

Company Registration Number: 11963458 (England & Wales)



CARLTON
ACADEMY TRUST

CARLTON ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

CARLTON ACADEMY TRUST
(A company limited by guarantee)

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CARLTON ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Laher D Woodward I Shafiq T Rogers A Sarai
Trustees	G Logan, Chair of Trustees A Kneeshaw, Chief Executive Officer G Arnold R Butterfield G Hussain A Sheikh (resigned 11 July 2023) K Singh F Khan Prof G Bradshaw H Bell (appointed 10 November 2023)
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 L Reeder, Chief Financial Officer D Harvey-Hill, Chief Operating Officer J Skurr, Executive Headteacher - Secondary (resigned 31 August 2023) V Hartford, Director of Primary S Charlton, Director of Secondary School Improvement C Cathcart, Director of Human Resources M Turvey, Head of School - Carlton Keighley M Azum, Head of School - Carlton Bolling Z Kearns, Head of School - Marshfield Primary P Mennell, Head of School - Thorpe Primary C McDonald, Head of School - Carlton Mills A Andrew, Head of School - High Park Special School (resigned 31 August 2023) B Dorning, Head of School - High Park Special School (appointed 1 September 2023)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Carlton Academy Trust is a medium-sized Bradford-based trust comprising six schools (three primary, two secondary and one special). It educates a total of around 3,500 students.

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

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 be fully aligned with the ethos and culture by which the trust operates. No trustee, except for the Chief Executive, are paid for their services although they may claim reasonable expenses incurred within the scope of their duties. To date all trustees have been recruited through the professional networks and contacts of members or trustees. There are no elections or voting systems for the appointment of trustees or members.

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

New trustees are provided with an induction which outlines the structure and composition of the trust, expectations of the role, and familiarisation with the current context of the trust. They will also be allocated as 'link governor' role according to their knowledge and experience.

Trustees are provided with regular training opportunities, predominantly through the National Governors Association which the trust has gold level membership. Membership includes magazines, newsletters, webinars, and online resources including those specifically aimed at those new to the role.

Trustees have ready access to policies through the trust website, which are also discussed as standing items at trustees' meetings. They are actively encouraged to familiarise with schools through attendance at events, visits, and quality assurance procedures related to their link responsibilities.

f. Organisational structure

The structure and operation of the trust follows the provisions set out in the Academy Trust Handbook.

Trustees have overall responsibility and ultimate decision-making authority for the effective operation of the trust. Their role is strategic rather than operational, quality-assuring the work of senior leaders and holding them to account for the performance of the trust and trust schools.

Members are the original subscribers to the trust, akin to being shareholders in a company. Their role is to oversee the effective operation of the trust by senior leaders and trustees in accordance with the principles contained in the articles of association.

The Chief Executive Officer is the most senior member of trust staff and responsible for the overall performance of the trust across all areas. They implement strategic plans developed by trustees, reporting back on their success on a regular and timely basis.

Financial responsibilities are largely delegated to the Chief Financial Officer, while the performance of primary and secondary schools is the responsibility of the Director of Primary and Director of Secondary School Improvement, respectively. Each Head of School has overall responsibility for the performance of their school.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 pay bands comprise total remuneration comprising salary, and any employer pension contributions for those staff in a pension scheme. This structure enables flexibility of remuneration, with staff able to have higher basic salaries when no employer pension contributions are made.

Each of the four pay bands has six spinal points, creating a 24-point scale. Staff progress through bands in line with increasing responsibilities according to the total number of schools and students they are responsible. The setting of the position within each band is made with reference to DFE guidance 'Setting Executive Salaries' (2019) with consideration made for experience, previous achievements, and level of challenge within the role.

Heads of School are paid with reference to national teacher pay scales, modified according to school group size. Exact positions within each scale are determined by experience, prior and current performance, and 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	19,248,377
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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Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

The trust has several 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 views of staff are also sought through bi-annual staff surveys, where responses are analysed and used to inform future actions across all schools.

The trust consults fully with staff when making decisions which affect their interests. When it has a major impact on their employment, such as a staffing restructure, this will involve professional (union) representation. Other ways of consulting with staff may include focus groups, 1-1 interviews, random/informal conversations, and encouragement of an open-door policy where staff can freely offer their opinions.

The trust and its schools seek to engage employees in the performance of schools, regularly updating them as to awards, recognition and performance in external tests and examinations. Where possible, targets in annual performance management relate to performance in external exams and tests, further promoting involvement and engagement in these.

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 within the school and trust. They will also be afforded full career development opportunities in line with the opportunities offered to all staff.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

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

The trust seeks to develop positive working relationships with all suppliers and others in a business relationship with the trust. Where possible and practicable, it seeks to develop professional dialogue and effective professional relationships with suppliers so that they are increasingly aware of trust values and how it wishes to do business in an open, honest, and transparent manner. The trust is willing to engage and work with all suppliers irrespective of organisation size or length of tenure, with contracts and tenders awarded to those who best meet cost, quality, and time parameters.

