

REGISTERED COMPANY NUMBER: 07662701 (England and Wales)

CHARACTER EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

CHARACTER EDUCATION TRUST

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FOR THE YEAR ENDED 31 AUGUST 2025

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CHARACTER EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2025

MEMBERS:	S Smith C F Gilhooly P B Broszek	
TRUSTEES	M Cater CEO and Accounting Officer (appointed 23.5.25) M C Reeve S Smith Chair M Wright CEO and Accounting Officer (resigned 30.4.25) A Malik R Metzler (resigned 9.12.24) L Blumsum (resigned 31.8.25) D J A Day A Clarke (resigned 14.10.25) Y A A Cook (appointed 19.5.25) D Stone (appointed 6.10.25)	
WROTHAM SCHOOL	L Abbott, Deputy Head Teacher S Boudreau, Assistant Head teacher N Catloe, Assistant Head Teacher L Elliott, Assistant Head teacher A Griffin, Assistant Head teacher S Hann, Assistant Headteacher E Healy, Assistant Head teacher V Ross, Deputy Head teacher V Ross, Assistant Head teacher J Truss, Assistant Head teacher	(left post Aug 25) (appointed Sept 25) (appointed Sept 25) (left post Aug 25) (resigned Aug 25)
AYLESFORD SCHOOL	K James, Deputy Head teacher D Wright, Deputy Head teacher D Wright, Assistant Head teacher A Dighton, Assistant Head teacher C Duff, Assistant Head teacher M Johnston, Assistant Head teacher L Muddle, Assistant Head teacher B Walker, Assistant Head teacher T Axford, Associate Assistant Head teacher A Dighton, Associate Assistant Head teacher M Martindale, Associate Assistant Head teacher P Neeve, Associate Assistant Head teacher	(appointed Sept 25) (left post Aug 25) (appointed Sept 25) (left post Aug 25) (resigned Aug 25)
SENIOR LEADERSHIP TEAM:	M Cater (Chief Executive Officer) B Sanchez (Director of Human Resources) T Kelvie (Head teacher (Aylesford School)) N Newman (Director of Finance) M Wright (Chief Executive Officer) (resigned 30.4.25) L Abbott (Head teacher (Wrotham School)) (appointed 1.9.2025)	
REGISTERED OFFICE	Borough Green Road Wrotham Sevenoaks TN15 7RD	

CHARACTER EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2025

REGISTERED COMPANY NUMBER 07662701 (England and Wales)

INDEPENDENT AUDITORS McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

SOLICITORS Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

BANKERS National Westminster Bank
Swan Street
West Malling
Kent
ME19 6HG

WEBSITES www.charactereducation.org
www.wrothamschool.com
www.aylesford.kent.sch.uk

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

The trustees present their annual report together with the financial statements and the Report of the Auditors of the academy trust for the year 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a Report of the Trustees and a Report of the Directors and Strategic Report under company law.

The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

In September 2022 Aylesford School converted to academy status and joined Wrotham School in the Character Education Trust.

Character Education Trust's vision is:

Our vision is to lead a family of schools that work together to provide an education that builds character. We share a mission to develop confident young people who can make a positive difference to the world around them.

The Trustees are keen to explore strengthening Leadership and Management at trust Level and to consider the future benefits of trust growth, merger, associate membership or further collaborative working.

During the year under review the trust comprised of Wrotham School & Aylesford School. Wrotham School is an Academy for pupils aged 11 to 19 serving a catchment area in Tonbridge and Malling, Sevenoaks and Gravesham in Kent. It has a pupil capacity of 716 based on official 'net capacity' calculations and had a roll of 1,057 in October 2025 (2024 - 1,043). Aylesford School is an Academy for pupils aged 11 to 19 serving a catchment area in Tonbridge and Malling, Medway and Maidstone. It has a pupil capacity of 1,044 based on official 'net capacity' calculations and had a roll of 928 (2024 - 914). Wrotham School is to be rebuilt under the School rebuilding Programme, work started in May 2024. The new build should be ready to be moved in to by May 2026 (partial/provisional).

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principle objective of Character Education Trust is to provide education for students of different abilities and achieves this by providing a state education, free of charge, to pupils up to the age of 19. In exercising their powers, the Trustees have complied with their duty to have due regards to the guidance on public benefit published by the Charity Commission.

The Company's object ("the Object") is specifically restricted to the following:

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies and offering a broad and balanced curriculum,

(b) to promote for the benefit of the inhabitants of Wrotham and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

The main strategic aims of the Trust are summarised below:

- a. to support every student to achieve academic excellence and personal success
- b. to raise the standard of educational achievements of all students
- c. to focus on the development of good character in students, so that they may make a positive contribution to society
- d. to invest in staff and student development through new initiatives and opportunities
- e. to provide value for money
- f. to develop a small local MAT that values partnerships of equals. This includes associate membership of other similar minded trusts and schools where values are and vision are aligned and the benefits can be experienced across our schools and community members.

The achievement of our aims is reviewed using key measures including:

- a. the effectiveness of our broad curriculum and the opportunities we provide to develop character both inside and outside the classroom
- b. academic outcomes and progress of students
- c. the development of character reward and personal development of students throughout the year; tracking students' engagement with extra-curricular activities;
- d. engagement in training including NPQs and the Trust's in house leadership programme; staff wellbeing activities
- e. monthly financial reporting; benchmarking; reserves policy; success in the objectives above
- f. engagement and collaboration with other schools, trusts and organisations
- g. success in ofsted inspections.
- h. positive stakeholder surveys.
- i. attendance (including of key groups such as PP and SEN).

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(s) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. The public benefit of Character Education Trust is the advancement of education within the local community.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

OBJECTIVES AND ACTIVITIES

Equal opportunities policy

The Trust is an equal opportunity organisation and is committed to take a positive stand to ensure all stakeholders have a right to equality of opportunity and achievement regardless of race and ethnicity, faith, belief and religion, disability and access, age, sex, sexual orientation, transsexualism, and marital status.

Equality of opportunity is related to all areas of the Trust's work and is a fundamental aspect of the ethos of the Trust. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the Academies.

Character Education Trust is committed to safeguarding and promoting the welfare of children and young people, and expects all staff and volunteers to share this commitment. All posts are subject to an enhanced Disclosure Application to the Disclosure and Barring Service and check against the ISA Barred List for children.

Employee involvement and employment of the disabled

The school has a lift in the modern building at Wrotham School, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the Trust buildings. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment and working environment where reasonably possible, by making support resources available and through training and career development. The new build has been planned to fully evolve this provision. At Aylesford School all buildings have lifts and all toilet areas have disabled toilets installed.

Employee Consultation

Trust staff are empowered to elect colleagues to sit and serve as governors. Trustees and governors regularly meet with staff ranging from attendance at formal board and committee meetings, the trust has undertaken specific work this year to improve the visibility of trustees and governors to ensure their strategic work and challenge is clear and utilised appropriately. Staff are surveyed biannually with outcomes turned to actions and feedback with full transparency- the trust reviews these as KPI's to show progress towards targets.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRATEGIC REPORT

Achievements and performance

ACHIEVEMENTS AND PERFORMANCE 2024 - 2025

The Trust

The trust worked hard to establish strong financial returns during the year and overturn the deficit the trust found itself at the end of the last financial year. The trust worked to increase trustee members during the year. The trust board is currently being consulted on restructuring to ensure that the board and general leadership management is in line with best practice and is highly effective. The finance committee has grown and now has a stronger accountability system in place to ensure effective financial compliance and growth. Risk registers, schemes of delegation and structures of key groups have been revisited and improved.

To ensure the work of the trust was robust and well supported. The trust began an associate membership with a larger trust - London South East Academy Trust (LSEAT). Who continue to support our work and improvements across the trust.

At the end of this associate membership the trust will decide if this membership is to become permanent.

Wrotham School

The school has continued to see the strong growth in students wishing to join the school, which is now taking over 180 students per year group. Demand for places at the school is strong and student/ parent and staff surveys remain very positive. This was recognised by Ofsted in November 2024.

Leaders have continued to work with the DfE as soil broke and construction started on our new facility. By the end of the year our new main building was water tight and the new classroom block was well on its way to being watertight. Progress over the year was better than expected and we are confident to be moving in before the planned completion deadline of September 2026.

The school continued to support the students that were effected from a school bus crash that took place in Summer 2024. This included counselling and support services being available. This process is still significant and requires support moving forward including adaptations to allow the most seriously injured students to phase their return to school.

During the year the school received a Section 8 inspection from Ofsted in November 2024. This confirmed the school continued to be judged good for overall effectiveness before September 2024. The report was very positive and represents a strong standard of provision at Wrotham School.

