



CARLTON
ACADEMY TRUST

CARLTON ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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CARLTON ACADEMY TRUST**(A company limited by guarantee)**

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Members | A Laher D Woodward I Shafiq G Bradshaw A Barker |
| Trustees | G Logan, Chair of Trustees A Kneeshaw, Chief Executive Officer G Arnold R Butterfield G Hussain A Sheikh K Singh R Jamil (resigned 9 February 2021) D Thompson (resigned 2 November 2021) F Khan (appointed 5 October 2021) |
| Company registered number | 11963458 |
| Company name | Carlton Academy Trust |
| Principal and registered office | Carlton Bolling Undercliffe Lane Bradford BD3 0DU |
| Company secretary | Schofield Sweeney |
| Accounting Officer | A Kneeshaw |
| Senior management team | A Kneeshaw, Chief Executive Officer J Girt, Head of School - Carlton Bolling (resigned 31 August 2021) S Charlton, Director of School Improvement L Reeder, Chief Financial Officer V Hartford, Director of Primary Improvement (appointed 01 December 2020) Z Kearns, Head of School - Marshfield Primary (appointed 01 December 2020) G Killmister, Head of School - Carlton Mills (appointed 1 September 2020, resigned 30 April 2021) M Azum, Head of School - Carlton Bolling (appointed 1 September 2021) C McDonald, Head of School - Carlton Mills (appointed 01 May 2021) D Cooksey, Head of School - Thorpe Primary (appointed 01 December 2020) |

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors BHP LLP
New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Bankers Lloyds Bank plc
45 Hustlergate
Bradford
BD1 1NT

Solicitors Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

CARLTON ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During 2020-21, the trust became a multi-academy trust (MAT), with the conversion of Carlton Mills (formerly Lister Primary) at the start of September and Marshfield Primary and Thorpe Primary also joining the trust at the beginning of December. Carlton Academy Trust (CAT) also continued to support another secondary school University Academy Keighley (UAK) under a Service Level Agreement (SLA) in advance of its' scheduled conversion to the trust on 1 September 2021. Conversion was not made on this date but is expected shortly. Altogether there are 1 secondary and 3 primary schools in the academy trust with just over 2700 total students on roll in the school census on 7 October 2021.

Structure, governance and management***a. Constitution***

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Carlton Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Carlton Academy 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.

b. 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.

c. Trustees' indemnities

There are no qualifying third-party indemnity provisions.

d. Method of recruitment and appointment or election of Trustees

All trustees are appointed based on the levels of skill, knowledge and experience they can offer the trust in required areas of expertise. In addition, trustees should also demonstrate congruence with the ethos and culture by which the trust operates. No trustee, except for the CEO, are paid for their services although they may claim reasonable expenses incurred within the scope of their duties.

To date all members and trustees have been recruited through the professional networks and contacts of other members/trustees. There are no elections or voting systems for the appointment of trustees or members.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)***e. Policies adopted for the induction and training of Trustees***

When appointed, new trustees are provided with an induction which outlines the composition and constitution of the board of trustees and members, expectations of their role and familiarisation with the current context of the trust. They will also be allocated a link governor role according to their particular knowledge and experience.

Trustees will also be provided with access to ongoing training, with the trust currently signed up to Gold membership with the National Governors Association. Membership includes monthly magazines, weekly newsletters, training webinars, online resources and resources specifically aimed at those new to the role.

Trustees have easy access to all trust policies via the website or internal trust systems, and are actively encouraged to visit to attend events, observe daily practice and to undertake duties relating to their link responsibilities.

f. Organisational structure

The structure and operation of the Trust follows the guidelines as set out in the Academies Financial Handbook and Academies Governance Handbook.

The Trustees have overall responsibility and ultimate decision-making authority for the effective operation of the trust. Their role is strategic rather than operational, holding senior leaders to account for the performance of the school across all areas of operation. This is mainly achieved through quality assurance methodologies, budget monitoring, and oversight of strategic planning.

Members are the subscribers to the trust, and are the equivalent to shareholders in a company. Their role is to ensure trustees perform their duties in a competent manner in accordance with the charitable purposes of its founding/articles of association.

The Chief Executive Officer (CEO) is the most senior member of trust staff, being responsible for overall performance of the trust across all areas. They implement the strategic objectives developed by trustees, reporting back to them on their success.

Financial management responsibilities are largely delegated to the Chief Financial Officer, with teaching and learning/school improvement quality assured by the Director of Secondary. Overall responsibility for each school lies with the Heads of School.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)***g. Arrangements for setting pay and remuneration of key management personnel***

The remuneration of senior centrally employed trust staff is made according to four pay bands. These bands consider total remuneration, including pay, employer pension contributions and other benefits, and as such provide additional flexibility in the remuneration of these staff. Staff progress through these bands in line with increasing responsibilities according to the total number of schools and students they are responsible for.

Each band contains six spinal points, creating a 24-point total scale. The setting of pay position within these bands is made with reference to guidance from the DFE 'Setting Executive Salaries' (2019) with consideration made to experience, previous achievements, and level of challenge within the role.

Heads of Schools are paid with reference to national (teacher) leadership salary scales, modified according to school group size. Exact positions within these scales are determined by experience, prior and current performance, and the level of challenge faced.

h. Trade union facility time***Relevant union officials***

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

Percentage of time spent on facility time

| <i>Percentage of time</i> | <i>Number of employees</i> |
|----------------------------------|-----------------------------------|
| 0% | - |
| 1%-50% | - |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time **£**

| | |
|---|-------------------|
| Total cost of facility time | - |
| Total pay bill | 13,364,823 |
| Percentage of total pay bill spent on facility time | - % |

Paid trade union activities

| | |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - % |
|---|-----|

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)***i. Engagement with employees (including disabled persons)***

The trust has many mechanisms with which it keeps employees fully aware of matters which are of concern to them. All schools have at least one weekly briefing session where key information is presented from senior leaders/other relevant personnel and offers the opportunity for questions from any member of staff. These are supplemented by staff meetings, regular after-school training sessions and email updates.

The trust values its employees and seeks to make their working lives as trouble-free and enjoyable as possible. To facilitate this, the trust consults fully with staff when making decisions which are likely to affect their interests. This is done through their representatives (unions), where appropriate, such as when a staffing restructure is being considered. Alternatively, consultation may sometimes be completed without the use of unions through various formats including questionnaires, focus groups, individual staff interviews or interactions encouraged by an 'open-door' policy. These latter methods have proven to be effective in 2020-21, with information from staff interviews leading to significant change at one trust school.

The trust seeks to involve employees in the performance of schools, and regularly discuss the factors that are important in creating these outcomes. Targets generally relate to performance in external examinations and Ofsted inspection gradings. This serves to promote engagement, motivation in their work and performance of the school/trust. Staff are informed through various means of communication including staff briefings, school improvement plans, presentations, email updates, and informal conversations. However, this process has been compromised to a significant degree over the past year through the absence of externally validated exam results (SATS, GCSE) and normal Ofsted inspection processes.

