



**CARLTON ACADEMY TRUST**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	A Laher D Woodward I Shafiq G Bradshaw (appointed 1 March 2020) A Barker (appointed 1 March 2020)
<b>Trustees</b>	G Arnold R Butterfield G Hussain R Jamil A Kneeshaw, Chief Executive Officer G Logan, Chair of Trustees A Sheikh K Singh D Thompson
<b>Company registered number</b>	11963458
<b>Company name</b>	Carlton Academy Trust
<b>Principal and registered office</b>	Carlton Bolling Undercliffe Lane Bradford BD3 0DU
<b>Company secretary</b>	Schofield Sweeney
<b>Accounting Officer</b>	A Kneeshaw
<b>Senior management team</b>	A Kneeshaw, Chief Executive Officer J Girt, Head of School S Charlton, Director of School Improvement L Reeder, Chief Financial Officer
<b>Independent auditors</b>	BHP LLP New Chartford House Centurion Way Cleckheaton BD19 3QB
<b>Bankers</b>	Lloyds Bank plc 45 Hustlergate Bradford BD1 1NT

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**Solicitors**

Schofield Sweeney  
Church Bank House  
Church Bank  
Bradford  
BD1 4DY

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## CARLTON ACADEMY TRUST

(A company limited by guarantee)

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### TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During 2019-20, the trust was legally a single academy (Carlton Bolling), although through the basis of its' Service Level Agreement (SLA) with University Academy Keighley (UAK) it was acting on a de facto basis as another trust school. Both are secondary 11-16 academies, with around 1500 and 600 students, respectively.

#### ***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***

The academy trust has purchased cover to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. This is provided under the DfE's Risk Protection Arrangement.

##### ***d. Method of recruitment and appointment or election of Trustees***

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

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

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## CARLTON ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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#### **Structure, governance and management (continued)**

##### ***e. Policies adopted for the induction and training of Trustees***

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

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

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

##### ***f. Organisational structure***

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

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

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

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

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

##### ***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 which comprise total remuneration (pay, pension, benefits). Personnel progress through these bands according to number of schools in the trust, the type/phase of School, and total number of students they are responsible for. The pay position within these bands is made with reference to guidance from the DFE in 'Setting Executive Salaries' (2019), which considers experience, previous achievements, and level of challenge within the role. Heads of Schools are paid with reference to national (teacher) leadership salary scales, modified according to school group size. Exact positions within these scales are determined by experience, performance as well as recruitment and retention purposes.

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**Structure, governance and management (continued)*****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***

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

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

Total cost of facility time -  
Total pay bill -  
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 - %

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**Objectives and activities (continued)*****b. Objectives, strategies and activities***

2020/21 year will be a year of rapid growth for the trust, predominantly within the primary sector. Lister Primary converted and joined the trust on 1 September 2020, with Marshfield Primary and Thorpe Primary joining on 1 December 2020. It is important that these are effectively assimilated through the provision of key structures encoded in schemes of delegation, top slice provision, policies and effective liaison between senior personnel. Work has also begun to assimilate UAK in to the trust, which predominantly comprises dealing with the complexities of the PFI funding agreement.

To accommodate the expansion of the trust, a new and enlarged structure for the central staff team has been developed. Recruitment has taken place for many of these roles, including a Director of Primary, Director of Facilities and Compliance, and Director of HR. The trust also plans to recruit a Director of ICT/Network Manager or alternatively to engage an outside provider to oversee this provision, as well as recruiting to several other additional roles.

The trust continues to engage with a number of other Bradford primary schools, and looks likely to make further expansion in the near future, which will help it to attain its medium-term ambition of becoming an established trust of scale (approximately 10 schools/5000 students). Following the successful improvement work at UAK, there are now sufficient resources available to support or assimilate another secondary school in to the trust.

Other priorities include retaining World Class Schools Quality Mark status at Carlton Bolling, as well as attaining this status at Marshfield.

***c. Public benefit***

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

***Strategic report******Achievements and performance******a. Going concern***

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

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**Strategic report (continued)****Achievements and performance (continued)*****b. Key performance indicators***

Due to coronavirus, there were no externally validated examinations with students' grades being decided by the better of exam board predictions or school-based predictions. Due to these exceptional circumstances, there were no school performance tables.

Predictions made by the school prior to coronavirus lockdown indicated the school would have an overall Progress 8 score of +0.48. This would be a score in line with the schools' 'Outstanding' Ofsted rating. There is some confidence in the accuracy of this prediction, as previous predictions have proven to be close to final results, and they are also in line with the last four sets of results at the school.

The trust gained much national attention this year after Carlton Bolling was named the 'Secondary of the Year' in the 2019 BBC/Pearson National Teaching Awards. This is a major achievement, being the top award in the top teaching awards, dubbed 'The Teaching Oscars'.

Another major achievement was gaining a 'Good' overall Ofsted rating at UAK. This heralded a major turn-around in the fortunes of the school, which had never been rated at least 'Good' through its entire existence as an academy or as the predecessor local authority school (Greenhead). This consistently poor record of performance had led it to being included in a high-profile Ofsted research paper on 'Stuck Schools' in 2019. Alongside this has been a dramatic improvement in the financial position at UAK, where previously there were substantial in-year deficits that threatened the future of the school as a going concern. This has been addressed, with sizeable surpluses recorded in the last two years.

The successes at UAK, led to the trust being awarded a Certificate of Excellence for School Support in the 2020 BBC/Pearson National Teaching Awards.