The school celebrated a variety of sports success during the year including reaching area finals in football. There was also success in cross country running.

The schools focus on the arts saw the success of the school production and school music concert throughout the year. Both being well attended. This was underpinned by outstanding careers provision which hit all Gatsby benchmarks and continues to be an exceptional strength of the schools provision. Character days were introduced to underpin our main ethos and this was supported by the continuation of our character mark and affiliations with ACE. (Association of Character Education).

Aylesford School

In April 2025 Ofsted completed a Section 5 Inspection. The school achieved Good grade in Behaviour and attitudes, Personal Development and Sixth form Provision. It received requires improvement for the quality of education and Leadership and Management.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

This was not expected but represented the impact of a year of instability in the trust where the previous CEO was not present. This meant that restructuring of the trust and its work was required to start a significant process of improvement ahead of the next Ofsted.

Work has been establish following the inspection to work to improve the external examination results and the quality of teaching by the leadership team.

As part of a PFI scheme, Mitie manages the upkeep of the buildings, there has been basic maintenance completed during the year. The school did complete required audits of the facilities in order to meet Stakeholder requirements.

The school completed further upgrades to ICT including new interactive touch screens in more classrooms as part of visual aids for teachers to use.

Aylesford School remains one of the main schools in the country promoting Character Education after achieving its Character Kite Plus Mark in 2021. The school assists with assessments of schools trying to achieve the kite mark and to provide support and guidance to local schools.

The sports department continued to see success in regional and county level with Football and Netball being victorious during the year.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2025

STRATEGIC REPORT

Achievements and performance

Key performance indicators and key financial performance indicators

Key Performance Indicators

Wrotham School

	2025 (Not validated data*)	2024 (Validated data)
Key Stage 4		
% of students achieving grade 4+ in English	64%	74%
% of students achieving grade 4+ in Mathematics	62%	66%
% of students achieving grade 5+ in English	42%	55%
% of students achieving grade 5+ in Mathematics	35%	46%
Attainment 8	39.61	42.28
Progress 8	N/A	-0.10
Key stage 5		
% of grades at A* to C (A levels and equivalent)	62%	53%
% of grades at A* to B (A levels and equivalent)	28%	19%
Level 3 Value Added		
A Level	+0.41	-0.34
Academic	+0.41	-0.32
Vocational	+0.78	-0.09

Aylesford School

	2025 (Not validated data*)	2024 (Validated data)
Key Stage 4		
% of students achieving grade 4+ in English	64%	63%
% of students achieving grade 4+ in Mathematics	60%	57%
% of students achieving grade 5+ in English	38%	36%
% of students achieving grade 5+ in Mathematics	26%	27%
Attainment 8	37.21	35.67
Progress 8	N/A	-0.84
Key Stage 5		
% of grades at A* to C (A levels and equivalent)	24.41	28.51
% of grades at A* to B (A levels and equivalent)	10.61	5.44
Level 3 Value Added		
A Level	-0.20	-0.18
Academic	-0.17	-0.13
Vocational	-0.18	-0.20

As recognised nationally by the DFE, results show instability in cohorts most highly impacted by the Covid 19 closures and lack of starting points from KS2 making it not possible to compare progress to starting points.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRATEGIC REPORT

Achievements and performance

Key Financial Performance Indicators

Staff costs (excluding FRS 102 adjustments) as a percentage of total income (excluding capital funding) for 2024/25 were:

	Actual 2025 %	Actual 2024 %	Actual 2023 %
Teaching Staff	53	58	58
Educational Support Staff	6	10	5
Other Academy Support Staff	9	8	10
TOTAL	68	76	73

Financial review

Financial position

The trust's accounting period covers the year to 31 August 2025.

The majority of the academy trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2025 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Additional income is achieved through lettings of the academy facilities, including a 3G All-Weather football pitch and Sports hall at Wrotham School.

The academy trust also received grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets concerned.

During the year ended 31 August 2025, total expenditure was £17,218,486 (2024: £17,745,864) and recurrent grant funding from the DfE together with other incoming resources amounted to £16,131,383 (2024: £14,729,063). Excluding movements in the pension and fixed asset reserves, net (expenditure)/income was £645,573 (2024: -£774,501). It should be noted that surplus funds are held in the fixed asset fund of £203,243 (2024: £187,628) as the Trustees have allocated these to a sinking fund for the 3G pitch as they are required to keep the pitch in good condition as part of the grant funding agreement. The total of restricted general funds plus unrestricted funds (i.e. excluding the restricted fixed asset fund and pension reserve) at the 31 August 2025 was a surplus of £403,807 (2024: deficit £222,065).

At 31 August 2025, the net book value of tangible fixed assets was £39,243,890 (2024 as restated: £41,415,219) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education including associated support services to the pupils of the academy trust and furthering the other Objects of Character Education Trust.

Investment policy and objectives

There are no investments held beyond cash deposits retained with the major UK clearing banks & the investment property, 39 Teapot Lane. Speculative investments are not permitted.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRATEGIC REPORT

Financial review

Reserves policy

The Trustees have formalised a policy on reserves, which is held separately within the budget and available to support the strategic aims of the Trust. This is monitored by Trustees and Management to ensure that sufficient reserves are maintained to meet anticipated future needs while avoiding long term accumulation of excessive funds.

With imminent changes to the funding formula it is essential that adequate revenue funds are available to support future staffing structures and curriculum initiatives, all of which is constantly reviewed through Leadership and Management and/or Trustee visits.

The total funds held at 31 August 2025 were £40,213,632; split between unrestricted funds of £48,249 (2024: £nil), a GAG surplus of £355,558 (2024: deficit (£222,065)), pension asset/deficit £nil (2024: (£19,000)) and fixed asset funds of £39,809,825 (2024 as restated: £41,579,800).

The trustees have determined that the appropriate level of free reserves should be between 3% and 5% of annual revenue income which amounts to £483,941 - 806,569 (2024: £441,872 - £736,453). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. Trustees also believe that the Trust should not hold excessive levels of reserves as funds should be being used for the benefit of existing children at its academies. The current level of free reserves is a surplus of £48,249 (2024: £Nil) which is currently below what we would expect. The current level of Restricted income funds is £355,558 (2024: Deficit £241,065).

The trust has worked hard at establishing reserves during the year. This included reviewing staffing levels, fixing premises costs and a restructure of operating costs. This was submitted to the Department of Education and approved. The trustees were informed by inspections by internal auditors, the deployment of an SRMA and the Department for Education of the progress made and how the trust was working faster than expectations on returning to surplus reserves.

The trust has also heavily reviewed the budget with the internal auditors with a view to ensuring that the surplus would meet the 3% target during the next three years.

The trust holds funding available for the Wrotham School 3G pitch which is not available for general purposes of school education which amounted to £203,243 (2024: £187,628) and is held within the restricted fixed asset fund.

The trust received devolved formula capital funding of £42,206 (2024: £41,472) in the year, of which £1,653 (2024: £nil) was unspent at the year end and held within the restricted fixed asset fund.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRATEGIC REPORT

Financial review

Going concern

After making appropriate enquiries and in light of the significant deficit on funds in the last financial year, the Board of Trustees has reviewed how the financial position of the trust will continue and have over seen an extensive review of budgets going forward.

The recovery plan was created by the CAO/CFO following last years audit and the DFE were informed immediately after the accounts were signed. The trust approved the budget and recovery plan and this has been highly effective at quickly recovering the deficit and returning the school to surplus. The DFE have tracked and supported this work throughout and have been reassured and complimentary of the swift action taken and the high impact this has had.

The board reported the issue to the Department of Education and completed all the required documentation to show the reasons for the deficit position and the planned budget for the next three years.

The board met with external consultants (SMRA) working with the Department of Education to review the steps needed for better financial control with a redesign of the accounting reports and a core list of questions to be requested at every meeting. The trust board have reviewed the experience and have recruited a trustee with finance in education experience.

Additional work was completed by the internal auditors, Edufin, allowing for audit preparation and assessment of the current years accounts and the future budgets.

The board monitored the surpluses against targets and progress towards a positive surplus which was achieved ahead of schedule.

The trust worked hard to remove reliance on forbearance of its creditors and to pay within payment terms.

The trust updated its policies and procedures including a financial whistleblowing policy, to make sure that all staff are comfortable raising concerns of any financial transactions.

The leadership team of the trust reviewed finances on a weekly basis and had the chair of trust present to make sure trust awareness was present at all times.

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

Fundraising

The trust does not currently use external fundraisers to generate funding for the trust. All internally generated fundraising undertaken during the year was monitored by the trustees.