The trust is committed to being an equal opportunities employer and as such welcome's applications from disabled persons. Reasonable adjustments will be made for disabled employees, or those who become disabled, so that they can fully expedite the requirements of their role and play a full role in the school/trust. They will also be afforded full career development opportunities in line with the opportunities offered to all staff.

Objectives and activities***a. Objects and aims***

The Trust aims to provide outstanding education and education outcomes to all students irrespective of race, culture, gender, disability or any other defining characteristic. This includes academic/exam outcomes, as well as relating to the broader social, moral and cultural development of students.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

2021-22 will see a continuation of the twin objectives from 2020-21, trust expansion and further development of trust operational systems. These both contribute to the medium-term aim of the Trust developing into an established high-performing Trust of scale (approx. 10 schools/5000 students).

Trust expansion: 2020-21 saw rapid expansion with three schools joining the trust. This may normally have predicated a period of consolidation to fully assimilate these schools and deal with any structural concerns at each. However, effective work from existing personnel and notable further recruitment to the central team, has left the trust in a position to accommodate further expansion.

Capacity is within both primary and secondary sectors, which has been enhanced by the recruitment of a Director of Primary and Secondary Executive Headteacher, respectively. Other notable recruitment includes a Director of Facilities and Compliance; Director of Pastoral; Director of SEND, Recruitment Manager; and a Procurement and Contracts Manager. CAT have also commissioned a third-party IT network management company, in lieu of the formal recruitment of a Trust Director of IT, as originally planned.

The central team now comprises 18 members of staff, covering all major operational areas. This has helped establish the resources to accommodate significant further growth.

Development of Trust operational systems: The Trust continually aims to improve productivity through the development of operational systems. Improvements are sought across all areas, whether directly related to teaching and learning or within support services, with the aim of effecting both financial and operational efficiencies.

Major infrastructure initiatives for 2021-22 include the following:

- Introduction and development of a trust IT network, email system and intranet.
- Introduction of new HR and recruitment software systems.
- Catering reviews at all schools and the probable migration to other providers or in-house solution.
- Development of the trust website, logo and marketing communications.
- Continued development of Trust Operational Handbooks.
- Increased training to raise awareness and understanding of Trust leadership philosophies.

c. Public benefit

As a publicly funded organisation, all activities undertaken are exclusively for public benefit. In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Going concern

After making appropriate enquiries, the trustees have 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 can be found in the Statement of Accounting Policies.

b. Key performance indicators

Due to the continued impact of coronavirus, there again were no externally validated GCSE examinations or Key Stage 2 tests. Therefore, standards within both primary and secondary can only be judged in reference to internal teacher-assessed grades and quality assurance procedures.

GCSE results at Carlton Bolling were in line with previous Progress 8 scores at the school at around +0.50, maintaining high standards in line with the school's outstanding Ofsted rating. The school undertook rigorous quality assurance procedures to ensure the accuracy of these teacher assessed grades, so results may be viewed with some degree of assurance. Results at UAK also followed the same quality assurance protocols and indicate another step forward in standards to a Progress 8 score of around +0.30. When considering standards alone, the results at UAK are synonymous with a strong 'good' school approaching the thresholds of 'outstanding'.

Quality assurance at primary schools has shown a similarly positive picture. The extremely high previous standards of Marshfield have been maintained, whilst both Thorpe and Carlton Mills (formerly Lister Primary) show noticeable signs of improvement, in line with our medium term aims of making each an 'outstanding' and 'good' rated school, respectively.

External validation for the high standards at Carlton Bolling and Marshfield has come through the prestigious World Class Schools Quality mark status, with the former gaining re-accreditation and the latter achieving this status for the first time.

The financial performance of all trust schools and the trust in general is strong, which has been further facilitated by staff restructuring processes at both Thorpe and Carlton Mills. This leaves all schools, with the exception of Thorpe, with sizeable in-year surpluses for the forthcoming years. Carlton Bolling is in a particularly strong position, enabling it to afford a sizeable six-figure investment in IT infrastructure out of its in-year budget surplus. The Trust also has considerable reserves, especially when considering the excellent financial position at UAK.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)***Financial review******a. Review of financial period***

During the year ended 31 August 2021, when excluding the LGPS Pension Scheme adjustments, including liabilities inherited on conversion, the trust recorded an in-year surplus of £1,198,599, with an income of £17,253,763 and total expenditure of £16,055,164. This has exclusively been created through the strong financial position of trust schools and an accumulation of in-year surpluses.

As of 31 August 2021, the total assets less current liabilities was £4,395,602 and the net book value of tangible fixed assets was £1,314,917. The balance sheet discloses cash and bank balances of £2,778,271

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants. The use of these is restricted as defined by the Memorandum and Articles of Association. In addition to these grants, the trust also receives income from UAK through the SLA.

b. Reserves policy

The trust reviews the level of free reserves on an annual basis, and currently has £2,373,603 in reserves. The trust aims to retain reserves equivalent to one month of total expenditure. This should be sufficient to deal with financial emergencies such as temporary cashflow problems or large one-off purchases or expenditure.

As the Trust currently has substantial reserves, which will be significantly supplemented with the conversion of UAK, it does not apply reserves charge to individual schools. This is inappropriate when considering the scale of current reserves, but also provides a disincentive for schools who efficiently manage their finances and amass in-year surpluses.

Instead, the trust allows schools to retain any surpluses, which can be used as necessary in the future, thus reducing the reliance on trust reserves to deal with exceptional circumstances. When used in this way, they act in the same manner as trust reserves, but accounted for in an alternative way.

c. Investment policy

The Trust may only invest in low-risk investments that pose no risk to the original capital invested. In practical terms this limits the scope of investments to bank nor building society savings accounts. The trust is not currently investing its reserves within any such accounts due to the combination of very low interest rates and the requirement to limit investments to £85k in line with coverage of the Financial Services Compensation Scheme. For the meagre returns, it would not be economic in terms of internal staffing costs to set up and administer the large number of accounts required.

d. Principal risks and uncertainties

Covid 19: Was expected to be a significant financial threat to the trust in 2020-21. This was largely due to the significantly increased costs of staff absence/teacher supply, additional costs of PPE and cleaning, and compliance with government-mandated covid safety measures such as year group bubbles. Despite these considerable threats, and trust schools being in an area of high covid infection rates, costs weren't significant. This was due to the application of financially and operationally effective methods to deal with covid, and the strong prior financial position of schools, which enabled the trust to register an in-year overall surplus when excluding the LGPS Pension Scheme adjustments, including liabilities inherited on conversion.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

With the diminution of covid risks, there are five major risks facing the trust at the outset of 2021-22 as follows:

Lower Academic Standards: This is in recognition of the greater relative impact of covid on students within the trust. Bradford is an area which has suffered relatively high covid rates, with 'hotspots' found in areas surrounding most trust schools. This led to higher levels of student absence both as confirmed cases or as a close contact of others. This situation was exacerbated by the poorer relative ability of parents/carers to support students when working remotely at home during lockdowns or self-isolation. This related to both their knowledge of course content as well as access to laptops/computers and quiet places to study. To address these risks, all schools have taken effective remedial measures including a detailed analysis of gaps in student learning and development of a catch-up curriculum, supplemented by targeted student interventions and effective usage of monies received through the national tutoring/catch-up programme.