Objectives and activities

a. Objects and aims

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

b. Objectives, strategies and activities

- Further trust expansion to become an established and high-performing trust of scale comprising of around 10 schools and 5,000 students. This aligns with the government ambition articulated within its' recent white paper to have all schools as part of an academy trust by 2030 and all MAT's to be of this scale. There was significant engagement with schools during the year to further this objective.
- Ensure Successful Ofsted inspections at trust schools to maintain and develop brand identity and awareness, which will facilitate further expansion of the trust. Three trust schools and two scheduled to join the trust are in an Ofsted inspection 'window' in 2023/24. Heads of School and senior members of the central trust team are actively engaged in developing comprehensive inspection spreadsheet documents which map evidence against all inspection criteria.
- Maintain the strong financial position of the school and trust despite the considerable cost pressures within the sector. These principally comprise pay rises for teaching and non-teaching staff, large increases in energy costs and general increase in costs due to inflation. Maintaining the strong financial position of the trust and its schools enables more resources to be effectively applied to 'front line' teaching and learning activities, which help elevate standards and the consequential reputation of both schools and the trust.

Maintaining the strong financial position of the trust will be achieved through maximising income and reducing expenditure. Income is largely dependent on student numbers, so efforts will be made to maintain full school rolls at some schools whilst increasing numbers at others.

Expenditure is reduced from either making cuts, reducing usage, or gaining improved terms for current contracts:

Cuts: Although this isn't a current necessity, all contracts are continually assessed for need, impact, and value for money.

Reduced Usage: Many contracts fall under this scope with a primary focus on utilities due to levels of expenditure and recent cost increases. All schools are due to have solar panels installed at their site during 2023/24 which will significantly reduce energy costs at each.

Improved Contract Terms: Best value procurement has been enhanced through the development of a Trust Contracts Register. This enables the consolidation of many contracts across schools and achievement of bulk-buy discounts. The newly recruited Deputy CFO now oversees the register.

c. Public benefit

As a publicly funded organisation, in setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

a. Key performance indicators

Performance Review: Secondary

Carlton Bolling: The major event of 2022/23 was the Section 8 Ofsted inspection where the overall judgement was that the school was still 'Outstanding'. This is a significant achievement as the vast majority of outstanding schools re-inspected either lose this status or are judged that they would lose this status if reinspected under a full Section 5 inspection. The school Progress 8 score was lower than expected in the context of previous results, which can largely be accounted for by the very poor overall attendance rate of Year 11 at just over 80%.

Carlton Keighley: The school continues to prosper in an area (Keighley) where all three other secondary schools are currently judged as being inadequate. Solid progress is being made to attain the school/trust aim of all schools being rated outstanding. The progress is reflected in the rapidly expanding school roll which has grown by nearly 40% over the last four years.

Performance Review: Primary

Carlton Mills: Had another very successful year, the highlight of which was the Section 5 Ofsted inspection in July. Here the school attained a 'Good' overall rating, the first time the school has been that status in over a decade. Early Years provision was judged as being 'outstanding'. KS2 SATS results were much improved in accordance with the rapidly improving picture reported by Ofsted.

Marshfield: Has been a year of exceptional performance, with KS2 SATS results all rated 'Well Above Average' and amongst the very best results in the country. These are synonymous with an 'outstanding' school, which is a rating the school will be aspiring to during their expected Ofsted inspection in 2023/24.

Thorpe: Has seen rapid improvements over the course of the year largely facilitated by a change in leadership at the school. These improvements were validated in a June Ofsted inspection where the school retained its 'Good' status.

Performance Review: Special

High Park: Only joined CAT on July 1, 2023. In view of this short time frame, it is not appropriate to discuss performance at the school for just three term weeks.

Awards

Trust schools and staff have obtained several high-profile awards across the year. Some of the most prestigious are as follows:

BBC/Pearson National Teaching Awards

- Carlton Keighley Gold (overall) Award Winners for 'Teaching Assistant of the Year'
- Marshfield Silver Award winners for 'Primary School of the Year'
- Carlton Mills Silver Award winners for 'New Teacher of the Year'
- Marshfield Bronze Award winners for 'New Teacher of the Year'

Strategic report (continued)

Achievements and performance (continued)

Times Educational Supplement National Teaching Awards

- Thorpe finalists in 'Best EYFS provision'
- CEO finalist in 'Trust Leader of the Year'

World Class Schools Quality Mark

- Trust accredited as a 'World Class Trust'

Financial Performance

The financial performance of the trust was very strong during 2022/23 registering an overall in-year surplus of over £4.6m prior to actuarial gains on defined benefit pension schemes. Crucially, this significant surplus was not made to the detriment of resources and standards at individual schools with over £500k invested into capital projects to improve facilities at trust schools.

b. Going concern

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

c. Promoting the success of the company

All trustees work in accordance with section 172(1)(a) to (f) of the Companies Act 2006, acting in a way most likely to promote the success of the trust and its charitable purposes. In doing so they have regard to:

- The likely consequences of any decision in the long term
- The interests of staff
- The need to foster positive business relationships with suppliers, customers, and others
- The impact of the company's operations on the community and environment
- Desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the company.

Strategic report (continued)

Financial review

a. Review of financial period

Over the course of the 2022/23 financial year the trust recorded an overall surplus of £7.8m, and an overall reserve position of £48.9m. The main cause of this in-year surplus was the in-year surpluses registered at all schools, notably trust secondary schools and a £3.2m actuarial gain on the defined benefit pension scheme. A small amount can be attributed to investment returns of some trust reserves from the gilt market.

Funding in 2022/23 was overwhelmingly from student-led funding sources. A small fraction of revenue was obtained from commercial lettings, principally at Carlton Keighley. The trust strives to use as much of its financial resources as possible in activities directly supporting student learning, and as such seeks to minimise the costs and create efficiencies in support functions.