The trust completed a sponsored walk for the students in July. The school was able to have charity quizzes and similarly natured events during the year. Wrotham School is trying to fundraise for new furniture for the new build project.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRATEGIC REPORT

Principal risks and uncertainties

The risk register and related documents have been fully updated and renewed to ensure all risks including financial risk are clearly documented and shared with the Trust board at every meeting and reviewed in full. The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching/academic performance, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational area (e.g. In relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision on academy grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trustees have considered the risks presented to the Trust and have implemented policies and systems to mitigate these risks. The Academy Trust will continue to manage these risks, through a series of performance reviews, monitoring and efficiency evaluation, to ensure that any future annual deficit can be met by reserves. The Trustees have deemed the following risks to be of most serious consequences to the Academy:

a) Failure to successfully recruit and retain students:

The Trust's ability to successfully recruit and retain students is key to the financial viability of the Trust. Maintaining the reputation of the Trust as one of the higher performing non-selective trusts in Kent, is key in mitigating this risk as its vision to prioritising academic excellence, high expectations and development of character, being inclusive and developing the highest quality of teaching and learning.

b) Impact on Trust's funding as a result of changes to education and fiscal policy:

Given the proportion of income that arises from central and local Government, any changes to their education and fiscal policy, will impact on the financial viability of the Trust. Additional pressure is being put on the Trust's finances given predicted changes to educational funding policies, combined with inflationary pressures, additional costs arising from pension scheme contribution rates and auto-enrolment. This risk is being managed by the regular reporting and monitoring of monthly management accounts, combined with budgeting for the next three years. Where necessary corrective action is taken to keep costs in line with the Trust's funding and predicted number of students.

c) Impact of uncontrollable event, e.g. fire or flood:

The impact of a serious uncontrollable event such as fire or flood would have a significant impact on the Trust and so the risks from this are minimised by ensuring insurance and systems are up to date. An asset management plan is in place to address routine maintenance, planned maintenance and repair and other compliance. The Trust monitors the sites termly to review existing maintenance schedules and plans for repairs to keep both sites meeting the relevant regulations for site. This with Aylesford School means working alongside the PFI stakeholders who complete additional audit checks yearly. At Wrotham expertise from the site manager and third party experts allow for the monitoring of the site over a regular period. This is monitored by the trust board and the local governing body.

The plans and strategies employed to manage the above risks are explained in the Governance Statement.

d) Deficit of funds

The funds in deficit at the start of this year have been due to unexpected costs that have arisen in relation to school personnel and absence of key leadership in the trust which has now been addressed and rectified. The trust had a plan in place and the deficit was removed. The outcomes of last year's deficit budget have been clearly reflected in all risk documents. Changes to the trust structure, work with associate trusts, and the appointment of a new CEO and updates of all relevant policies to be fit for purpose with the appropriate level of rigour have now reduced this risk significantly.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRATEGIC REPORT

Future plans

The Trustees are committed to ensuring the trust has high expectations and that its structure and schools reflect our clear ethos and values. The trust has been required to reevaluate its outlook in regards to growth and continues to explore this, including through associate membership with LSEAT. We recognise and value the benefits of collaboration and partnership, including the challenge and support that benefits all when schools work together. The trust works alongside schools who are not in our trust.

The Trust is working with Department of Education on the rebuild of Wrotham School. Construction work took place during the year and the target of being in the new school for the 2026/27 academic year remains in place. The school is looking for reserves and fundraising to assist in the new equipment required for the school.

The trust are working in collaboration with the London South East Academies Trust. There was a memorandum of association signed for the two trusts to work collaboratively for the 2025/26 academic year. There is the opportunity for the Character Education Trust to merge within LSEAT in the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity and was set up by a memorandum of association on 8 June 2011. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Character Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Character Education Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

Directors' & Officers' insurance is in place through the DfE Risk Protection Assurance scheme. This policy has a limit of indemnity of £10,000,000. The cover is for legal liability for claims arising from a breach of professional duty by reason of any neglect, error or omission.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Board is currently comprised of 7 Trustees, of whom one is a Staff Trustee and none are Parent Trustees. The appointment of Trustees is governed by the Company's Articles of Association. The members of the Company may appoint up to 20 Trustees. They may also appoint Staff Trustees through such process as they may determine, providing no more than one third of the Trustees are employees of the Company. The Chief Executive Officer automatically becomes a Trustee upon appointment. The Board of Trustees will recruit Trustees according to the needs of the Trust and the skills the Board of Trustees require.

The trust advertise for trustees based on skills set required on a variety of different platforms. An interview process with the chair of trust will take place before the committee will consider if the appointment should take place.

The Board are considering a restructuring plan that will re-establish the trust board and local governing bodies from January 2026 onwards.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. An induction programme is available to all new Trustees, and this includes a meeting with the Chief Executive Officer, Head teacher and Chair of Trustees, a tour of the Academy's, a welcome pack and an induction booklet, which includes copies of relevant policies and procedures.

Where necessary, induction will include training in charity, educational, legal and financial matters relevant to the operation of the Company. They are also provided with an annual training programme for both internal workshops/ training and external specific Academy Trustee courses. This includes mandatory safeguarding and prevent training. A careful record of Trustees' training is maintained.

A skills audit is updated at least annually and is conducted on induction.

The schools and the trust use governor hub which is frequently updated with key information, KPI's, training opportunities and general training.

The Trust ensures that all Trustees are provided with the information needed to undertake their role as Trustees.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees are responsible for setting the strategic direction of the Trust. They hold the executive leadership team to account for the effective implementation of the trust strategy and operating plan, including in relation to the use of resources and the drivers of impact. The board assures itself of the integrity of financial information; that there are robust risk controls and risk management systems; and that there is compliance with regulatory, contractual, and statutory requirements, including safeguarding.

These have all been updated this year to ensure this work is compliant and reflect a high performing approach to trust governance.

The Board of Trustees comprises those persons appointed under the Articles of Association. The board meets seven times in a year. The Trust Board receives reports from the CEO and other members of the Executive. The Trust Board also operates as a Finance and Audit Committee and includes relevant agenda items at least three times a year. This committee is focussed on identifying, reviewing and, managing risk, as well as ensuring that the Trust meets its financial obligations.

The Board delegates a number of specific responsibilities to the Local Governing Bodies of the schools on the review of education, safeguarding and academic results; the activities of which are reported to and discussed at full Board Meetings. The responsibility of Health and Safety is maintained by a trust board member for both schools.

A Strategic Leadership Group is comprised of the Chief Executive Officer (who is also the Chief Accounting Officer), the Director of Finance, the Director of Human Resources and the Headteachers. They lead the Trust at an executive level ensuring full compliance with the policies set out by the Trustees. The Strategic Leadership Group also exists to ensure that collaboration is effective; to ensure that Headteachers are supported; to ensure that good leaders develop more leaders. At each academy/school the Headteacher has a leadership team consisting of Deputy and Assistant Head teachers. A scheme of delegation exists to ensure that responsibilities for leadership decisions and accountability are clear.

Spending control is devolved to the Chief Executive Officer and the Director of Finance. A financial scheme of delegation is in operation with limits above which cheques/approvals are countersigned by a Trustee.

The appointment panel for leadership posts across the Trust always includes a Trustee.

Arrangements for setting pay and remuneration of key management personnel

The Trustees and Chief Executive Officer establish all leadership structure for the Trust and determine its membership. The Trustees determine the salary scales for the leadership group, including the Chief Executive Officer and Head teachers. Trustees take account of the following factors in the determining the pay of the Chief Executive Officer, Head teachers, Deputy and Assistant Head teachers, the Human Resources Director and the Director of Finance, as laid out in the Trust Pay and Appraisal Policies.

- | | |
|---|-------------------------------------|
| - level of responsibility | - experience |
| - performance | - affordability |
| - size and structure of the Leadership Team | - qualifications |
| - recruitment and retention issues | - vision and ambitions of the Trust |
| - market value | - recruitment and retention issues |

The CEO remuneration is benchmarked against a range of similar schools and uses the Confederation of School Trusts (CST) annual report to ensure this is in line with similar size and contexts.

CHARACTER EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2025.

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	Nil
Total pay bill	£10,884,561

Percentage of the total pay bill spent on facility time calculated as:
 $(\text{total cost of facility time} \div \text{total pay bill}) \times 100$ 0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:
 $(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$ 0%

Related parties

Where Trustees offer their services to the Trust their interest is recorded on the relevant paperwork and the circumstances discussed by the Board. The Chief Executive Officer is an employee of the company.

FUNDS HELD AS CUSTODIAN FOR OTHERS

There are no assets held for safe custody and neither the academy trust or its trustees are acting as custodian trustee

AUDITORS

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.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 December 2025 and signed on the board's behalf by:



S Smith - Trustee

CHARACTER EDUCATION TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2025**

SCOPE OF RESPONSIBILITY

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance guide.