UAK PFI Payments: The most significant financial risk facing the trust is the ongoing commitment to make PFI payments at UAK. These are around £1.4m currently and grow at an annualised rate of 3.4% until contract termination in 2025. Despite the scale of these payments, current projections indicate that the school will generate a net surplus over the remaining years of the contract. UAK has also amassed very substantial reserves that the trust will use on conversion to meet any potential financial liabilities should the financial outlook worsen.

New Heads of School: There have been many changes to senior leadership within the trust and its' schools over the last year, including the recruitment of four new Heads of School. This potentially threatens overall standards if they fail to lead to the standards expected by the Trust. The chances of them failing to do this are significantly reduced by four factors:

- a) All four are well known by the trust, being promoted to Head of School after being a Deputy Head. Therefore, there is greater provenance as to their ability and suitability for the role.
- b) They are closely supported in their roles by the Director of Primary or Secondary Executive Head, and the CEO. This means they have access to high quality advice and support and reduces the likelihood of them making major errors.
- c) Provision of Trust Operational handbooks, which codify decision-making in key operational areas and reduce the scope for poor decision-making.
- d) Expert support of central Trust personnel, which significantly reduces the scope of their work allowing them to increasingly concentrate on work directly relating to school improvement.

Loss of Key Personnel: The continued growth and success of the Trust would be compromised by the departure of any high-performing senior trust personnel. These are proven, high quality personnel, who have turned around schools in the most challenging of circumstances and created some of the highest standards found nationally. These principally include the CEO, Director of Primary, Secondary Executive Headteacher, and Director of Secondary. The departure of any would at the very least cause significant short-term interruptions to service and at worst threaten the ongoing success and viability of the trust.

The trust has sought to reduce the chances of this happening through the development of a working culture which supports their work, as well as remuneration packages that suitably rewards their talents and diminishes their chances of being 'headhunted' by other trusts.

Threat of Compromise to Trust ICT Data/Ransomware Threats: Schools and trusts are becoming increasingly vulnerable to hacking where data is taken, and ransoms demanded for its return. Should this occur, it could cripple the operational capacity of the trust for several weeks, with a large potential financial ransom fee charged for its' return. To protect against this, the trust has made a major investment in network infrastructure and security to reduce the vulnerability of trust schools to being hacked. It is also taking ongoing further steps to enhance network security and safe practice across all schools, engaging with IT professionals to ensure that solutions are as secure as reasonably practicable.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

e. Pension reserve

There is a declared deficit on the defined benefit pension scheme (Local Government Pension Scheme, LGPS) for associate staff. Whereas the value is significant, it is the norm nationwide.

This deficit currently stands at £6.902m for the period end 31st August 2021 (2020: £3.720m)

Fundraising

The trust does not use any external fundraisers and has not involved itself in large-scale fundraising activities during 2020-21, mainly due to the interrupting effects of covid 19. However, with the impact of covid being diminished at the start of 2021-22, the trust is aiming to generate further revenues through lettings and other commercial activities, led by the newly appointed Procurement and Contracts Manager. This will principally centre on Carlton Bolling where there are many facilities that have commercial potential.

These fundraising activities will be closely monitored by the CFO and CEO to ensure that relevant funding opportunities and companies are being approached which are congruent and appropriate to the trust's articles and memorandum of association. They would also seek to ensure that any fundraising activities did not represent an unreasonable intrusion on a person's privacy, constitute unreasonably persistent approaches, or place undue pressure on a third party or person. The CEO would be responsible for oversight and management of any complaints relating to fundraising.

Plans for future periods

The trust's main medium-term ambition is to become an established Multi-Academy Trust of scale, comprising around 10 schools/5000 students. This is a scale where the costs of each additional school are significantly reduced, and the trust can benefit from economies of scale. It is essential that growth occurs in a controlled manner, so as not to stretch resources and compromise standards. The considerable recruitment to the central trust team that took place across 2020-21, allied to improved trust procedures, has significantly enhanced the resources and capacity of the trust to take on new schools. As we start 2021-22, this would comprise one secondary school, and 1-2 primary schools depending on the nature of challenges faced.

Other main priorities for future periods include:

- Improving academic standards across all schools to achieve our ambition of all schools being outstanding.
- Maintaining the strong financial position of the trust and all individual schools within the trust.
- Refining operational procedures within support service functions to promote greater productivity and financial efficiency.

Funds held as custodian on behalf of others

The trust holds no funds as a custodian on behalf of others.

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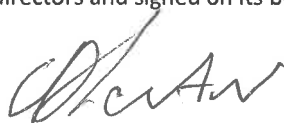
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Insofar as the trustees are aware:

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

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



Gareth Logan
Chair of Trustees

Date: 14-12-21

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GOVERNANCE STATEMENT

Scope of responsibility

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

As trustees we have reviewed and taken account of the guidance in DFE's Governance Handbook and Competency Framework for Governance.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer as accounting officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Carlton Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns of internal control.

Governance

The board of trustees met six times during 2020-21. The agenda includes reporting back from the Risk and Audit committee, discussion of standards across all other key areas (academic, safeguarding, attendance, behaviour, etc), and any other major opportunities or issues that face the trust at that time.

All scheduled meetings have been held, despite the challenges of Covid, through enabling a combination of live and remote attendance at meetings. As a result, there has been strong attendance and consequential oversight of major issues. The quality of reports and presentations at meetings has been of a consistently high standard, enabling trustees to have an objective, accurate assessment of trust performance and make informed decisions based on these. This is demonstrated through the strong standards of academic performance and financial performance of the trust.

The knowledge of trustees is developed through being directed to relevant DFE documentation such as the Governance Handbook, Academy Trust Handbook and The Essential Trustee, as well as access to resources provided through Gold membership of the National Governor's Association (NGA). Resources currently being utilised by the NGA include the Skills Matrix, which is completed annually to assess the relative strengths of trustees.

Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| G Logan, Chair of Trustees | 6 | 6 |
| A Kneeshaw, Chief Executive Officer | 6 | 6 |
| G Arnold | 2 | 6 |
| R Butterfield | 5 | 6 |
| G Hussain | 2 | 6 |
| A Sheikh | 5 | 6 |
| K Singh | 5 | 6 |
| R Jamil (resigned 09 February 2021) | 1 | 2 |
| D Thompson | 6 | 6 |
| F Khan (appointed 05 October 2021) | 0 | 0 |

There has only been one personnel change across the year, with the resignation of Rizwana Jamil in February 2021. The trust board has not carried out an independent review of its' effectiveness over the course of the year. This is a new requirement, and as such the trust is making plans to complete a review during 2021-22.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

There has been no change to Membership during the year, with attendance at meetings as follows:

| Members | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Ishaq Shafiq | 1 | 1 |
| Dean Woodward | 1 | 1 |
| Ayub Laher | 1 | 1 |
| Gwendolen Bradshaw | 1 | 1 |
| Anna Barker | 0 | 1 |

The Risk and Audit committee allows greater oversight and scrutiny of trust financial management and financial performance, major procurement, trust risk management and audit procedures. To oversee financial performance, the board has access to monthly financial reports, budget statements and annual accounts.