There were two main financial events during the 2022/23 academic year, both relating to inflationary costs. The first was the increasing cost and continued volatility of energy prices. These both threatened to exceed school budgets, and made it very difficult to accurately forecast future costs.

The second relates to increased staff pay awards in response to increases in general inflation and the consequential ability of schools to meet these through existing budget settlements. These remain the two most significant financial risks as the trust enters the 2023/24 financial year.

b. Reserves policy

The trust regularly reviews its levels of free reserves and had £3.1m at the year ending 31 August 2023. It aims to retain reserves equivalent to one month of total average expenditure, which should be sufficient to deal with short-term cashflow problems, or a large one-off expenditure. The trust may also use reserves to assist schools through possible financial difficulties in 2023/24 and beyond to maintain the high-quality provision we aspire to within our schools.

The trust does not apply annual reserve charges on schools. It also allows schools who record an in-year surplus to carry this forward to the next and future years. This both encourages more prudent financial management and allows schools the flexibility to meet the individual financial challenges facing them.

c. Investment policy

The trust only invests in products which have low or no risk to the capital sum invested. They must be regulated by the Financial Conduct Authority and possess a strong credit rating.

The trust has invested a significant proportion of reserves into government gilts through Brewin Dolphin wealth management. This investment has no risk to capital and is expected to appreciate an average gross annual return of around 5%.

d. Principal risks and uncertainties

The principal risks or uncertainties facing the trust are:

Increasing Costs: These include increases to staffing, energy and general inflation. Although the trust is in a strong relative financial position, it will seek to minimise the impact of these through cost-saving reviews, improved procurement, and economies of scale.

Cybersecurity Threats: This is the biggest threat to business continuity at the trust. Specifically, this is the danger of an outside actor gaining entry to the trusts' IT network, taking data, and then asking a ransom for its return. This would cause significant interruption to business, potential cost, and reputational damage.

To ensure these risks are minimised the trust will:

- Recommission a DEFCON 6 review as part of Internal Audit processes. This provides a high-level benchmark for network security judged against current major threats.
- Maintain compliance with RPA Cybersecurity conditions of Cybersecurity insurance cover. This includes several measures including ensuring that all new staff undertake RPA Cybersecurity training, and all existing staff complete annual refresher training.
- Additional training for other key staff and trustees.

Ofsted Inspection Outcomes

Three trust schools and two that are due to join CAT in 2023/24 are scheduled to be inspected during the forthcoming year. Their outcomes will have a notable impact on the reputation of the trust and consequential ability to effectively market to other schools who may be interested in joining CAT.

To help ensure outcomes align with trust expectations, senior trust staff are overseeing thorough and detailed preparations across all schools. This includes ensuring all schools and trustees have a full understanding of the inspection process, can effectively evidence against each element of the inspection framework, and have the necessary documentary evidence.

Fundraising

The trust does not employ external fundraisers. All fundraising undertaken during the year was conducted within schools and reported at Trust Standards Meetings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2023
Energy consumption used to calculate emissions (kWh)	3,481,528
<i>Energy consumption breakdown (kWh):</i>	
Gas	2,385,279
Electricity	1,039,374
Transport fuel	53,140
Other sources	3,735
<i>Scope 1 emissions (in tonnes of CO2 equivalent):</i>	
Gas consumption	436
Owned transport	13
<i>Total scope 1</i>	449
<i>Scope 2 emissions (in tonnes of CO2 equivalent):</i>	
Purchased electricity	215
<i>Scope 3 emissions (in tonnes of CO2 equivalent):</i>	
Business travel in employee-owned or rental vehicles	1
<i>Total gross emissions (in tonnes of CO2 equivalent):</i>	665
<i>Intensity ratio:</i>	
Tonnes of CO2 equivalent per pupil	0.2

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (continued)

Plans for future periods

The trusts' immediate ambition is to become an established trust of scale, comprising of approximately 10 schools, 5,000 students, and annual turnover more than £50m. This is a size where the costs of assimilating each additional school are significantly reduced and the trust can increasingly benefit from economies of scale. It is essential that growth is targeted at the right type of school that can attain the high standards expected at CAT and without unduly stretching trust resources and compromising standards.

The number of schools who could feasibly be assimilated to CAT in 2023-24 is dependent on several factors including size, type, overall standards, financial position, type of entry to the trust, and location.

Other priorities include continued improvement of the trust operational model across all functional areas, and continued improvement of the trusts' financial position to enable greater resources to be applied to activities directly relating to student outcomes.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

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

19-12-23

Date:

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 in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees formally met six times during the year.

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

Trustee	Meetings attended	Out of a possible
G Logan, Chair of Trustees	6	6
A Kneeshaw, Chief Executive Officer	6	6
G Arnold, Vice Chair	4	6
R Butterfield	5	6
G Hussain	1	6
A Sheikh (resigned 11 July 2023)	4	6
K Singh	3	6
F Khan	4	6
Prof G Bradshaw	2	6
H Bell (appointed 10 November 2023)	0	0

Trustees oversee all operational areas. They do this through scrutiny of reporting back from both sub-committees, policies, safeguarding report, and any miscellaneous items or projects.

There has been one change to the composition of trustees with the resignation of Altaf Sheikh in July 2023. A specific challenge has been attendance at meetings, which was partly due to the adverse personal circumstances of some trustees.