The board of trustees has delegated the day-to-day responsibility to the Executive Head teacher, and from 1 December 2024 the Head teacher at Wrotham School 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 Character Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

CHARACTER EDUCATION TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2025**

GOVERNANCE

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Smith (Chair)	6	7
L Blumsum (resigned 31.8.25)	4	7
A Clarke (resigned 14.10.25)	2	7
D J A Day	7	7
A Malik	3	7
M C Reeve	6	7
M Wright (resigned 30.4.25)	0	6
M Cater (appointed 23.5.25)	5	7
Y A A Cook (appointed 19.5.25)	2	2
R Metzler (resigned 9.12.24)	0	2

There were two appointments and three resignations during the year.

The Trust Board's work this year has been focused on the following key areas:

- The quality of provision and outcomes for students at Wrotham School (Academy)
- The leadership and management of Trust finances.
To work on expanding the site including building a CIF expansion bid and working with the Department of
- Education for potential redevelopment of the school.
Trustees have been co-opted onto the local governing body of Aylesford School to support and develop the
- quality of governance.
Trustees have met with Chairs of Governors of local schools to inform them of the work of Character Education
- Trust.
- The quality of provision and outcomes for students at Wrotham School and Aylesford School

The trust works hard to make sure there are sufficient processes in place to avoid conflicts of interests. The trust monitors registers of interests for Aylesford School, Wrotham School and the trust. Where required there are clear separation of roles and monitoring responsibilities amongst the local governing bodies and the trust board. The trust has no ownership issues of any subsidiaries, joint ventures or associates.

During the year, the Review of Governance arrangements, including skills audit, was undertaken and no shortfalls in any areas were found.

The Board of Trustees review Governance arrangements annually and this involves a skills audit.

CHARACTER EDUCATION TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2025**

REVIEW OF VALUE FOR MONEY

As accounting officer, the CEO/Head teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Using both central and local government frameworks to secure competitive prices on major areas of expenditure including energy
- Reviews by trustees to analyse Key Performance Indicators at Wrotham and Aylesford schools to identify areas of review to be considered by a trustee when reviewing the finances of the trust.
- Benchmarking financial data not only across the two schools but also with other similar schools.
- Reviewing all contracts as they come up for renewal, to ensure that the Trust is achieving value for money and that risk is being minimised
- Looking at the costs and the recovery plan during the year and working with the finance director to make sure it was fully implemented.
- To monitor the school site to make sure that the site is safe including boiler maintenance and energy efficiency reviews
- Working with trustees on the internal audit function and the development of the new site.

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Character Education 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.

The school appointed Edfin (internal auditors) for carrying out internal reviews. Two reviews were carried out on the effectiveness of financial control and procurement measures. This allows any risk to be identified early and adjustments made to correct this. This ensures confidence with accounts at key dates in the year.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy 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 risk register has been rewritten and updated this year to ensure an appropriate and comprehensive document is in place to ensure risks are managed effectively.

CHARACTER EDUCATION TRUST

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2025**

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The trustees also completed internal reviews on the finance function as well as those conducted by Edufin.

The internal auditors' role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Review of budget setting and forward planning processes including reserves policy
- Review of the current budget and management accounts
- Review of Balance sheet and working papers

The internal auditors' report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. This is completed every two terms.

Edufin was chosen as a sub-contractor due to their extensive knowledge and experience in providing external reviews and forensic accountancy of our accounts providing feedback at key intervals to ensure compliance and minimise risk.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the trust board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

CHARACTER EDUCATION TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2025

CONCLUSION

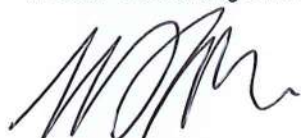
Based on the advice of the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the board of trustees on 15 December 2025 and signed on its behalf by:

S Smith - Trustee

A handwritten signature in black ink, appearing to read 'S Smith', written in a cursive style.

M Cater - Accounting Officer

A handwritten signature in black ink, appearing to read 'M Cater', written in a cursive style.

CHARACTER EDUCATION TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2025

As accounting officer of Character Education 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 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 academy 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 funds by the academy 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.



M Cater - Accounting Officer

15 December 2025

CHARACTER EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2025

The trustees (who act as governors of Character Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education 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 15 December 2025 and signed on its behalf by:



S Smith - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHARACTER EDUCATION TRUST**

Opinion

We have audited the financial statements of Character Education Trust (the 'academy trust') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019, and the Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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 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 academy 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 academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHARACTER EDUCATION TRUST**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Trustees 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHARACTER EDUCATION TRUST

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and management and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academy Trust Handbook 2024 and UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- reviewing the reports produced via the academy trust's internal scrutiny function;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators such as the DfE.

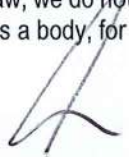
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHARACTER EDUCATION TRUST

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

Use of our report

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



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

15 December 2025

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CHARACTER EDUCATION TRUST AND THE SECRETARY OF STATE FOR EDUCATION**

In accordance with the terms of our engagement letter dated 6 October 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 Character Education 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 Character Education 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 Character Education 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 Character Education 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 Character Education Trust and the reporting accountant

The accounting officer is responsible, under the requirements of Character Education 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CHARACTER EDUCATION TRUST AND THE SECRETARY OF STATE FOR EDUCATION**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the internal reviewer during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academy Trust Handbook, including the distribution of management accounts and quantity of meetings.
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Character Education Trust and the Secretary of State and the Academy Trust Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CHARACTER EDUCATION TRUST AND THE SECRETARY OF STATE FOR EDUCATION**

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.



McCabe Ford Williams
Chartered Accountants
Reporting Accountant
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

15 December 2025

CHARACTER EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025

			Restricted Fixed Asset funds	Restricted general funds	31.8.25 Total funds £	31.8.24 Total funds as restated £
	Notes	Unrestricted fund £	£	£	£	
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	12,380	42,206	-	54,586	35,498
Charitable activities						
Funding for the academy's educational operations	3	701,184	-	15,187,217	15,888,401	14,541,837
Other trading activities	4	146,521	-	-	146,521	113,071
Investment income	5	41,875	-	-	41,875	38,657
Total		<u>901,960</u>	<u>42,206</u>	<u>15,187,217</u>	<u>16,131,383</u>	<u>14,729,063</u>
EXPENDITURE ON						
Raising funds	7	59,215	-	-	59,215	43,636
Charitable activities						
Academy's educational operations	8	774,795	1,831,882	14,552,594	17,159,271	17,702,228
Total		<u>834,010</u>	<u>1,831,882</u>	<u>14,552,594</u>	<u>17,218,486</u>	<u>17,745,864</u>
NET INCOME/(EXPENDITURE)		67,950	(1,789,676)	634,623	(1,087,103)	(3,016,801)
Transfers between funds	22	(19,701)	19,701	-	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	(38,000)	(38,000)	(77,000)
Net movement in funds		48,249	(1,769,975)	596,623	(1,125,103)	(3,093,801)
RECONCILIATION OF FUNDS						
Total funds brought forward		-	42,597,480	(241,065)	42,356,415	44,432,536
As previously reported		-	(1,017,680)	-	(1,017,680)	-
Prior year adjustment	12	-	(1,017,680)	-	(1,017,680)	-
As restated		-	41,579,800	(241,065)	41,338,735	44,432,536

The notes form part of these financial statements

CHARACTER EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

				31.8.25	31.8.24
	Unrestricted fund	Restricted Fixed Asset funds	Restricted general funds	Total funds	Total funds as restated
Notes	£	£	£	£	£
TOTAL FUNDS CARRIED FORWARD	<u>48,249</u>	<u>39,809,825</u>	<u>355,558</u>	<u>40,213,632</u>	<u>41,338,735</u>

The notes form part of these financial statements

CHARACTER EDUCATION TRUST**STATEMENT OF FINANCIAL POSITION**
31 AUGUST 2025

	Notes	31.8.25 £	31.8.24 as restated £
FIXED ASSETS			
Tangible assets	15	39,243,890	41,415,219
Investment property	16	<u>380,000</u>	<u>-</u>
		39,623,890	41,415,219
CURRENT ASSETS			
Debtors	17	458,123	404,826
Cash at bank		<u>1,148,888</u>	<u>712,163</u>
		1,607,011	1,116,989
CREDITORS			
Amounts falling due within one year	18	<u>(1,002,226)</u>	<u>(1,155,344)</u>
NET CURRENT ASSETS		<u>604,785</u>	<u>(38,355)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		40,228,675	41,376,864
CREDITORS			
Amounts falling due after more than one year	19	(15,043)	(19,129)
PENSION LIABILITY	23	-	(19,000)
NET ASSETS		<u><u>40,213,632</u></u>	<u><u>41,338,735</u></u>