It meets at least once every half term, with findings reported as a standing item at full trustees' meetings. Membership is made up of three trustees plus the CEO and CFO. Major areas of discussion during 2020-21 were the commissioning of outsourced IT network management providers, procurement for the IT network upgrade and discussion of the findings of external audit processes.

The most significant of these audits was a risk management/health and safety audit organised through the RPA (Risk Protection Arrangement). This examined and separately reported risks for both Carlton Academy Trust and Carlton Bolling. Both reports were positive in their findings but did also signpost valuable further developments in procedure and practice that have since been adopted by the trust.

Another audit examined trust payroll procedures, which was valuable in highlighting flaws that left procedures vulnerable to fraud or errors. All recommendations from the report were adopted shortly thereafter, with appropriate changes to systems and personnel.

A third audit examined the quality of IT network infrastructure and security across all schools in the trust. This was used to inform subsequent procurement to develop a trust network and email systems, as well as improvements to network security.

Attendance at meetings in 2020-21 was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------|-------------------|-------------------|
| Gareth Logan | 8 | 8 |
| Roger Butterfield | 6 | 8 |
| Altaf Sheikh | 6 | 8 |
| Adrian Kneeshaw | 8 | 8 |

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

The CEO, as accounting officer, has responsibility for ensuring that the trust delivers good value in the use of public monies in creating strong outcomes for all its students. Improved value for money during the year is illustrated through the following examples:

Contract Renewal: The trust has created a 'Contracts Register' which shows when contracts are due for renewal. This is overseen by the Procurement and Contracts Manager, who uses this to pro-actively plan competitive tendering for contract renewals. The register includes all trust schools, which enables greater bulk purchase discounts.

Central Trust Staffing: The central trust team has significantly expanded, particularly in relation to the finance function where two members of staff have been recruited with duties overseeing all schools. This greater level of expertise has served to increase the efficiency of financial operations.

Staffing Restructures: Several restructures have taken place across trust schools. These have principally been at the primary schools converting to the trust. These have helped to both increasingly align resources to school/trust priorities but have also served to considerably improve the financial position at each.

The success of these and other financial initiatives is demonstrated by the very strong financial position across each of the schools and trust in general.

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 Carlton Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with annual budget and monthly financial reports which are reviewed and agreed by the board of trustees.
- Regular review of financial performance by the Risk and Audit committee.
- Setting targets to measure financial performance.
- Clearly defined purchasing and procurement guidelines and financial policies.
- Identification and management of risks.

CARLTON ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of trustees have decided to buy internal audit services from three different providers. The RPA conducted the Risk Management Audit, Afinite completed the IT network management audit, whilst Clive Owen completed an audit of trust payroll processes.

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

- Trust Payroll
- Risk Management and Health and Safety
- Review of IT network infrastructure and security across all schools.

On an approximate termly basis the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities, and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

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

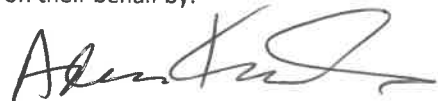
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and 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 Risk and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Gareth Logan
Chair of Trustees



Adrian Kneeshaw
Accounting Officer

Date: 14-12-21

14/12/21

CARLTON ACADEMY TRUST

(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Carlton Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



A Kneeshaw
Accounting Officer

Date: 14/12/21

CARLTON ACADEMY TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



G Logan
Chair of Trustees

Date: 14 - 12 - 21

CARLTON ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CARLTON ACADEMY TRUST

Opinion

We have audited the financial statements of Carlton Academy Trust (the 'academy trust') for the period ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors 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.

CARLTON ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CARLTON ACADEMY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CARLTON ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CARLTON ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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:

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Charities Act 2011 and the guidance issued by the ESFA;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence with the regulators; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

CARLTON ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CARLTON ACADEMY TRUST (CONTINUED)

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 the accounting policies 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;
- reviewing correspondence with regulators and reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

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

Use of our report

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



Lesley Kendrew (Senior Statutory Auditor)

for and on behalf of

BHP LLP

Chartered Accountants

New Chartford House

Centurion Way

Cleckheaton

BD19 3QB

Date:

14 December 2021

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 30 April 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Carlton Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Carlton Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Carlton Academy Trust's funding agreement with the Secretary of State for Education dated 22 May 2019 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- checking that the academy trust's activities are consistent with its framework and its charitable objectives,
- checking that the governors and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the period for any undisclosed related party transactions,
- checking that any related party transactions during the period are conducted under normal commercial rates,
- checking that academy trust expenditure is permitted by its funding agreement,
- checking that any borrowings entered into, including leases, are in accordance with the Academies Handbook,
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and Academies Handbook.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Lesley Kendrew
Reporting Accountant
BHP LLP

New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Date: 14 December 2021

CARLTON ACADEMY TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------|------------------------------------|----------------------------------|--|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 3 | | | | | |
| Transferred in on conversion | | 305,061 | (1,813,000) | 429,780 | (1,078,159) | - |
| Other donations and capital grants | | 4,600 | - | 52,240 | 56,840 | 52,107 |
| Other trading activities | 5 | 1,634,449 | - | - | 1,634,449 | 734,810 |
| Investments | 6 | 429 | - | - | 429 | 839 |
| Charitable activities | 4 | - | 14,827,204 | - | 14,827,204 | 9,373,921 |
| Total income | | 1,944,539 | 13,014,204 | 482,020 | 15,440,763 | 10,161,677 |
| Expenditure on: | | | | | | |
| Charitable activities | | 1,200,919 | 15,305,147 | 422,098 | 16,928,164 | 10,363,516 |
| Total expenditure | | 1,200,919 | 15,305,147 | 422,098 | 16,928,164 | 10,363,516 |
| Net income/(expenditure) | | 743,620 | (2,290,943) | 59,922 | (1,487,401) | (201,839) |
| Transfers between funds | 17 | - | (110,143) | 110,143 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 743,620 | (2,401,086) | 170,065 | (1,487,401) | (201,839) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 24 | - | (496,000) | - | (496,000) | (863,000) |
| Net movement in funds | | 743,620 | (2,897,086) | 170,065 | (1,983,401) | (1,064,839) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,629,983 | (3,297,832) | 1,144,852 | (522,997) | 541,842 |
| Net movement in funds | | 743,620 | (2,897,086) | 170,065 | (1,983,401) | (1,064,839) |

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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

FOR THE YEAR ENDED 31 AUGUST 2021

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------------|--|--|--|---------------------------------------|---------------------------------------|
| Note | | | | | |
| Total funds carried forward | 2,373,603 | (6,194,918) | 1,314,917 | (2,506,398) | (522,997) |