The board considers information presented by the Chief Executive Officer, and trust directors. This is either derived from trust internal quality assurance procedures, published data sources or high-quality research. Internal quality assurance is often benchmarked against quality assurance provided by external agencies, which provides trustees with an extra degree of assurance. The board plans to conduct an external review of its effectiveness in 2023/24.

Conflicts or interest are avoided through establishment of a register of business interests. All trustees must complete an annual declaration, with the expectation that any changes throughout the year will be declared without delay. A declaration of business interests is an agenda item at all meetings.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Risk and Audit Committee

The Risk and Audit committee is a sub-committee of the main board of trustees. Its purpose is to oversee and scrutinise trust finances, network management and cybersecurity, human resources, estates management, risk management, data protection, business continuity, compliance, internal and external audit procedures.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G Logan	6	6
R Butterfield	2	6
A Sheikh - Chair (resigned 11 July 2023)	1	6
A Kneeshaw	6	6
F Khan	4	6

Standards Committee

There is also a trust Standards sub-committee whose purpose is to oversee and scrutinise standards of student outcomes, academic and non-academic. Meetings alternate each half term between Secondary and Primary meetings, with each phase having three meetings over the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Prof G Bradshaw - Chair	1	6
G Logan	6	6
K Singh	3	6
G Arnold	3	6
G Hussain	0	6
A Kneeshaw	6	6
R Butterfield	3	6

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received. The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Seeking best value in contracts, negotiating with suppliers where needed.
- Conducting energy saving reviews in all schools from which cost savings can be made.
- Engaging in money generation projects for schools such as the proposed installation of solar panels at all sites.
- Development of Early Years facilities at all primary schools to improve standards in all. This was recognised in Ofsted inspections at both Thorpe and Carlton Mills.

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 2022 to 31 August 2023 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 2022 to 31 August 2023 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 reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- identification and management of risks.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided to buy-in an internal audit service from several providers, as follows:

Gallaghers: Cybersecurity Audits

Barkers Associates: Energy Saving Audits

Red Box Consultancy Services: Review of Catering Services

When internal audit processes are completed, these are reported to the board of trustees through the Risk and Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis a summary report is presented to the committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

All three internal audit processes completed in 2022/23 have contained recommendations that are/will be acted upon to improve practice across the trust. For example, the Energy Review has led to a project installing solar panels and other energy saving or generating devices across all trust sites.

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 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 work of the external auditor;
- correspondence from ESFA e.g. financial notice to improve/notice to improve (FNtI/NtI) and 'minded to' letters.

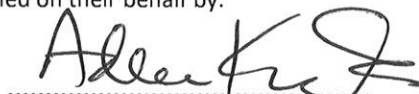
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Risk and Audit committee and ensure continuous improvement of the systems in place.

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



Gareth Logan
Chair of Trustees

19-12-23



Adrian Kneeshaw
Accounting Officer

Date:

CARLTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Carlton Academy Trust, I have considered my responsibility to notify the 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, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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: 19/12/23

CARLTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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

19-12-23

Date:

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 year ended 31 August 2023 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 Trustees' Report including the Strategic Report.

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

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

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 Statement of trustees' responsibilities, 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: 19 December 2023

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 2 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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)

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 Academy Trust Handbook,
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and Academy Trust 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 2022 to 31 August 2023 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
Chartered Accountants
New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

Date: 19 December 2023

CARLTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants:	3					
Transfers from single academy trust and multi academy trust		113,810	(1,459,079)	4,525,822	3,180,553	12,549,738
Other donations and capital grants		30	-	460,508	460,538	68,037
Other trading activities	5	822,315	9,999	-	832,314	509,912
Investments	6	49,063	-	-	49,063	536
Charitable activities	4	-	25,958,282	-	25,958,282	19,048,295
Revaluation of tangible fixed assets		-	-	-	-	23,335,000
Total income		985,218	24,509,202	4,986,330	30,480,750	55,511,518
Expenditure on:						
Charitable activities	8	863,951	23,919,819	1,141,855	25,925,625	19,955,746
Total expenditure		863,951	23,919,819	1,141,855	25,925,625	19,955,746
Net income before net gains on investments		121,267	589,383	3,844,475	4,555,125	35,555,772
Net gains on investments		87,998	-	-	87,998	-
Net income		209,265	589,383	3,844,475	4,643,123	35,555,772
Transfers between funds	18	(378,000)	-	378,000	-	-
Net movement in funds before other recognised gains carried forward		(168,735)	589,383	4,222,475	4,643,123	35,555,772

CARLTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Note					
Net movement in funds before other recognised (losses)/gains brought forward	(168,735)	589,383	4,222,475	4,643,123	35,555,772
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	25	-	3,200,000	-	3,200,000
					7,993,000
Net movement in funds	(168,735)	3,789,383	4,222,475	7,843,123	43,548,772
Reconciliation of funds:					
Total funds brought forward	3,302,891	4,267,667	33,471,816	41,042,374	(2,506,398)
Net movement in funds	(168,735)	3,789,383	4,222,475	7,843,123	43,548,772
Total funds carried forward	3,134,156	8,057,050	37,694,291	48,885,497	41,042,374