The notes form part of these financial statements

CHARACTER EDUCATION TRUST

STATEMENT OF FINANCIAL POSITION - continued
31 AUGUST 2025

FUNDS	22		
Restricted funds:			
Fixed asset funds		39,809,825	41,579,800
Restricted income funds		<u>355,558</u>	<u>(241,065)</u>
		40,165,383	41,338,735
Unrestricted income fund		<u>48,249</u>	<u>-</u>
TOTAL FUNDS		<u><u>40,213,632</u></u>	<u><u>41,338,735</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 15 December 2025 and were signed on its behalf by:



S Smith - Trustee

The notes form part of these financial statements

CHARACTER EDUCATION TRUST**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	31.8.25 £	31.8.24 as restated £
Cash flows from operating activities			
Cash generated from operations	1	406,208	(621,653)
Interest paid		<u>(8,925)</u>	<u>(5,266)</u>
Net cash provided by/(used in) operating activities		<u>397,283</u>	<u>(626,919)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(40,553)	(207,606)
Capital grants from DfE/EFA		42,206	19,255
Sale of tangible fixed assets		-	420
Rents received		18,600	18,050
Interest received		<u>23,275</u>	<u>20,607</u>
Net cash provided by/(used in) investing activities		<u>43,528</u>	<u>(149,274)</u>
 Cash flows from financing activities			
Loan repayments in year		<u>(4,086)</u>	<u>(4,085)</u>
Net cash used in financing activities		<u>(4,086)</u>	<u>(4,085)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		436,725	(780,278)
Cash and cash equivalents at the beginning of the reporting period		<u>712,163</u>	<u>1,492,441</u>
 Cash and cash equivalents at the end of the reporting period		<u>1,148,888</u>	<u>712,163</u>

The notes form part of these financial statements

CHARACTER EDUCATION TRUST**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025****1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.8.25	31.8.24 as restated
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,087,103)	(3,016,801)
Adjustments for:		
Depreciation charges	1,831,882	2,336,613
Capital grants from DfE/ESFA	(42,206)	(19,255)
Profit on disposal of fixed assets	-	(58)
Interest received	(23,275)	(20,607)
Interest paid	8,925	5,266
Defined benefit pension service costs	336,000	318,000
Contributions to defined benefit pension	(388,000)	(384,000)
Net interest on defined benefit pension	(9,000)	(9,000)
Admin costs on defined benefit pension	4,000	-
Rents received	(18,600)	(18,050)
Increase in debtors	(53,297)	(137,610)
(Decrease)/increase in creditors	(153,118)	323,849
Net cash provided by/(used in) operations	<u>406,208</u>	<u>(621,653)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.24 £	Cash flow £	At 31.8.25 £
Net cash			
Cash at bank	<u>712,163</u>	<u>436,725</u>	<u>1,148,888</u>
	<u>712,163</u>	<u>436,725</u>	<u>1,148,888</u>
Debt			
Debts falling due within 1 year	(3,918)	-	(3,918)
Debts falling due after 1 year	<u>(19,129)</u>	<u>4,086</u>	<u>(15,043)</u>
	<u>(23,047)</u>	<u>4,086</u>	<u>(18,961)</u>
Total	<u>689,116</u>	<u>440,811</u>	<u>1,129,927</u>

The notes form part of these financial statements

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 AUGUST 2025**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Character Education Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Character Education Trust, Wrotham School, Borough Green Road, Wrotham, Sevenoaks, TN15 7RD. The principal activity of the academy trust is to provide a secondary education for pupils that satisfies the requirements of the Education Act 2022.

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2024 to 2025 issued by the DfE, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is rounded to the nearest pound.

Going concern

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability/asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact on the carrying amount of the pension liability/asset. 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. In determining the value of the pension asset/liability the impact of an asset ceiling has been included to assess for recoverability, in accordance with the requirements of FRS 102.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

The net book value of freehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. Any element of freehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of freehold property which does not relate to land is depreciated on a straight-line basis of 50 years, being the estimated useful economic life and it is assumed that the asset has no residual value on the basis of its specialised nature. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

The company measures investment properties at fair value under the fair value model. Fair value is determined by the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.

A third party is used to value the property using the market approach. The market approach involves comparing the investment property with similar properties that have been sold or leased in similar conditions.

The Trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are 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 academy 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 it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025

1. ACCOUNTING POLICIES - continued

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the DfE. Payments received from the DfE 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 academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 26.

Other income

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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 academy trust's accounting policies.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

Tangible fixed assets

Assets costing more than £5,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at the following annual rates in order to write off the cost less its estimated residual value of each asset over its estimated useful life:

Freehold property	- 20% on cost and 2% on cost
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on cost

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Investment property

The Academy holds an investment property, which is a three-bedroom residential property, rented out to residential tenants. In accordance with the Charities SORP (FRS 102) Section 16 "Investment Property," the Academy measures its investment property at fair value. Gains or losses arising from changes in the fair value of the property are recognised in the Statement of Financial Activities in the period in which they occur.

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Liabilities

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

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 AUGUST 2025**

1. ACCOUNTING POLICIES - continued

b) Cash and cash equivalents

Financial instruments

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 AUGUST 2025**

1. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions benefits

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

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

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

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

2. DONATIONS AND CAPITAL GRANTS

	31.8.25	31.8.24 as restated
	£	£
Donations	12,380	16,243
Grants	<u>42,206</u>	<u>19,255</u>
	<u>54,586</u>	<u>35,498</u>

Included within donations are unrestricted funds of £12,380 (2024: £16,243).

Included within capital grants is £42,206 (2024: £19,255). This consists of £42,206 (2024: £41,472) of devolved formula capital spent on fixed assets and a clawback of £nil (2024: £22,217) of CIF funding relating to a project cancelled in a prior year.

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****2. DONATIONS AND CAPITAL GRANTS - continued**

Grants received, included in the above, are as follows:

	31.8.25	31.8.24 as restated
	£	£
Other DfE/EFSA grants	42,206	41,472
Condition Improvement Funding	-	(22,217)
	<u>42,206</u>	<u>19,255</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.25 Total funds £	31.8.24 as restated Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	12,097,038	12,097,038	10,924,261
Pupil Premium	-	395,850	395,850	364,242
6th Form Grant	-	1,128,922	1,128,922	1,290,039
Teachers Pay Grant	-	189,734	189,734	183,855
Teachers Pension Grant	-	307,443	307,443	161,594
Other DfE Group Grants	-	260,596	260,596	597,186
Core Schools Budget Grant	-	404,300	404,300	-
	-	<u>14,783,883</u>	<u>14,783,883</u>	<u>13,521,177</u>
Other Government grants				
Local Authority Grants	-	376,112	376,112	212,475
Other Grants	-	<u>27,222</u>	<u>27,222</u>	<u>117,189</u>
	-	<u>403,334</u>	<u>403,334</u>	<u>329,664</u>
Other income from the academy trust's educational operations	<u>701,184</u>	-	<u>701,184</u>	<u>690,996</u>
	<u>701,184</u>	<u>15,187,217</u>	<u>15,888,401</u>	<u>14,541,837</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****4. OTHER TRADING ACTIVITIES**

	31.8.25	31.8.24 as restated
	£	£
Lettings	84,802	78,471
Sale of educational materials	<u>61,719</u>	<u>34,600</u>
	<u>146,521</u>	<u>113,071</u>

Included within other trading activities is unrestricted income of £146,521 (2024: £113,071) and restricted income of £nil (2024: £nil).

5. INVESTMENT INCOME

	31.8.25	31.8.24 as restated
	£	£
Rents received	18,600	18,050
Deposit account interest	<u>23,275</u>	<u>20,607</u>
	<u>41,875</u>	<u>38,657</u>

Included within deposit account interest is unrestricted income of £23,275 (2024: £20,607) and restricted income of £nil (2024: £nil).

Rents received is made up of rental income from 39 Teapot Lane of which £18,600 (2024: £18,050) is unrestricted, and £nil (2024: £nil) is restricted.

