funds analysis by academy

	2025 £'000	2024 £'000
Fund balances at 31 August 2025 were allocated as follows:		
The Charter Institute	-	-
Loughborough Primary School	29	-
The Charter School North Dulwich	1	1
The Charter School East Dulwich	34	1
Charles Dickens Primary School	1	1
Dulwich Hamlet Junior School	1	1
The Belham Primary School	17	1
Lyndhurst Primary School	1	1
Streatham Wells Primary School	1	1
The Charter School Bermondsey	162	1
Central services	1,648	355
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,895	363
	<hr/>	<hr/>
Restricted fixed asset fund	246,058	212,936
Pension reserve	-	(159)
	<hr/>	<hr/>
Total funds	247,953	213,140
	<hr/>	<hr/>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2025 £'000	Total 2024 £'000
The Charter Institute	494	236	97	188	1,015	1,398
Loughborough Primary School	1,572	155	103	649	2,479	-
The Charter School North Dulwich	7,671	1,196	159	2,669	11,695	11,072
The Charter School East Dulwich	8,618	1,058	361	2,367	12,404	11,048
Charles Dickens Primary School	2,895	432	80	851	4,258	4,120
Dulwich Hamlet Junior School	1,949	455	96	664	3,164	2,967
The Belham Primary School	1,999	341	78	791	3,209	3,032
Lyndhurst Primary School	2,359	263	107	798	3,527	3,187
Streatham Wells Primary School	1,249	252	59	592	2,152	2,009
The Charter School Bermondsey	3,334	392	119	1,348	5,193	4,959
Central services	847	697	1	(2,019)	(474)	1,886
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	32,987	5,477	1,260	8,898	48,622	45,678
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2025 are represented by:				
Tangible fixed assets	-	-	245,099	245,099
Current assets	5,677	-	959	6,636
Current liabilities	(3,782)	-	-	(3,782)
Total net assets	1,895	-	246,058	247,953
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	212,655	212,655
Current assets	2,547	-	281	2,828
Current liabilities	(2,184)	-	-	(2,184)
Pension scheme liability	-	(159)	-	(159)
Total net assets	363	(159)	212,936	213,140

19 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 London Borough of Southwark and London Borough of Lambeth. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £773k (2024: £nil) were payable to the schemes at 31 August 2025 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to the TPS in the period amounted to £4,849k (2024: £4,040k).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.8 to 23.4% for employers and 5.5 to 12.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

19 Pension and similar obligations (Continued)

Total contributions made	2025 £'000	2024 £'000
Employer's contributions	1,771	1,472
Employees' contributions	524	462
Total contributions	2,295	1,934

Principal actuarial assumptions	2025 %	2024 %
Rate of increase in salaries	3.20 - 4.00	3.15 - 4.00
Rate of increase for pensions in payment/inflation	2.50 - 2.70	2.50 - 2.65
Discount rate for scheme liabilities	6.05 - 6.10	4.90 - 5.00
Inflation assumption (CPI)	2.50 - 2.70	2.50 - 2.65

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

	2025 Years	2024 Years
Retiring today		
- Males	21.2	20.8 - 21.0
- Females	23.8 - 23.9	23.6 - 23.8
Retiring in 20 years		
- Males	22.1 - 22.6	21.7 - 22.3
- Females	24.9 - 25.4	24.7 - 25.3

Sensitivity analysis

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

	2025 £'000	2024 £'000
Discount rate + 0.1%	-267	-351
Discount rate - 0.1%	313	377
Mortality assumption + 1 year	387	452
Mortality assumption - 1 year	-295	-398
CPI rate + 0.1%	299	360
CPI rate - 0.1%	-253	-335
Salary rate +0.1%	16	17
Salary rate -0.1%	-14	-16

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

19 Pension and similar obligations		(Continued)	
Defined benefit pension scheme net asset/(liability)		2025 £'000	2024 £'000
Scheme assets		21,442	17,481
Scheme obligations		(16,364)	(17,280)
Net asset		5,078	201
Restriction on scheme assets		(5,078)	(360)
Total liability recognised		-	(159)
The Trust's share of the assets in the scheme		2025 Fair value £'000	2024 Fair value £'000
Equities		11,505	9,805
Bonds		2,713	1,642
Cash		315	126
Property		3,075	2,502
Other assets		3,834	3,406
Total market value of assets		21,442	17,481
Restriction on scheme assets		(5,078)	(360)
Net assets recognised		16,364	17,121
The actual return on scheme assets was £1,050,000 (2024: £1,507,000).			
Amount recognised in the statement of financial activities		2025 £'000	2024 £'000
Current service cost		1,306	1,162
Past service cost		1	-
Interest income		(953)	(759)
Interest cost		910	776
Total amount recognised		1,264	1,179