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

The notes on pages 31 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	37,391,472	33,471,816
Investments	15	6,596,330	-
		<u>43,987,802</u>	<u>33,471,816</u>
Current assets			
Debtors	16	724,103	4,740,715
Cash at bank and in hand		4,671,860	4,516,264
		<u>5,395,963</u>	<u>9,256,979</u>
Creditors: amounts falling due within one year	17	(498,268)	(403,421)
Net current assets		<u>4,897,695</u>	<u>8,853,558</u>
Total assets less current liabilities		<u>48,885,497</u>	<u>42,325,374</u>
Defined benefit pension scheme asset / liability	25	-	(1,283,000)
Total net assets/(liabilities)		<u><u>48,885,497</u></u>	<u><u>41,042,374</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	37,694,291	33,471,816
Restricted income funds	18	8,057,050	5,550,667
		<u>45,751,341</u>	<u>39,022,483</u>
Restricted funds excluding pension asset	18	45,751,341	39,022,483
Pension reserve	18	-	(1,283,000)
		<u>45,751,341</u>	<u>37,739,483</u>
Total restricted funds	18	45,751,341	37,739,483
Unrestricted income funds	18	3,134,156	3,302,891
		<u>48,885,497</u>	<u>41,042,374</u>
Total funds		<u><u>48,885,497</u></u>	<u><u>41,042,374</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 26 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
G Logan
Chair of Trustees

19-12-23

Date:

The notes on pages 31 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	7,328,525	1,850,831
Cash flows from investing activities	21	(7,172,929)	(112,838)
Change in cash and cash equivalents in the year		155,596	1,737,993
Cash and cash equivalents at the beginning of the year		4,516,264	2,778,271
Cash and cash equivalents at the end of the year	22, 23	4,671,860	4,516,264

The notes on pages 31 to 61 form part of these financial statements

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

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

- **Sponsorship income**

Sponsorship income provided to the 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.

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, 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 for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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.

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:

Freehold property	-	25%	straight line basis
Long-term leasehold property	-		
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 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.10 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.

1.11 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. Accounting policies (continued)

1.12 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.

1.13 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 16. 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 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Operating leases

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

1. Accounting policies (continued)

1.15 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.

1.16 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.

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FOR THE YEAR ENDED 31 AUGUST 2023

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Transfers from single academy trust and multi academy trust	113,810	(1,459,079)	4,525,822	3,180,553	12,549,738
Capital grants	-	-	460,508	460,508	68,037
Donations	30	-	-	30	-
	<u>113,840</u>	<u>(1,459,079)</u>	<u>4,986,330</u>	<u>3,641,091</u>	<u>12,617,775</u>
Total 2022	<u>2,038,500</u>	<u>799,124</u>	<u>9,780,151</u>	<u>12,617,775</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy's educational operations

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<i>Education</i>			
<i>DfE/ESFA grants</i>			
General Annual Grant (GAG)	21,443,597	21,443,597	16,429,543
Other DfE/ESFA grants			
Pupil Premium	1,318,284	1,318,284	1,094,690
Teachers Pay Grants	312,946	312,946	163,860
Covid Catch Up	153,179	153,179	-
UIFSM	221,933	221,933	270,452
Other government grants non capital	834,592	834,592	238,826
Others	154,226	154,226	134,731
	<hr/>	<hr/>	<hr/>
	24,438,757	24,438,757	18,332,102
<i>Other Government grants</i>			
Special Educational Needs	1,191,014	1,191,014	314,329
Local authority grants	223,087	223,087	337,870
Others	105,424	105,424	63,994
	<hr/>	<hr/>	<hr/>
	1,519,525	1,519,525	716,193
	<hr/>	<hr/>	<hr/>
	25,958,282	25,958,282	19,048,295
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2022	19,048,295	19,048,295	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Catering income	379,555	-	379,555	266,919
SLA/salary income	303,266	9,999	313,265	194,215
Other income	139,494	-	139,494	48,778
	<u>822,315</u>	<u>9,999</u>	<u>832,314</u>	<u>509,912</u>
Total 2022	<u>509,912</u>	<u>-</u>	<u>509,912</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from local listed investments	48,422	48,422	-
Bank interest received	641	641	536
	<u>49,063</u>	<u>49,063</u>	<u>536</u>
Total 2022	<u>536</u>	<u>536</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Education:					
Direct costs	16,333,533	-	1,823,814	18,157,347	15,444,560
Allocated support costs	2,906,844	980,884	3,880,550	7,768,278	4,511,186
	<u>19,240,377</u>	<u>980,884</u>	<u>5,704,364</u>	<u>25,925,625</u>	<u>19,955,746</u>
Total 2022	<u>15,389,534</u>	<u>774,660</u>	<u>3,791,552</u>	<u>19,955,746</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	<u>18,157,347</u>	<u>7,768,278</u>	<u>25,925,625</u>	<u>19,955,746</u>
Total 2022	<u>15,444,560</u>	<u>4,511,186</u>	<u>19,955,746</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	2,906,844	2,906,844	2,664,938
Depreciation	575,790	575,790	16,190
Other costs	3,074,465	3,074,465	833,507
Recruitment and other staff costs	97,866	97,866	116,282
Premises costs	980,884	980,884	774,660
Legal and professional	84,915	84,915	67,545
Governance costs	47,514	47,514	38,064
	<u>7,768,278</u>	<u>7,768,278</u>	<u>4,511,186</u>
Total 2022	<u>4,511,186</u>	<u>4,511,186</u>	