6. EXPENDITURE

				31.8.25	31.8.24 as restated
	Staff costs	Non-pay expenditure	Other costs	Total	Total
	£	Premises	£	£	£
		£			
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	59,215	59,215	43,636
Charitable activities					
Academy's educational operations					
Direct costs	10,206,735	1,738,312	785,316	12,730,363	13,362,416
Allocated support costs	<u>1,122,166</u>	<u>1,055,786</u>	<u>2,250,956</u>	<u>4,428,908</u>	<u>4,339,812</u>
	<u>11,328,901</u>	<u>2,794,098</u>	<u>3,095,487</u>	<u>17,218,486</u>	<u>17,745,864</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****6. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	31.8.25	31.8.24 as restated
	£	£
Auditor's remuneration	18,050	16,388
Auditor's remuneration for non-audit work	3,833	5,458
Depreciation - owned assets	1,831,882	2,336,613
Other operating leases	6,775	2,659
Surplus on disposal of fixed assets	-	(58)

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	31.8.25	31.8.24 as restated
	£	£
3G Pitch Expenditure	<u>59,215</u>	<u>43,636</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Total funds £	31.8.24 as restated Total funds £
Direct costs	355,075	12,375,288	12,730,363	13,362,416
Support costs	<u>419,720</u>	<u>4,009,188</u>	<u>4,428,908</u>	<u>4,339,812</u>
	<u>774,795</u>	<u>16,384,476</u>	<u>17,159,271</u>	<u>17,702,228</u>

	31.8.25 Total £	31.8.24 as restated Total £
Analysis of support costs		
Support staff costs	1,122,166	1,003,119
Depreciation	99,201	95,034
Technology costs	162,915	137,974
Premises costs	1,055,786	1,164,806
Legal costs - other	35,605	72,133
Other support costs	1,927,750	1,837,518
Governance costs	<u>25,485</u>	<u>29,228</u>
Total support costs	<u>4,428,908</u>	<u>4,339,812</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****9. STAFF COSTS**

	31.8.25	31.8.24 as restated
	£	£
Wages and salaries	7,969,667	7,985,470
Social security costs	952,772	847,853
Operating costs of defined benefit pension schemes	<u>1,962,122</u>	<u>1,788,337</u>
	10,884,561	10,621,660
Supply teacher costs	370,371	351,066
Compensation payments	51,327	95,299
Severance	<u>22,642</u>	<u>33,500</u>
	<u>11,328,901</u>	<u>11,101,525</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.25	31.8.24 as restated
Teachers	104	103
Management	18	23
Support Staff	<u>110</u>	<u>86</u>
	<u>232</u>	<u>212</u>

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

	31.8.25	31.8.24 as restated
£60,001 - £70,000	20	11
£70,001 - £80,000	2	2
£80,001 - £90,000	-	1
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	2	1
£150,001 - £160,001	<u>1</u>	<u>1</u>
	<u>27</u>	<u>17</u>

Key Management Personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership 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 Academy Trust was £2,425,209 (2024: £2,168,988).

Severance Payments

The academy trust made 1 severance payment in the year, disclosed in the following band:

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2025

9. STAFF COSTS - continued

£50,001 - £100,000

1

Included in severance payments are special severance payments totalling £22,642 (2024: £nil) relating to one single payment.

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

M Wright (CEO and accounting officer (until 30.4.25)):

Remuneration £150,001 - £155,000 (2024: £150,001 - £155,000)

Employer's pension contributions paid £25,001 - £30,000 (2024: £35,001 - £40,000)

M Cater (CEO and accounting officer (from 23.5.25)):

Remuneration £35,001 - £40,000

Employer's pension contributions paid £10,001 - £15,000
(2024: not applicable)

During the year ended 31 August 2025, £140 of expenses were reimbursed directly to 1 trustee in relation to a car windscreen repair from an accident that occurred on the school site. (2024: £NIL).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted Fixed Asset funds	Restricted general funds	Total funds as restated £
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	16,243	19,255	-	35,498
Charitable activities				
Funding for the academy's educational operations	613,118	-	13,928,719	14,541,837
Other trading activities	113,071	-	-	113,071
Investment income	38,657	-	-	38,657
Total	<u>781,089</u>	<u>19,255</u>	<u>13,928,719</u>	<u>14,729,063</u>
EXPENDITURE ON				
Raising funds	43,636	-	-	43,636
Charitable activities				
Academy's educational operations	886,145	2,336,555	14,479,528	17,702,228

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund	Restricted Fixed Asset funds	Restricted general funds	Total funds as restated £
	£	£	£	£
Total	<u>929,781</u>	<u>2,336,555</u>	<u>14,479,528</u>	<u>17,745,864</u>
NET INCOME/(EXPENDITURE)	(148,692)	(2,317,300)	(550,809)	(3,016,801)
Transfers between funds	(499,613)	241,364	258,249	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	-	(77,000)	(77,000)
Net movement in funds	(648,305)	(2,075,936)	(369,560)	(3,093,801)
RECONCILIATION OF FUNDS				
Total funds brought forward	648,305	43,655,736	128,495	44,432,536
TOTAL FUNDS CARRIED FORWARD	<u>-</u>	<u>41,579,800</u>	<u>(241,065)</u>	<u>41,338,735</u>

12. PRIOR YEAR ADJUSTMENT**Nature of the Adjustment:**

In preparing the accounts for the year ended 31 August 2025, it was identified that depreciation had not been charged on the freehold property of Aylesford School since the asset was brought into the accounts. As a result, the prior year's financial statements did not reflect the correct carrying amount of the freehold property and associated depreciation expense.

This has been corrected by restating the prior year's figures to reflect the depreciation that should have been charged since September 2022. The adjustment is made in accordance with FRS 102 section 10.20 (Correction of prior period errors) and the Charities SORP.

Impact of the Adjustment:

The adjustment affects both the Statement of Financial Activities (SOFA) and the Statement of Financial Position. The following outlines the effect of the prior year adjustment on the financial statements:

1. Statement of Financial Activities (SOFA)

Expenditure: The depreciation charge for the freehold property from 1 September 2022 to 31 August 2024 of £1,017,680 is included in the prior year's statement of financial activities.

2. Statement of Financial Position (Balance Sheet)**Freehold Property (Tangible Fixed Assets):**

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025

12. PRIOR YEAR ADJUSTMENT - continued

- The value of freehold property as at the beginning of the prior year has been reduced by the cumulative depreciation charge for the previous period (as calculated based on the useful life and depreciation method used for the property).

Accumulated Depreciation:

- The accumulated depreciation on the freehold property has been updated to reflect the prior year's depreciation charge.

Net Assets/Total Funds:

- The prior year's total funds/net assets are reduced by the amount of depreciation that was not previously charged.

3. Comparative Figures Restated:

The following table shows the adjustments to the prior year's figures:

Description	As previously reported £	Adjustment £	Restated £
Net Book Value of Freehold Property	41,905,056	(1,017,680)	40,887,376
Accumulated Depreciation on Freehold Property	5,110,755	1,017,680	6,128,435
Total Net Assets	42,356,415	(1,017,680)	41,338,735
Expenditure (Depreciation on Freehold Property)	1,223,841	1,017,680	2,241,521

*Total freehold property includes assets other than Aylesford School

4. Explanation of Impact on the Financial Position:

The failure to charge depreciation in the prior year resulted in an overstatement of net assets in that year. As a result, the restatement of prior year figures brings the net assets and the carrying value of the freehold property in line with the accounting policies for depreciation as stated in FRS 102 and the Charities SORP.

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****14. CENTRAL SERVICES**

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

- Financial services
- Legal services
- Educational support services
- Others as arising

The academy trust charges for these services on the following basis:

- 4.70% of GAG funding

The actual amounts charged during the year were as follows

Wrotham School	£278,484
Aylesford School	<u>£289,774</u>
	<u>£568,198</u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2024	47,015,811	506,544	11,916	553,533	48,087,804
Additions	-	9,930	-	30,623	40,553
Reclassification	<u>(380,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(380,000)</u>
At 31 August 2025	<u>46,635,811</u>	<u>516,474</u>	<u>11,916</u>	<u>584,156</u>	<u>47,748,357</u>
DEPRECIATION					
At 1 September 2024	6,128,435	143,390	5,632	395,128	6,672,585
Charge for year	<u>1,732,681</u>	<u>37,308</u>	<u>1,570</u>	<u>60,323</u>	<u>1,831,882</u>
At 31 August 2025	<u>7,861,116</u>	<u>180,698</u>	<u>7,202</u>	<u>455,451</u>	<u>8,504,467</u>
NET BOOK VALUE					
At 31 August 2025	<u>38,774,695</u>	<u>335,776</u>	<u>4,714</u>	<u>128,705</u>	<u>39,243,890</u>
At 31 August 2024	<u>40,887,376</u>	<u>363,154</u>	<u>6,284</u>	<u>158,405</u>	<u>41,415,219</u>

Character Education Trust's transactions relating to land and buildings included:

The freehold of Aylesford School was donated to the academy trust at a value of £33,900,000. The Aylesford school is subject to a Private Finance Initiative (PFI) signed by the Kent County Council. Character Education Trust is not a party to this agreement. The contract commenced in 2005 and it will expire in 2033. Under a separate agreement between Character Education Trust and the local authority, the Trust assumed the annual obligation of paying for maintenance of the building at an approximate cost of £1.5 million per year. See note 24.