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

The notes on pages 30 to 61 form part of these financial statements.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**REGISTERED NUMBER: 11963458

BALANCE SHEET
AS AT 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|--|------|---------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 1,314,917 | 1,060,452 |
| | | <u>1,314,917</u> | <u>1,060,452</u> |
| Current assets | | | |
| Debtors | 15 | 676,092 | 612,343 |
| Cash at bank and in hand | | 2,778,271 | 1,700,189 |
| | | <u>3,454,363</u> | <u>2,312,532</u> |
| Creditors: amounts falling due within one year | 16 | (373,678) | (175,981) |
| Net current assets | | <u>3,080,685</u> | <u>2,136,551</u> |
| Total assets less current liabilities | | <u>4,395,602</u> | <u>3,197,003</u> |
| Defined benefit pension scheme liability | 24 | (6,902,000) | (3,720,000) |
| Total net (liabilities)/assets | | <u><u>(2,506,398)</u></u> | <u><u>(522,997)</u></u> |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 1,314,917 | 1,144,852 |
| Restricted income funds | 17 | 707,082 | 422,168 |
| | | <u>2,021,999</u> | <u>1,567,020</u> |
| Restricted funds excluding pension asset | 17 | 2,021,999 | 1,567,020 |
| Pension reserve | 17 | (6,902,000) | (3,720,000) |
| Total restricted funds | 17 | <u>(4,880,001)</u> | <u>(2,152,980)</u> |
| Unrestricted income funds | 17 | <u>2,373,603</u> | <u>1,629,983</u> |
| Total funds | | <u><u>(2,506,398)</u></u> | <u><u>(522,997)</u></u> |

CARLTON ACADEMY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 11963458

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 25 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



G Logan
Chair of Trustees

Date: *14-12-21*

The notes on pages 30 to 61 form part of these financial statements.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|---|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 1,387,707 | 1,487,520 |
| Cash flows from investing activities | 20 | (309,625) | (109,698) |
| Change in cash and cash equivalents in the year | | 1,078,082 | 1,377,822 |
| Cash and cash equivalents at the beginning of the year | | 1,700,189 | 322,367 |
| Cash and cash equivalents at the end of the year | 21, 22 | 2,778,271 | 1,700,189 |

The notes on pages 30 to 61 form part of these financial statements

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees have considered the impact of COVID-19 on the academy trust's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the trustees are confident that they have in place plans to deal with any financial losses that may arise. The governors therefore continue to adopt the going concern basis of preparation for these financial statements.

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year 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 'Stocks' 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'.

• **Transfer on conversion**

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

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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

1. Accounting policies (continued)**1.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

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

1.7 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.

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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

1. Accounting policies (continued)**1.8 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

| | | | |
|-----------------------|---|-----|---------------------|
| Fixtures and fittings | - | 10% | straight line basis |
| Equipment | - | 25% | straight line basis |
| Motor vehicles | - | 25% | straight line basis |

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

CARLTON ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Financial instruments

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

Financial Assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial Liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

CARLTON ACADEMY TRUST

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

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

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

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

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|--|--|--|---------------------------------------|---------------------------------------|
| Transfers from Local Authority on conversion | 305,061 | (1,813,000) | 429,780 | (1,078,159) | - |
| Capital grants | - | - | 52,240 | 52,240 | 52,107 |
| Donations | 4,600 | - | - | 4,600 | - |
| | <u>309,661</u> | <u>(1,813,000)</u> | <u>482,020</u> | <u>(1,021,319)</u> | <u>52,107</u> |
| Total 2020 | <u>-</u> | <u>-</u> | <u>52,107</u> | <u>52,107</u> | |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

4. Funding for the Academy's educational operations

| | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|--|---------------------------------------|---------------------------------------|
| <i>DfE/ESFA grants</i> | | | |
| General Annual Grant (GAG) | 12,368,312 | 12,368,312 | 8,317,833 |
| Other DfE/ESFA grants | | | |
| Pupil Premium | 878,646 | 878,646 | 489,951 |
| Teachers Pay Grants | 552,704 | 552,704 | 374,984 |
| Covid Catch Up | 180,340 | 180,340 | - |
| UIFSM | 142,240 | 142,240 | - |
| Others | 144,629 | 144,629 | 83,950 |
| | <hr/> | <hr/> | <hr/> |
| | 14,266,871 | 14,266,871 | 9,266,718 |
| <i>Other Government grants</i> | | | |
| Special Educational Needs | 229,462 | 229,462 | 50,708 |
| Local authority grants | 272,217 | 272,217 | 5,154 |
| Coronavirus Job Retention Scheme grants | 6,454 | 6,454 | 23,656 |
| Others | 52,200 | 52,200 | 27,685 |
| | <hr/> | <hr/> | <hr/> |
| | 560,333 | 560,333 | 107,203 |
| | <hr/> | <hr/> | <hr/> |
| | 14,827,204 | 14,827,204 | 9,373,921 |
| | <hr/> | <hr/> | <hr/> |
| Total 2020 | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | 9,373,921 | 9,373,921 | |

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

5. Income from other trading activities

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Catering income | 131,951 | - | 131,951 | 158,460 |
| SLA/salary income | 768,911 | - | 768,911 | 447,973 |
| PFI revenue | - | - | - | 17,558 |
| Other income | 733,587 | - | 733,587 | 110,819 |
| | <u>1,634,449</u> | <u>-</u> | <u>1,634,449</u> | <u>734,810</u> |
| Total 2020 | <u>623,991</u> | <u>110,819</u> | <u>734,810</u> | |

6. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------|--|---------------------------------------|---------------------------------------|
| Bank interest received | <u>429</u> | <u>429</u> | <u>839</u> |
| Total 2020 | <u>839</u> | <u>839</u> | |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

7. Expenditure

| | Staff Costs 2021 £ | Premises 2021 £ | Other 2021 £ | Total 2021 £ | Total 2020 £ |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Education: | | | | | |
| Direct costs | 11,201,630 | - | 1,117,579 | 12,319,209 | 7,901,100 |
| Allocated support costs | 2,163,193 | 206,567 | 2,239,195 | 4,608,955 | 2,462,416 |
| | <u>13,364,823</u> | <u>206,567</u> | <u>3,356,774</u> | <u>16,928,164</u> | <u>10,363,516</u> |
| Total 2020 | <u>8,877,832</u> | <u>78,141</u> | <u>1,407,543</u> | <u>10,363,516</u> | |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------|--|-------------------------------------|---------------------------------------|---------------------------------------|
| Education | <u>12,319,209</u> | <u>4,608,955</u> | <u>16,928,164</u> | <u>10,363,516</u> |
| Total 2020 | <u>7,901,100</u> | <u>2,462,416</u> | <u>10,363,516</u> | |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