9. Net income

Net income for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	1,141,855	970,383
Loss on disposal of fixed assets	137,881	33,206
Fees paid to auditors for:		
- audit	20,150	15,250
- other services	5,475	5,575
	<u>1,305,361</u>	<u>1,024,414</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	14,241,600	10,562,520
Social security costs	1,471,960	1,072,225
Pension costs	2,878,601	3,045,695
	18,592,161	14,680,440
Agency staff costs	568,560	456,931
Staff restructuring costs	79,656	252,163
	19,240,377	15,389,534

Staff restructuring costs comprise:

	2023	2022
	£	£
Redundancy payments	29,109	64,137
Severance payments	50,547	188,026
	79,656	252,163

b. Special staff severance payments

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £19,880 (2022: £nil). Individually the payments were: £13,000, £5,209, and £1,671.

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Staff numbers

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

	2023	2022
	No.	No.
Teachers	189	190
Administration and support	360	217
Management	50	41
	<hr/> 599 <hr/>	<hr/> 448 <hr/>

d. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	9	8
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	2
In the band £110,001 - £120,000	2	1
In the band £150,001 - £160,000	1	-
In the band £190,001 - £200,000	-	1
In the band £200,001 - £210,000	1	-
	<hr/> 1 <hr/>	<hr/> - <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 £1,503,387 (2022 - £1,349,623).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- Finance
- HR
- Facilities and Compliance inc Catering and Grounds Maintenance
- Data
- Safeguarding and Pastoral

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:

	2023	2022
	£	£
Carlton Bolling	611,137	574,983
Carlton Mills	93,122	91,466
Marshfield Primary	126,062	112,159
Thorpe Primary	64,346	56,716
Carlton Keighley	382,490	116,713
High Park School	15,200	-
Total	1,292,357	952,037

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:

		2023	2022
		£	£
A Kneeshaw, Chief Executive Officer	Remuneration	205,000 -	190,000 -
		210,000	195,000

During the year ended 31 August 2023, expenses totalling £4,380 were reimbursed or paid directly to 3 Trustees (2022 - £3,469 to 1 Trustee).

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NOTES TO THE FINANCIAL STATEMENTS
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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.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>				
At 1 September 2022	32,750,000	2,353,943	126,603	35,230,546
Additions	-	659,070	14,500	673,570
Acquired on conversion	4,509,499	6,017	10,306	4,525,822
Disposals	-	(299,195)	-	(299,195)
At 31 August 2023	<u>37,259,499</u>	<u>2,719,835</u>	<u>151,409</u>	<u>40,130,743</u>
<i>Depreciation</i>				
At 1 September 2022	444,333	1,286,567	27,830	1,758,730
Charge for the year	566,065	547,427	28,363	1,141,855
On disposals	-	(161,314)	-	(161,314)
At 31 August 2023	<u>1,010,398</u>	<u>1,672,680</u>	<u>56,193</u>	<u>2,739,271</u>
<i>Net book value</i>				
At 31 August 2023	<u><u>36,249,101</u></u>	<u><u>1,047,155</u></u>	<u><u>95,216</u></u>	<u><u>37,391,472</u></u>
At 31 August 2022	<u><u>32,305,667</u></u>	<u><u>1,067,376</u></u>	<u><u>98,773</u></u>	<u><u>33,471,816</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Fixed asset investments

	Listed investments £
<i>Cost or valuation</i>	
Additions	7,070,854
Disposals	(562,522)
Revaluations	87,998
At 31 August 2023	<u>6,596,330</u>
<i>Net book value</i>	
At 31 August 2023	<u>6,596,330</u>

16. Debtors

	2023 £	2022 £
<i>Due within one year</i>		
Trade debtors	10,748	9,665
Other debtors	242,677	349,032
Prepayments and accrued income	470,678	4,382,018
	<u>724,103</u>	<u>4,740,715</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	375,735	298,345
Other creditors	6,843	2,766
Accruals and deferred income	115,690	102,310
	<hr/> 498,268 <hr/>	<hr/> 403,421 <hr/>
	2023	2022
	£	£
Deferred income at 1 September 2022	60,102	56,929
Resources deferred during the year	63,234	60,102
Amounts released from previous periods	(60,102)	(56,929)
	<hr/> 63,234 <hr/>	<hr/> 60,102 <hr/>

At the balance sheet date, the Academy Trust was holding UIFSM received in advance of £63,234.

CARLTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	3,302,891	985,218	(863,951)	(378,000)	87,998	3,134,156
Restricted general funds						
General Annual Grant (GAG)	2,819,382	21,528,517	(18,494,404)	-	-	5,853,495
Pupil Premium	214,074	1,299,389	(1,286,090)	-	-	227,373
UIFSM	-	104,787	(104,787)	-	-	-
Other DfE/ESFA grants	510,547	2,461,669	(2,972,216)	-	-	-
PE and Sports grant	-	55,920	(55,920)	-	-	-
Early Years	-	191,844	(191,844)	-	-	-
SLT	-	117,146	(117,146)	-	-	-
Recovery Premium	30,482	293,930	(324,412)	-	-	-
Restricted funds transferred on conversion	1,976,182	-	-	-	-	1,976,182
Pension reserve	(1,283,000)	(1,544,000)	(373,000)	-	3,200,000	-
	4,267,667	24,509,202	(23,919,819)	-	3,200,000	8,057,050
Restricted fixed asset funds						
Fixed assets	33,471,816	4,525,822	(1,141,855)	535,689	-	37,391,472
Capital grants	-	460,508	-	(157,689)	-	302,819
	33,471,816	4,986,330	(1,141,855)	378,000	-	37,694,291

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<i>Total Restricted funds</i>	37,739,483	29,495,532	(25,061,674)	378,000	3,200,000	45,751,341
<i>Total funds</i>	41,042,374	30,480,750	(25,925,625)	-	3,287,998	48,885,497

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 2023.