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2025**15. TANGIBLE FIXED ASSETS - continued**

Included within freehold property is an amount of £8,548,000 regarding land at Aylesford school and £8,548,000 regarding land at Wrotham school. The land is not depreciated.

16. INVESTMENT PROPERTY

	£
FAIR VALUE	
Reclassification	<u>380,000</u>
At 31 August 2025	<u>380,000</u>
NET BOOK VALUE	
At 31 August 2025	<u>380,000</u>
At 31 August 2024	<u>-</u>

The academy holds an investment property located at 39 Teapot Lane, Aylesford, which is rented out for residential purposes. The property generates rental income from residential tenants, with total rental income for the year amounting to £18,600 (2024: £18,050). This income is classified as unrestricted investment income in the financial statements.

The investment property of 39 Teapot Lane was donated to the academy trust at a value of £380,000. The trustees have considered the value of the property at 31 August 2025 and are satisfied that it is shown in the accounts at its fair value.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.25	31.8.24 as restated
	£	£
Trade debtors	11,293	13,021
Other debtors	500	-
VAT	28,460	152,546
Prepayments and accrued income	<u>417,870</u>	<u>239,259</u>
	<u>458,123</u>	<u>404,826</u>

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.25	31.8.24 as restated
	£	£
Other loans (see note 20)	3,918	3,918
Trade creditors	152,527	357,196
Social security and other taxes	212,551	202,538
Other creditors	240,911	238,043
Accruals and deferred income	392,319	353,649
	<u>1,002,226</u>	<u>1,155,344</u>
	31.08.25	31.08.24
	£	£
Deferred income at 1 September 2024	39,451	22,244
Released from previous years	(37,003)	(3,361)
Resources deferred in the year	<u>110,344</u>	<u>20,568</u>
Deferred income at 31 August 2025	<u>112,792</u>	<u>39,451</u>

At the balance sheet date, the academy trust was holding funds as follows:

	31.08.25	31.08.24
	£	£
Catering income	10,133	12,030
Charity income	1,448	1,448
School trips	59,141	20,946
Wrotham Walk	-	4,027
Grant funding	<u>42,070</u>	<u>1,000</u>
Deferred income at 31 August 2025	<u>112,792</u>	<u>39,451</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.8.25	31.8.24 as restated
	£	£
Other loans (see note 20)	<u>15,043</u>	<u>19,129</u>

20. LOANS

An analysis of the maturity of loans is given below:

	31.8.25	31.8.24 as restated
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>3,918</u>	<u>3,918</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>3,918</u>	<u>3,918</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>11,125</u>	<u>15,211</u>

CIF loans of £10,000 and £23,848 were awarded in 2020.

The loan of £10,000 incurs interest at 1.68% annually and is repayable over 12 years.

The loan of £23,848 is interest free and is repayable over 9 years.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted Fixed Asset funds £	Restricted general funds £	31.8.25 Total funds £
Fixed assets	-	39,243,890	-	39,243,890
Investments	-	380,000	-	380,000
Current assets	59,542	204,896	1,342,573	1,607,011
Current liabilities	(11,293)	(3,918)	(987,015)	(1,002,226)
Long term liabilities	-	(15,043)	-	(15,043)
Pension liability	-	-	-	-
	<u>48,249</u>	<u>39,809,825</u>	<u>355,558</u>	<u>40,213,632</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****21. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued**

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

				31.8.24 as restated
	Unrestricted fund £	Restricted Fixed Asset funds £	Restricted general funds £	Total funds £
Fixed assets	-	41,415,219	-	41,415,219
Current assets	39,453	365,021	712,515	1,116,989
Current liabilities	(39,453)	(181,311)	(934,580)	(1,155,344)
Long term liabilities	-	(19,129)	-	(19,129)
Pension liability	-	-	(19,000)	(19,000)
	<u>-</u>	<u>41,579,800</u>	<u>(241,065)</u>	<u>41,338,735</u>

22. MOVEMENT IN FUNDS

	At 1.9.24 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.8.25 £
Restricted general funds					
General Annual Grant (GAG)	(222,065)	-	577,623	-	355,558
Pension Reserve	<u>(19,000)</u>	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>-</u>
	<u>(241,065)</u>	<u>-</u>	<u>596,623</u>	<u>-</u>	<u>355,558</u>
Restricted fixed asset funds					
Assets held for depreciation	42,432,899	(1,017,680)	(1,831,882)	40,553	39,623,890
Sinking fund	187,628	-	-	15,615	203,243
Salix loan	(23,047)	-	-	4,086	(18,961)
Capital funding	<u>-</u>	<u>-</u>	<u>42,206</u>	<u>(40,553)</u>	<u>1,653</u>
	<u>42,597,480</u>	<u>(1,017,680)</u>	<u>(1,789,676)</u>	<u>19,701</u>	<u>39,809,825</u>
Total restricted funds	<u>42,356,415</u>	<u>(1,017,680)</u>	<u>(1,193,053)</u>	<u>19,701</u>	<u>40,165,383</u>
Unrestricted fund					
General fund	-	-	67,950	(19,701)	48,249
TOTAL FUNDS	<u>42,356,415</u>	<u>(1,017,680)</u>	<u>(1,125,103)</u>	<u>-</u>	<u>40,213,632</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****22. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	12,097,038	(11,519,415)	-	577,623
Pension Reserve	-	57,000	(38,000)	19,000
Other DfES/ESFA grants	260,596	(260,596)	-	-
Other grant income	27,222	(27,222)	-	-
Pupil Premium	395,850	(395,850)	-	-
6th Form Grant	1,128,922	(1,128,922)	-	-
Teachers Pay Grant	189,734	(189,734)	-	-
Teachers Pension Grant	307,443	(307,443)	-	-
Local Authority Grants	376,112	(376,112)	-	-
Core Schools Budget Grant	404,300	(404,300)	-	-
	<u>15,187,217</u>	<u>(14,552,594)</u>	<u>(38,000)</u>	<u>596,623</u>
Restricted fixed asset funds				
Assets held for depreciation	-	(1,831,882)	-	(1,831,882)
Capital funding	42,206	-	-	42,206
	<u>42,206</u>	<u>(1,831,882)</u>	<u>-</u>	<u>(1,789,676)</u>
Total restricted funds	<u>15,229,423</u>	<u>(16,384,476)</u>	<u>(38,000)</u>	<u>(1,193,053)</u>
Unrestricted fund				
General fund	901,960	(834,010)	-	67,950
TOTAL FUNDS	<u>16,131,383</u>	<u>(17,218,486)</u>	<u>(38,000)</u>	<u>(1,125,103)</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****22. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.9.23 £	Net movement in funds as restated £	Transfers between funds £	At 31.8.24 as restated £
Restricted general funds				
General Annual Grant (GAG)	145,495	(625,809)	258,249	(222,065)
Pension Reserve	(17,000)	(2,000)	-	(19,000)
	<u>128,495</u>	<u>(627,809)</u>	<u>258,249</u>	<u>(241,065)</u>
Restricted fixed asset funds				
Assets held for depreciation	43,544,588	(2,336,555)	207,186	41,415,219
Sinking fund	138,280	-	49,348	187,628
Salix loan	(27,132)	-	4,085	(23,047)
Capital funding	-	19,255	(19,255)	-
	<u>43,655,736</u>	<u>(2,317,300)</u>	<u>241,364</u>	<u>41,579,800</u>
Total restricted funds	<u>43,784,231</u>	<u>(2,945,109)</u>	<u>499,613</u>	<u>41,338,735</u>
Unrestricted fund				
General fund	648,305	(148,692)	(499,613)	-
TOTAL FUNDS	<u>44,432,536</u>	<u>(3,093,801)</u>	<u>-</u>	<u>41,338,735</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****22. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended as restated £	Gains and losses £	Movement in funds as restated £
Restricted general funds				
General Annual Grant (GAG)	10,924,261	(11,550,070)	-	(625,809)
Pension Reserve	-	75,000	(77,000)	(2,000)
Other DfES/ESFA grants	597,186	(597,186)	-	-
Other grant income	117,189	(117,189)	-	-
Pupil Premium	364,242	(364,242)	-	-
6th Form Grant	1,290,039	(1,290,039)	-	-
Teachers Pay Grant	183,855	(183,855)	-	-
Teachers Pension Grant	161,594	(161,594)	-	-
Local Authority Grants	212,475	(212,475)	-	-
RPA Insurance Claim	77,878	(77,878)	-	-
	<u>13,928,719</u>	<u>(14,479,528)</u>	<u>(77,000)</u>	<u>(627,809)</u>
Restricted fixed asset funds				
Assets held for depreciation	-	(2,336,555)	-	(2,336,555)
Capital funding	19,255	-	-	19,255
	<u>19,255</u>	<u>(2,336,555)</u>	<u>-</u>	<u>(2,317,300)</u>
Total restricted funds	<u>13,947,974</u>	<u>(16,816,083)</u>	<u>(77,000)</u>	<u>(2,945,109)</u>
Unrestricted fund				
General fund	781,089	(929,781)	-	(148,692)
TOTAL FUNDS	<u>14,729,063</u>	<u>(17,745,864)</u>	<u>(77,000)</u>	<u>(3,093,801)</u>