8. Analysis of expenditure by activities (continued)**Analysis of support costs**

| | Education 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------------|---------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 2,164,049 | 2,164,049 | 1,504,810 |
| Depreciation | 422,098 | 422,098 | 323,740 |
| Other costs | 1,236,706 | 1,236,706 | 173,810 |
| Recruitment and other staff costs | 93,103 | 93,103 | 74,695 |
| Premises costs | 592,160 | 592,160 | 289,984 |
| Technology costs | 14,919 | 14,919 | 43,052 |
| Legal and professional | 70,792 | 70,792 | 35,238 |
| Governance costs | 15,128 | 15,128 | 17,087 |
| | <u>4,608,955</u> | <u>4,608,955</u> | <u>2,462,416</u> |
| Total 2020 | <u>2,462,416</u> | <u>2,462,416</u> | |

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2021 £ | 2020 £ |
|---------------------------------------|---------------------|-------------------|
| Depreciation of tangible fixed assets | 422,098 | 323,740 |
| Fees paid to auditors for: | | |
| - audit | 12,500 | 8,000 |
| - other services | 5,175 | 4,300 |
| | <u>5,175</u> | <u>4,300</u> |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

10. Staff**a. Staff costs**

Staff costs during the year were as follows:

| | 2021 | 2020 |
|---------------------------|-------------------|------------------|
| | £ | £ |
| Wages and salaries | 9,507,042 | 6,395,312 |
| Social security costs | 927,560 | 630,297 |
| Pension costs | 2,535,838 | 1,520,153 |
| | <u>12,970,440</u> | <u>8,545,762</u> |
| Agency staff costs | 213,506 | 126,430 |
| Staff restructuring costs | 180,877 | 51,830 |
| | <u>13,364,823</u> | <u>8,724,022</u> |

Staff restructuring costs comprise:

| | 2021 | 2020 |
|---------------------|----------------|---------------|
| | £ | £ |
| Redundancy payments | 134,487 | 14,727 |
| Severance payments | 46,390 | 37,103 |
| | <u>180,877</u> | <u>51,830</u> |

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

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £46,390 (2020: £37,103). Individually, the payments were: £7,493, £28,867 and £10,000.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

10. Staff (continued)**c. Staff numbers**

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

| | 2021 | 2020 |
|----------------------------|------------------------|-----------------|
| | No. | No. |
| Teachers | 166 | 136 |
| Administration and support | 202 | 104 |
| Management | 9 | 4 |
| | <hr/> 377 <hr/> | <hr/> 244 <hr/> |

d. Higher paid staff

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

| | 2021 | 2020 |
|---------------------------------|----------------------|---------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 8 | 6 |
| In the band £80,001 - £90,000 | 3 | 2 |
| In the band £90,001 - £100,000 | 1 | 1 |
| In the band £190,001 - £200,000 | 1 | - |
| In the band £210,001 - £220,000 | - | 1 |
| | <hr/> - <hr/> | <hr/> 1 <hr/> |

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £971,471 (2020 - £547,501).

CARLTON ACADEMY TRUST

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

11. Central services

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

- Finance
- HR
- Facilities and Compliance
- Data
- School Improvement

The Academy Trust charges for these services on the following basis:

5% of all income

The actual amounts charged during the year were as follows:

| | 2021 |
|--------------------|----------------|
| | £ |
| Carlton Bolling | 530,856 |
| Lister Primary | 99,221 |
| Marshfield Primary | 97,085 |
| Thorpe Primary | 41,749 |
| Total | 768,911 |

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an 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:

| | | 2021 | 2020 |
|-------------------------------------|--------------|------------------|-----------|
| | | £ | £ |
| A Kneeshaw, Chief Executive Officer | Remuneration | 190,000 - | 210,000 - |
| | | 195,000 | 215,000 |

A Kneeshaw's remuneration (upon which there are no employer pension contributions) includes, not only pay as Chief Executive Officer at Carlton Academy Trust, but also includes payments to him for his role as executive head at University Academy Keighley, as disclosed at note 26.

During the year ended 31 August 2021, expenses totalling £2,720 were reimbursed or paid directly to 1 Trustee (2020 - £3,512 to 1 Trustee).

CARLTON ACADEMY TRUST

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

13. Trustees' and Officers' insurance

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

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

14. Tangible fixed assets

| | Furniture and equipment £ | Motor vehicles £ | Total £ |
|---------------------------------|---------------------------------|---------------------|------------------|
| <i>Cost or valuation</i> | | | |
| At 1 September 2020 | 1,434,444 | 28,500 | 1,462,944 |
| Additions | 288,060 | 21,994 | 310,054 |
| Acquired on conversion | 366,509 | - | 366,509 |
| At 31 August 2021 | <u>2,089,013</u> | <u>50,494</u> | <u>2,139,507</u> |
| <i>Depreciation</i> | | | |
| At 1 September 2020 | 402,102 | 390 | 402,492 |
| Charge for the year | 410,848 | 11,250 | 422,098 |
| At 31 August 2021 | <u>812,950</u> | <u>11,640</u> | <u>824,590</u> |
| <i>Net book value</i> | | | |
| At 31 August 2021 | <u>1,276,063</u> | <u>38,854</u> | <u>1,314,917</u> |
| At 31 August 2020 | <u>1,032,342</u> | <u>28,110</u> | <u>1,060,452</u> |

15. Debtors

| | 2021 £ | 2020 £ |
|-----------------------------------|----------------|----------------|
| <i>Due within one year</i> | | |
| Trade debtors | 97,452 | 1,200 |
| Other debtors | 147,969 | 22,710 |
| Prepayments and accrued income | 430,671 | 588,433 |
| | <u>676,092</u> | <u>612,343</u> |

CARLTON ACADEMY TRUST

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

16. Creditors: Amounts falling due within one year

| | 2021 | 2020 |
|------------------------------------|-----------------------|----------------|
| | £ | £ |
| Trade creditors | - | 1,287 |
| Other taxation and social security | 258,440 | 153,810 |
| Other creditors | 20,554 | - |
| Accruals and deferred income | 94,684 | 20,884 |
| | <u>373,678</u> | <u>175,981</u> |
| | 2021 | 2020 |
| | £ | £ |
| Resources deferred during the year | 56,929 | - |
| | <u>56,929</u> | <u>-</u> |

At the balance sheet date, the Academy Trust was holding UIFSM received in advance of £56,929.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

17. Statement of funds

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---|--|-------------------|---------------------|--------------------------|-------------------------|-----------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 1,629,983 | 1,944,539 | (1,200,919) | - | - | 2,373,603 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 422,168 | 12,368,312 | (12,178,408) | (110,143) | - | 501,929 |
| Pupil Premium | - | 878,646 | (723,157) | - | - | 155,489 |
| Teachers Pay Grants | - | 552,704 | (552,704) | - | - | - |
| Covid Catch Up | - | 180,340 | (180,340) | - | - | - |
| UIFSM | - | 142,240 | (142,240) | - | - | - |
| Other DfE/ESFA grants | - | 144,629 | (94,965) | - | - | 49,664 |
| Special Educational Needs | - | 229,462 | (229,462) | - | - | - |
| Local authority grants | - | 272,217 | (272,217) | - | - | - |
| Coronavirus Job Retention Scheme grants | - | 6,454 | (6,454) | - | - | - |
| Other government grants | - | 52,200 | (52,200) | - | - | - |
| Pension reserve | (3,720,000) | (1,813,000) | (873,000) | - | (496,000) | (6,902,000) |
| | (3,297,832) | 13,014,204 | (15,305,147) | (110,143) | (496,000) | (6,194,918) |
| Restricted fixed asset funds | | | | | | |
| Fixed assets transferred on conversion | 981,224 | 429,780 | (361,624) | - | - | 1,049,380 |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