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 2023.

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18. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	2,373,603	2,548,948	(1,619,660)	-	-	3,302,891
Restricted general funds						
General Annual Grant (GAG)	501,929	16,258,513	(13,928,929)	(12,131)	-	2,819,382
Pupil Premium	155,489	1,094,690	(1,036,105)	-	-	214,074
UIFSM	-	116,518	(116,518)	-	-	-
Other DfE/ESFA grants	49,664	1,090,309	(629,426)	-	-	510,547
PE and Sports grant	-	56,270	(56,270)	-	-	-
Early Years	-	134,940	(134,940)	-	-	-
SLT	-	153,934	(153,934)	-	-	-
Recovery Premium	-	152,063	(121,581)	-	-	30,482
Restricted funds transferred on conversion	-	1,976,182	-	-	-	1,976,182
Pension reserve	(6,902,000)	(1,186,000)	(1,188,000)	-	7,993,000	(1,283,000)
	(6,194,918)	19,847,419	(17,365,703)	(12,131)	7,993,000	4,267,667

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18. Statement of funds (continued)

***Restricted fixed
asset funds***

Fixed assets transferred on conversion	1,007,265	9,712,114	(956,030)	12,131	-	9,775,480
Capital grants received	307,652	68,037	(14,353)	-	-	361,336
Revaluation of fixed assets	-	23,335,000	-	-	-	23,335,000
	<u>1,314,917</u>	<u>33,115,151</u>	<u>(970,383)</u>	<u>12,131</u>	<u>-</u>	<u>33,471,816</u>
<i>Total Restricted funds</i>	<u>(4,880,001)</u>	<u>52,962,570</u>	<u>(18,336,086)</u>	<u>-</u>	<u>7,993,000</u>	<u>37,739,483</u>
<i>Total funds</i>	<u><u>(2,506,398)</u></u>	<u><u>55,511,518</u></u>	<u><u>(19,955,746)</u></u>	<u><u>-</u></u>	<u><u>7,993,000</u></u>	<u><u>41,042,374</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£	£
Carlton Bolling	4,210,167	3,119,627
Carlton Mills	528,239	301,996
Marshfield Primary	437,575	278,460
Thorpe Primary	56,033	(70,938)
Central Services	804,811	963,111
Carlton Keighley	4,926,847	4,261,302
High Park School	227,534	-
Total before fixed asset funds and pension reserve	<u>11,191,206</u>	8,853,558
Restricted fixed asset fund	37,694,291	33,471,816
Pension reserve	-	(1,283,000)
Total	<u><u>48,885,497</u></u>	<u><u>41,042,374</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. 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 2023 £	Total 2022 £
Carlton Bolling	7,840,873	994,503	496,586	1,227,077	10,559,039	9,912,639
Carlton Mills	1,111,997	135,300	73,458	181,187	1,501,942	1,597,446
Marshfield Primary	1,431,928	319,206	117,168	330,022	2,198,324	2,000,123
Thorpe Primary	694,721	132,186	75,085	185,385	1,087,377	1,089,864
Carlton Keighley	3,637,614	702,947	274,194	1,974,079	6,588,834	1,951,654
High Park School	468,547	97,546	61,709	43,797	671,599	-
Central services	1,029,655	672,580	15,152	459,268	2,176,655	2,433,637
Academy Trust	16,215,335	3,054,268	1,113,352	4,400,815	24,783,770	18,985,363

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	37,391,472	37,391,472
Fixed asset investments	96,330	6,500,000	-	6,596,330
Current assets	3,037,826	2,055,318	302,819	5,395,963
Creditors due within one year	-	(498,268)	-	(498,268)
Total	3,134,156	8,057,050	37,694,291	48,885,497

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	33,471,816	33,471,816
Current assets	3,302,891	5,954,088	-	9,256,979
Creditors due within one year	-	(403,421)	-	(403,421)
Provisions for liabilities and charges	-	(1,283,000)	-	(1,283,000)
Total	3,302,891	4,267,667	33,471,816	41,042,374

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

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	4,643,123	35,555,772
Adjustments for:		
Depreciation	1,141,855	970,383
Interest receivable	(641)	(536)
Defined benefit pension scheme obligation inherited	1,544,000	1,186,000
Defined benefit pension scheme cost less contributions payable	334,000	1,057,000
Defined benefit pension scheme finance cost	39,000	131,000
Increase in debtors	4,049,191	(4,064,623)
Increase in creditors	94,847	29,743
Fixed assets transfers from single academy trust and multi academy trust	(4,525,822)	(33,047,114)
Loss on disposal of fixed assets	137,881	33,206
Unrealised gain on fixed asset investments	(87,998)	-
Income from fixed asset investments	(48,422)	-
Fees/charges in relation to fixed asset investments	22,200	-
Profit on sale of fixed asset investments	(14,689)	-
Net cash provided by operating activities	7,328,525	1,850,831

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FOR THE YEAR ENDED 31 AUGUST 2023

21. Cash flows from investing activities

	2023	2022
	£	£
Interest receivable	641	536
Purchase of tangible fixed assets	(673,570)	(113,374)
Purchase of investments	(6,500,000)	-
<i>Net cash used in investing activities</i>	(7,172,929)	(112,838)

22. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	4,671,860	4,516,264
<i>Total cash and cash equivalents</i>	4,671,860	4,516,264

23. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	4,516,264	155,596	4,671,860
	4,516,264	155,596	4,671,860

24. Capital commitments

	2023	2022
	£	£
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	184,480	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. 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 2022.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,794,601 (2022 - £1,449,641).