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

19 Pension and similar obligations		(Continued)	
Changes in the present value of defined benefit obligations		2025 £'000	2024 £'000
At 1 September 2024		17,280	15,211
Transferred in on existing academies joining the Trust		1,087	-
Current service cost		1,306	1,162
Interest cost		910	776
Employee contributions		524	462
Actuarial gain		(4,377)	(166)
Benefits paid		(367)	(165)
Past service cost		1	-
		<u>16,364</u>	<u>17,280</u>
Changes in the fair value of the Trust's share of scheme assets		2025 £'000	2024 £'000
At 1 September 2024		17,481	14,205
Transferred in on existing academies joining the Trust		983	-
Interest income		953	759
Actuarial gain		97	748
Employer contributions		1,771	1,472
Employee contributions		524	462
Benefits paid		(367)	(165)
		<u>21,442</u>	<u>17,481</u>
At 31 August 2025		21,442	17,481
Restriction on scheme assets		(5,078)	(360)
		<u>16,364</u>	<u>17,121</u>
Restriction of pension scheme assets		2025 £'000	2024 £'000
Present value of defined benefit obligations		(16,364)	(17,280)
Fair value of plan assets		21,442	17,481
		<u>5,078</u>	<u>201</u>
Net asset		5,078	201
Restriction to level of asset ceiling		(5,078)	(360)
		<u>-</u>	<u>(159)</u>
Net asset recognised on the balance sheet		-	(159)

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

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

	Notes	2025 £'000	2024 £'000
Net income for the reporting period (as per the statement of financial activities)		35,057	20,778
Adjusted for:			
Net surplus on conversion to academy	27	(23,711)	-
Donated assets		(11,628)	
Capital grants from DfE and other capital income		(1,557)	(24,608)
Investment income receivable	6	(66)	(49)
Finance costs payable		25	30
Defined benefit pension costs less contributions payable	19	(464)	(310)
Defined benefit pension scheme finance (income)/cost	19	(43)	17
Depreciation of tangible fixed assets		3,911	3,318
(Increase)/decrease in debtors		(15)	402
Increase/(decrease) in creditors		1,598	(998)
Stocks, debtors and creditors transferred on conversion	27	(27)	-
Net cash provided by/(used in) operating activities		3,080	(1,420)

21 Analysis of changes in net funds

	1 September 2024 £'000	Cash flows £'000	31 August 2025 £'000
Cash	638	3,793	4,431

22 Long-term commitments

Operating leases

At 31 August 2025 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2025 £'000	2024 £'000
Amounts due within one year	70	61
Amounts due in two and five years	140	169
Amounts due after five years	13	30
	223	260

THE CHARTER SCHOOLS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

23 Capital commitments

	2025 £'000	2024 £'000
Expenditure contracted for but not provided in the financial statements	-	170

24 Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period.

Expenditure related party transactions

S Amadi is employed by the academy trust. S Amadi's father is the member Mr E Amadi.

I Buchanan provides website development & production services to the academy trust. I Buchanan is married to the CEO C Buchanan. During the year the Trust paid £3,945 (2024: £2,105) to I Buchanan.

The appointment was made in open competition. The connected party trustee was not involved in the decision making process regarding appointment. They are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to a trustee.

25 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.

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2025 the academy trust received £29k (2024: £24k) and disbursed £17k (2024: £14k) from the fund. An amount of £26k (2024: £14k) is included in other creditors relating to undistributed funds that is repayable to ESFA.

The academy trust in its role as London South Teaching School Hub distributes Healthy Schools Grant Funding (Urban Health Funding) to schools as an agent for Guys' and St Thomas' Foundation. In the accounting period ending 31 August 2025 the academy trust received £31k (2024: £nil) and disbursed £31k (2024: £234k) from the fund. An amount of £Nil (2024: £45k) is included in other creditors relating to undistributed funds that is repayable to Guys' and St Thomas' Foundation.

27 Conversion to an academy

On 1 October 2024 the Loughborough Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Charter Schools Educational Trust from the London Borough of Lambeth for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

(Continued)

Date of conversion
1 October 2024

	Unrestricted funds	Restricted funds:		Total
	£'000	General	Fixed asset	2025
Funds surplus/(deficit) transferred:	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	23,818	23,818
LA budget funds	(3)	-	-	(3)
LGPS pension funds	-	(104)	-	(104)
	<u>(3)</u>	<u>(104)</u>	<u>23,818</u>	<u>23,711</u>