17. Statement of funds (continued)

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|-----------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|-----------------------------------|
| Capital grants received | 163,628 | 52,240 | (60,474) | 110,143 | - | 265,537 |
| | <u>1,144,852</u> | <u>482,020</u> | <u>(422,098)</u> | <u>110,143</u> | <u>-</u> | <u>1,314,917</u> |
| Total Restricted funds | (2,152,980) | 13,496,224 | (15,727,245) | - | (496,000) | (4,880,001) |
| Total funds | (522,997) | 15,440,763 | (16,928,164) | - | (496,000) | (2,506,398) |

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

The General Annual Grant (GAG) has been provided by the ESFA in order to fund the normal running costs of the academy trust. The carried forward balance will be applied in future years to enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs.

Other ESFA grants are allocated against the particular purpose for which they are provided.

The restricted pension reserve represents the deficit in the trust's share of the Local Government Pension Scheme as at 31 August 2021.

Restricted fixed asset funds represent the value of the tangible fixed assets and funds allocated for future capital projects.

Other restricted funds relate to funds held on behalf of Carlton Academy trust for specific activities governed by the terms of the grant.

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 2021.

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

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

17. Statement of funds (continued)

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|--|--|-------------|------------------|-------------------------|--------------------------------------|
| <i>Unrestricted funds</i> | | | | | |
| General funds | 1,290,144 | 624,830 | (284,991) | - | 1,629,983 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Restricted general funds</i> | | | | | |
| General Annual Grant (GAG) | 130,577 | 8,317,833 | (8,026,242) | - | 422,168 |
| Other grants | 115,104 | 1,085,620 | (1,200,724) | - | - |
| Other | - | 110,819 | (110,819) | - | - |
| Pension reserve | (2,440,000) | - | (417,000) | (863,000) | (3,720,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | (2,194,319) | 9,514,272 | (9,754,785) | (863,000) | (3,297,832) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Restricted fixed asset funds</i> | | | | | |
| Fixed assets transferred on conversion | 1,273,655 | 22,575 | (315,006) | - | 981,224 |
| Capital grants received | 172,362 | - | (8,734) | - | 163,628 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,446,017 | 22,575 | (323,740) | - | 1,144,852 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Total Restricted funds</i> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | (748,302) | 9,536,847 | (10,078,525) | (863,000) | (2,152,980) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Total funds</i> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 541,842 | 10,161,677 | (10,363,516) | (863,000) | (522,997) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

17. Statement of funds (continued)**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

| | 2021 £ | 2020 £ |
|--|--------------------|------------------|
| Carlton Bolling | 2,489,722 | 2,052,151 |
| Lister Primary | 212,478 | - |
| Marshfield Primary | 231,776 | - |
| Thorpe Primary | (42,633) | - |
| Central Services | 189,342 | - |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 3,080,685 | 2,052,151 |
| Restricted fixed asset fund | 1,314,917 | 1,144,852 |
| Pension reserve | (6,902,000) | (3,720,000) |
| | <hr/> | <hr/> |
| Total | (2,506,398) | (522,997) |
| | <hr/> <hr/> | <hr/> <hr/> |

The following academy is carrying a net deficit on its portion of the funds as follows:

| | Deficit £ |
|----------------|--------------|
| Thorpe Primary | 42,633 |
| | <hr/> <hr/> |

The Academy Trust is taking the following action to return the academy to surplus:

Thorpe Primary transferred into the Trust with a historic deficit. Staffing restructures have now been completed which have contributed to the in year deficit however this will lead to staffing cost savings in future years which will in time return the school to a surplus.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

17. Statement of funds (continued)**Total cost analysis by academy**

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2021 £ | Total 2020 £ |
|-----------------------|--|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Carlton Bolling | 7,336,800 | 920,978 | 382,499 | 1,781,448 | 10,421,725 | 10,039,776 |
| Lister Primary | 1,229,889 | 132,211 | 32,610 | 368,286 | 1,762,996 | - |
| Marshfield Primary | 1,136,020 | 97,449 | 61,518 | 381,900 | 1,676,887 | - |
| Thorpe Primary | 632,900 | 65,376 | 22,875 | 166,029 | 887,180 | - |
| Central Services | 689,038 | 37,467 | - | 1,030,773 | 1,757,278 | - |
| Academy Trust | 11,024,647 | 1,253,481 | 499,502 | 3,728,436 | 16,506,066 | 10,039,776 |

18. Analysis of net assets between funds**Analysis of net assets between funds - current year**

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 1,314,917 | 1,314,917 |
| Current assets | 2,747,281 | 707,082 | - | 3,454,363 |
| Creditors due within one year | (373,678) | - | - | (373,678) |
| Provisions for liabilities and charges | - | (6,902,000) | - | (6,902,000) |
| Total | 2,373,603 | (6,194,918) | 1,314,917 | (2,506,398) |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

18. Analysis of net assets between funds (continued)**Analysis of net assets between funds - prior year**

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 1,060,452 | 1,060,452 |
| Current assets | 1,629,983 | 598,149 | 84,400 | 2,312,532 |
| Creditors due within one year | - | (175,981) | - | (175,981) |
| Provisions for liabilities and charges | - | (3,720,000) | - | (3,720,000) |
| Total | 1,629,983 | (3,297,832) | 1,144,852 | (522,997) |

19. Reconciliation of net expenditure to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|---|--------------------|-----------|
| Net expenditure for the year (as per Statement of financial activities) | (1,487,401) | (201,839) |
| Adjustments for: | | |
| Depreciation | 422,098 | 323,740 |
| Interest receivable | (429) | (839) |
| Defined benefit pension scheme obligation inherited | 1,813,000 | - |
| Defined benefit pension scheme cost less contributions payable | 789,000 | 373,000 |
| Defined benefit pension scheme finance cost | 84,000 | 44,000 |
| Increase in debtors | (63,749) | 1,076,027 |
| Increase/(decrease) in creditors | 197,697 | (126,569) |
| Fixed assets donated on conversion | (366,509) | - |
| Net cash provided by operating activities | 1,387,707 | 1,487,520 |

CARLTON ACADEMY TRUST

(A company limited by guarantee)

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

20. Cash flows from investing activities

| | 2021 | 2020 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Interest receivable | 429 | 839 |
| Purchase of tangible fixed assets | (310,054) | (110,537) |
| <i>Net cash used in investing activities</i> | <u>(309,625)</u> | <u>(109,698)</u> |