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.

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 2023 was £1,092,000 (2022 - £633,000), of which employer's contributions totalled £808,000 (2022 - £471,000) and employees' contributions totalled £284,000 (2022 - £162,000). The agreed contribution rates for future years are 17.5 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.85	3.95
Rate of increase for pensions in payment/inflation	2.60	2.70
Discount rate for scheme liabilities	5.00	4.00
Inflation assumption (CPI)	2.60	2.70
Inflation assumption (RPI)	2.60	2.70

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

	2023	2022
	Years	Years
Retiring today		
Males	21.0	21.8
Females	24.1	24.6
Retiring in 20 years		
Males	22.2	22.5
Females	25.1	25.7

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	16,399	13,262
Discount rate -0.1%	17,171	14,068
Mortality assumption - 1 year increase	16,365	13,262
Mortality assumption - 1 year decrease	17,205	14,054
CPI rate +0.1%	17,121	13,726
CPI rate -0.1%	16,449	13,590

Share of scheme assets

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

	At 31 August	At 31 August
	2023	2022
	£	£
Equities	13,986,000	9,887,000
Gilts	1,085,000	792,000
Corporate bonds	792,000	532,000
Property	586,000	483,000
Cash and other liquid assets	637,000	495,000
Other	138,000	186,000
Total market value of assets	17,224,000	12,375,000

The actual return on scheme assets was £(127,000) (2022 - £59,000).

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

	2023	2022
	£	£
Current service cost	1,142,000	1,520,000
Past service cost	-	8,000
Interest cost	39,000	131,000
Total amount recognised in the Statement of Financial Activities	1,181,000	1,659,000

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2023

25. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	13,658,000	13,475,000
Interest cost	578,000	277,000
Employee contributions	284,000	162,000
Actuarial gains	(4,305,000)	(8,080,000)
Benefits paid	(269,000)	(117,000)
Current service cost	1,142,000	1,520,000
Net increase in liabilities from disposals/acquisitions	5,697,000	6,413,000
Past service cost	-	8,000
	<hr/>	<hr/>
At 31 August	16,785,000	13,658,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2023 £	2022 £
At 1 September	12,375,000	6,573,000
Interest income	539,000	146,000
Actuarial losses	(1,105,000)	(87,000)
Employer contributions	808,000	471,000
Employee contributions	284,000	162,000
Benefits paid	(269,000)	(117,000)
Net increase in assets from disposals/acquisitions	4,153,000	5,227,000
	<hr/>	<hr/>
At 31 August	16,785,000	12,375,000
	<hr/> <hr/>	<hr/> <hr/>

The net pension surplus of £439,000 for Carlton Academy Trust at 31 August 2023, in accordance with FRS102, is not recognised in the Balance Sheet as the academy trust is unable to recover this surplus from the pension scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	84,702	60,700
Later than 1 year and not later than 5 years	177,348	81,294
	<u>262,050</u>	<u>141,994</u>

27. Other contractual commitments

. PFI agreements

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts due within one year	1,862,276	1,756,864
Amounts due between one and five years	7,829,082	7,675,571
Amounts due after five years	19,975,822	21,991,610
	<u>29,667,180</u>	<u>31,424,045</u>

28. 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.

29. 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust 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.

University Academy Keighley - Common Trustees

The Trust had a Service Level Agreement with University Academy Keighley. During the year, the charges made to University Academy Keighley to cover the Service Level Agreement were £nil (2022 - £194,215). Further to this, the academy trust seconded staff to University Academy Keighley making charges of £nil (2022 - £111,358). All charges relate to the period up to 1 May 2022 at which point University Academy Keighley transferred into the Trust.

Anita Riedel - Spouse of A Kneeshaw, Chief Executive Officer

During the year, Anita Riedel, a Recruitment Consultant, provided services for the Trust. The engagement was made in open competition and A Kneeshaw was not involved in the decision making process. The charges to the Trust in the year totalled £18,333 (2022 - £18,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

30. Transfer of existing academies into the academy trust

High Park School

	Value reported by transferring trust £	Transfer in recognised £
<i>Tangible fixed assets</i>		
Long-term leasehold property	4,509,499	4,509,499
Furniture and equipment	10,306	10,306
Motor vehicles	6,017	6,017
<i>Current assets</i>		
Debtors due within one year	113,810	113,810
<i>Liabilities</i>		
<i>Pensions</i>		
Pensions - pension scheme assets	4,153,000	4,153,000
Pensions - pension scheme liabilities	(5,697,000)	(5,697,000)
<i>Net assets</i>		
	<u>3,095,632</u>	<u>3,095,632</u>