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2025

22. MOVEMENT IN FUNDS - continued

Total fund balance as at 31 August 2025 were allocated as follows:

	2025	2024 as restated
	£	£
Wrotham School	164,950	(218,147)
Aylesford School	217,210	(3,918)
Central	21,647	-
	<u>403,807</u>	<u>(222,065)</u>
Restricted fixed asset funds	39,809,825	41,579,800
Pension reserve	-	(19,000)
	<u>40,213,632</u>	<u>41,338,735</u>

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Wrotham School	5,927,683	33,336	108,423	1,526,090	7,595,532
Aylesford School	<u>5,030,847</u>	<u>39,782</u>	<u>180,116</u>	<u>2,540,328</u>	<u>7,791,073</u>
Total	<u>10,958,530</u>	<u>73,118</u>	<u>288,539</u>	<u>4,066,418</u>	<u>15,386,605</u>

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the Academy Trust. The Academy Trust is allowed to carry forward funds in accordance with the Academy Trust Handbook, which is reviewed annually. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2025.

Other restricted general funds

Funding is provided by government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

The LGPS has been charged to restricted reserves. This is because the obligation to fund the scheme is met from the General Annual Grant funding which is accounted for through restricted reserves and therefore it is more appropriate to charge adjustments to restricted reserves.

Restricted fixed asset funds

Funding is provided by way of government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy Trust in achieving its educational objectives.

DfE/ESFA capital grants for assets have been utilised for the purchase of tangible fixed assets and transferred to Assets Held for Depreciation.

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 AUGUST 2025**

22. MOVEMENT IN FUNDS - continued

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the Academy Trust.

Transfers between funds

£15,615 was transferred from general unrestricted funds to the sinking fund to be held for future repairs and maintenance to the 3G pitch.

£4,086 was transferred from general unrestricted funds to the fixed asset fund to cover repayments made on the loan.

A net transfer of £42,206 was made from capital funding to assets held for depreciation, which consists of devolved formula capital spent on fixed assets.

23. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £219,989 were payable to the schemes at 31 August 2025 (2024 - £221,315) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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 and 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.

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2025

23. PENSION AND SIMILAR OBLIGATIONS - continued

- 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 was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £1,630,424 (2024 - £1,464,856).

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 academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy 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 academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £488,000 (2024 - £484,000), of which employer's contributions totalled £388,000 (2024 - £384,000) and employees' contributions totalled £100,000 (2024 - £100,000).

The agreed contribution rates for future years are 22.50 per cent for employers and a variable percent for employees dependent on salary.

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

	Defined benefit pension plans	
	31.8.25	31.8.24
	£	£
Present value of funded obligations	(4,242,000)	(4,546,000)
Fair value of plan assets	5,145,000	4,527,000
Surplus/(Deficit)	903,000	(19,000)
Impact of an Asset Ceiling	(903,000)	-
Net Asset/(Liability)	-	(19,000)

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2025**23. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.8.25	31.8.24 as restated
	£	£
Current service cost	336,000	318,000
Net interest from net defined benefit asset/liability	(9,000)	(9,000)
Past service cost	-	-
Administration costs	4,000	3,000
	<u>331,000</u>	<u>312,000</u>
Actual return on plan assets	<u>232,000</u>	<u>210,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.25	31.8.24 as restated
	£	£
Opening defined benefit obligation	4,546,000	3,764,000
Current service cost	336,000	318,000
Contributions by scheme participants	100,000	100,000
Interest cost	227,000	204,000
Benefits paid	(196,000)	(5,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	79,000	(9,000)
Actuarial (gains)/losses from changes in financial assumptions	(891,000)	193,000
Oblig other remeasurement	41,000	(19,000)
	<u>4,242,000</u>	<u>4,546,000</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2025**23. PENSION AND SIMILAR OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.25	31.8.24 as restated
	£	£
Opening fair value of scheme assets	4,527,000	3,747,000
Contributions by employer	388,000	384,000
Contributions by scheme participants	100,000	100,000
Expected return	236,000	213,000
Actuarial gains/(losses)	(4,000)	(3,000)
Benefits paid	(196,000)	(5,000)
Return on plan assets (excluding interest income)	94,000	91,000
	<u>5,145,000</u>	<u>4,527,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.25	31.8.24 as restated
	£	£
Actuarial gains/(losses) from changes in demographic assumptions	(79,000)	9,000
Actuarial gains/(losses) from changes in financial assumptions	891,000	(193,000)
Oblig other remeasurement	(41,000)	19,000
Return on plan assets (excluding interest income)	94,000	91,000
Actuarial gains/(losses)	-	(3,000)
Impact of asset ceiling	<u>(903,000)</u>	<u>-</u>
	<u>(38,000)</u>	<u>(77,000)</u>

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 AUGUST 2025**23. PENSION AND SIMILAR OBLIGATIONS - continued**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.25	31.8.24 as restated
Equities	60%	57%
Gilts	5%	7%
Other bonds	14%	15%
Property	8%	9%
Cash	3%	2%
Absolute return	5%	5%
Infrastructure	5%	5%
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	31.8.25	31.8.24 as restated
Discount rate	5.90%	5.05%
Future salary increases	3.50%	3.80%
Future pension increases (CPI)	2.50%	2.80%
Commutation of pension to lump sums	50.00%	50.00%
Inflation assumptions (RPI)	2.95%	3.15%

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

Retiring today		
Males	21.4	20.7
Females	23.7	23.3
Retiring in 20 years		
Males	23	22
Females	25.4	24.7

Sensitivity analysis (Impact on the liability)

	31.8.25	31.8.24 as restated
	£	£
Discount rate +0.1%	4,180,000	4,473,000
Discount rate -0.1%	4,305,000	4,621,000
Mortality assumption - 1 year increase	4,342,000	4,677,000
Mortality assumption - 1 year decrease	4,144,000	4,419,000
CPI rate +0.1%	4,306,000	4,620,000
CPI rate -0.1%	4,179,000	4,474,000

CHARACTER EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2025****24. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.25	31.8.24 as restated
	£	£
Within one year	5,142	5,142
Between one and five years	<u>7,713</u>	<u>12,855</u>
	<u>12,855</u>	<u>17,997</u>

Payments under other contractual commitments fall due as follows:

	31.8.25	31.8.24 as restated
	£	£
Within one year	1,565,569	1,529,290
Between one and five years	6,737,947	6,544,873
In more than five years	<u>5,593,376</u>	<u>7,352,019</u>
	<u>13,896,892</u>	<u>15,426,182</u>

The Character Education Trust occupies premises which are subject to a private finance initiative (PFI) contract. The trust itself is not party to this service concession contract, however the academy trust has entered in to an agreement with Kent County Council towards the costs of the local authority. The above relates to the commitments to operating payments including costs for catering, cleaning, utilities and other ancillary services.

Finance leases treated as operating leases

At 31 August 2025 the total of the Academy Trusts future minimum lease payments under non - cancellable finance leases were:

	31.08.25	31.08.24
	£	£
Within one year	15,627	15,627
Between one and five years	<u>31,254</u>	<u>46,881</u>
	<u>46,881</u>	<u>62,508</u>

CHARACTER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2025

25. RELATED PARTY DISCLOSURES

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

	2025 (£)	2024 (£)
S Reeve		
Remuneration	20,001 - 25,000	20,001 - 25,000
Pension contributions paid	-	-
R Malik		
Remuneration	25,001 - 30,000	15,001 - 20,000
Pension contributions paid	5,001 - 10,000	5,001 - 10,000
W Reeve		
Remuneration	-	1 - 5,000
Pension contributions paid	-	-
M Newman		
Remuneration	-	1 - 5,000
Pension contributions paid	-	-

The transactions above are all with family members of trustees and/or key management personnel. These transactions were received by the staff members in the course of their employment for the trust.

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

26. AGENCY ARRANGEMENTS

The Multi Academy Trust distributes 16-19 bursary funds to students as an agent for the DfE. In the accounting period ending 31 August 2025 the trust received £20,594 (2024: £22,593) and disbursed £16,399 (2024: £23,056) from the fund. As at 31 August 2025, the cumulative unspent 16-19 bursary fund is £20,923 (2024: £16,728) which is repayable to DfE if not distributed.