21. Analysis of cash and cash equivalents

| | 2021 | 2020 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Cash in hand and at bank | 2,778,271 | 1,700,189 |
| <i>Total cash and cash equivalents</i> | <u>2,778,271</u> | <u>1,700,189</u> |

22. Analysis of changes in net debt

| | At 1 September 2020 £ | Cash flows £ | At 31 August 2021 £ |
|--------------------------|--------------------------------|-------------------------|---------------------------|
| Cash at bank and in hand | 1,700,189 | 1,078,082 | 2,778,271 |
| | <u>1,700,189</u> | <u>1,078,082</u> | <u>2,778,271</u> |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

23. Conversion to an academy trust

On 1 September 2020, Carlton Mills (formerly Lister Primary School) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Carlton Academy Trust from Bradford Metropolitan District Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|-------------------------------------|-----------------------------------|---|------------------------------|
| <i>Tangible fixed assets</i> | | | | |
| Furniture and equipment | - | - | 196,800 | 196,800 |
| <i>Current assets</i> | | | | |
| Budget surplus on LA funds | 141,761 | - | - | 141,761 |
| Capital surplus on LA funds | - | - | 20,236 | 20,236 |
| <i>Non-current liabilities</i> | | | | |
| LGPS pension deficit | - | (341,000) | - | (341,000) |
| <i>Net assets/(liabilities)</i> | 141,761 | (341,000) | 217,036 | 17,797 |

CARLTON ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

23. Conversion to an academy trust (continued)

On 1 December 2020 Marshfield Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Carlton Academy Trust from Bradford Metropolitan District Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|----------------------------|--------------------------|---|---------------------|
| <i>Tangible fixed assets</i> | | | | |
| Furniture and equipment | - | - | 138,430 | 138,430 |
| <i>Current assets</i> | | | | |
| Budget surplus on LA funds | 199,932 | - | - | 199,932 |
| Capital surplus on LA funds | - | - | 36,810 | 36,810 |
| <i>Non-current liabilities</i> | | | | |
| LGPS pension deficit | - | (815,000) | - | (815,000) |
| <i>Net assets/(liabilities)</i> | 199,932 | (815,000) | 175,240 | (439,828) |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

23. Conversion to an academy trust (continued)

On 1 December 2020 Thorpe Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Carlton Academy Trust from Bradford Metropolitan District Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|----------------------------|--------------------------|---|---------------------|
| <i>Tangible fixed assets</i> | | | | |
| Furniture and equipment | - | - | 31,279 | 31,279 |
| <i>Current assets</i> | | | | |
| Budget deficit on LA funds | (36,632) | - | - | (36,632) |
| Capital surplus on LA funds | - | - | 6,225 | 6,225 |
| <i>Non-current liabilities</i> | | | | |
| LGPS pension deficit | - | (657,000) | - | (657,000) |
| <i>Net (liabilities)/assets</i> | (36,632) | (657,000) | 37,504 | (656,128) |

24. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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

24. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,067,890 (2020 - £854,896).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

24. Pension commitments (continued)**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £575,000 (2020 - £349,000), of which employer's contributions totalled £429,000 (2020 - £259,000) and employees' contributions totalled £ 146,000 (2020 - £90,000). The agreed contribution rates for future years are between 11.5 per cent and 16.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

As described in note 23 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

| | 2021 | 2020 |
|--------------------------------------|-------------|------|
| | % | % |
| Rate of increase in salaries | 3.85 | 3.45 |
| Discount rate for scheme liabilities | 1.70 | 1.70 |
| Inflation assumption (CPI) | 2.60 | 2.0 |
| 2.20 | 2.60 | 2.2 |

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

| | 2021 | 2020 |
|----------------------|-------------|-------|
| | Years | Years |
| Retiring today | | |
| Males | 21.9 | 21.8 |
| Females | 24.7 | 24.6 |
| Retiring in 20 years | | |
| Males | 22.6 | 22.5 |
| Females | 25.8 | 25.7 |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

24. Pension commitments (continued)**Sensitivity analysis**

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Discount rate +0.1% | 13,084 | 6,954 |
| Discount rate -0.1% | 13,879 | 7,377 |
| Mortality assumption - 1 year increase | 13,987 | 7,420 |
| Mortality assumption - 1 year decrease | 12,963 | 6,904 |
| CPI rate +0.1% | 13,556 | 7,205 |
| CPI rate -0.1% | 13,394 | 7,119 |

Share of scheme assets

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

| | 2021 £ | 2020 £ |
|-------------------------------------|------------------|------------------|
| Equities | 5,271,000 | 2,677,000 |
| Gilts | 526,000 | 334,000 |
| Corporate bonds | 289,000 | 172,000 |
| Property | 250,000 | 148,000 |
| Cash and other liquid assets | 145,000 | 59,000 |
| Other | 92,000 | 52,000 |
| Total market value of assets | 6,573,000 | 3,442,000 |

The actual return on scheme assets was £975,000 (2020 - £235,000).

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

| | 2021 £ | 2020 £ |
|---|------------------|----------------|
| Current service cost | 1,218,000 | 632,000 |
| Interest cost | 84,000 | 44,000 |
| Total amount recognised in the Statement of Financial Activities | 1,302,000 | 676,000 |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

24. Pension commitments (continued)

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

| | 2021 £ | 2020 £ |
|---|-------------------|-----------|
| At 1 September | 7,162,000 | 5,318,000 |
| Interest cost | 169,000 | 102,000 |
| Employee contributions | 146,000 | 90,000 |
| Actuarial losses | 1,386,000 | 1,040,000 |
| Benefits paid | (14,000) | (20,000) |
| Current service cost | 1,218,000 | 632,000 |
| Net increase in liabilities from disposals/acquisitions | 3,408,000 | - |
| | <hr/> | <hr/> |
| At 31 August | 13,475,000 | 7,162,000 |

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

| | 2021 £ | 2020 £ |
|--|------------------|-----------|
| At 1 September | 3,442,000 | 2,878,000 |
| Interest income | 85,000 | 58,000 |
| Actuarial gains | 890,000 | 177,000 |
| Employer contributions | 429,000 | 259,000 |
| Employee contributions | 146,000 | 90,000 |
| Benefits paid | (14,000) | (20,000) |
| Net increase in assets from disposals/acquisitions | 1,595,000 | - |
| | <hr/> | <hr/> |
| At 31 August | 6,573,000 | 3,442,000 |

CARLTON ACADEMY TRUST**(A company limited by guarantee)**

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

25. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Not later than 1 year | 7,800 | 7,800 |
| Later than 1 year and not later than 5 years | 7,500 | 19,500 |
| | <u>15,300</u> | <u>27,300</u> |

26. Members' liability

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

27. Related party transactions

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

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Charged to University Academy Keighley | 262,998 | 230,726 |
| Charged to Tracks Education | - | 25,564 |
| | <u>262,998</u> | <u>256,290</u> |

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