***Financial review******a. Review of financial period***

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

Excluding the actuarial loss on the defined pension scheme, the trust made an operating deficit of £201,839 for the year to 31 August 2020, which is after accounting for depreciation charges of £323,740.

The balances to carry forward at 31 August 2020 were £422,168 on restricted income funds and £1,629,983 on unrestricted income funds.

As at 31 August 2020, the total assets less current liabilities was £3,197,003 (2019: £2,981,842) and the net book value of tangible fixed assets was £1,060,452 (2019: £1,273,655).

The balance sheet discloses cash and bank balances of £1,546,379 (2019: £322,367).

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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***b. Reserves policy***

The trust reviews the level of reserves on an annual basis, and currently has £1,629,983 in unrestricted reserves (2019: £1,290,144). The trust currently aims to retain reserves to cover 2 months of expenditure, which should enable it to deal with unexpected emergencies or cashflow problems, the latter of which may result in the loss of lagged funding at Carlton Bolling following the closure of KS5 provision and expansion of student numbers in Year 7.

The free reserves of the Academy Trust are £1,982,741 (2019 - £1,708,187).

***c. Investment policy***

Reserves are not currently invested in savings accounts/vehicles, due to a combination of the historic low interest rates and requirement to have exposure in one account limited to the Financial Services Compensation Scheme (FCSC) limit of £85k. For the meagre returns, it would not be economic in terms of internal staffing costs to set up and administer the large number of accounts needed to invest this amount.

***d. Principal risks and uncertainties***

The trust's response to coronavirus presents the largest risk to the trust at the start of 2020-21. This both relates to the academic and financial impact the virus can have upon trust schools. Academic consequences include interruptions to the normal provision of education to students including school closures, year group closures, student's self-isolating, and staff absence. These interruptions are damaging in any context, but particularly so in the communities surrounding all trust schools where there is lesser relative availability and access to online learning resources or a suitable place to study within the home. In addition, these problems have a far greater likelihood of occurrence, as Bradford to date has a very high coronavirus infection rate, particularly in the areas surrounding trust schools.

Financial consequences of coronavirus relate to the significant extra costs of purchasing PPE equipment, investment in capital to manage the response to the virus, and the significant extra costs of covering staff absence. The trust needs to closely monitor both the academic and financial challenges over the coming year, so as to ensure that either or both are not compromised and therefore limit the ability of the trust to prosper and offer the highest standards of provision post-coronavirus.

A secondary set of risks relates to the assimilation of new schools to the trust. This includes ensuring that there is a smooth transition of each in to the trust, and assimilation of policies, procedures and working practices. These problems have hopefully been mitigated by the close working of the trust with each of these schools well in advance of conversion. Issues may also arise with the quality and effectiveness of the operation of the new central trust team, which may serve to reduce the efficiency of work in each school. To date, central trust staff have worked very effectively with schools, and it is anticipated this will continue with future positions through careful planning of role responsibilities and selection procedures. Arguably the most problematic of these roles is the Director of ICT, which will be critical in ensuring the trust has cohesive and unified information systems and attaining operational efficiency across and within trust schools. The trust is also considering the use of third-party IT network management companies, who may offer the best solution to managing the trusts' networks and information systems.

Funding for both Carlton Bolling and UAK are also being monitored. Carlton Bolling continues to lose out on in-year funding, being provided with less money than commensurate with students on roll. This is due to the effects of lagged funding, where we receive monies based on the previous year's census. As the school is currently growing at around an additional 90 students per year, Carlton Bolling is being significantly underfunded relative to student numbers.

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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Possible concerns at UAK relate to student-led funding, and whether it drops back from its current levels to one commensurate with a hard National Funding Formula settlement, which would compromise the financial viability of the school. However, assurances have been obtained from the Education and Skills Funding Agency (ESFA) that this will not occur and funding will continue in the same manner as from the start of the PFI funding agreement in 2010.

***e. Pension reserve***

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

This deficit currently stands at £3.72m for the period end 31st August 2020 (2019: £2.44m)

***Fundraising***

The trust has to date not been involved in meaningful fundraising activities, with the exception of commercial lettings activities at UAK. This is set to change in 2020-21 with plans to significantly expand fundraising activities across all trust schools. This will principally involve the development of lettings income, particularly at Carlton Bolling where there are many facilities that have commercial potential. Plans include setting up an online portal for bookings which uses a commercial software package to efficiently manage facilities and develop additional income stream for all schools.

There are also outline plans to employ an external contractor to raise money for trust schools. This would encompass both bidding activities and liaison with local and regional businesses to sponsor school fundraising activities. The activities of any fundraiser would be closely monitored by the CEO to ensure that relevant funding opportunities and companies are being approached, which are congruent and appropriate to the trust's articles and memorandum of association.

The CEO would also seek to ensure that any fundraising activities did not represent an unreasonable intrusion on a person's privacy, constitute unreasonably persistent approaches, or place undue pressure on a third party or person. As such the CEO would be responsible for oversight and management of any complaints relating to fundraising.

***Plans for future periods***

The trust's medium-term ambitions are to become an established Multi-Academy Trust of scale (approximately 5000 students, 10 schools). This is a size where the costs of expansion are significantly less with each additional school, and the trust can therefore start to significantly benefit from economies of scale. It is critical that this growth objective is pursued in a controlled and measured manner and does not occur too rapidly so as to stretch the resources of the trust and compromise standards in schools. Quality of standards must be assured and preserved before further schools are considered. Entering 2020-21, the trust has the requisite resources and capacity to accommodate the support and conversion of either or both a primary or secondary school.

***Funds held as custodian on behalf of others***

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

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**CARLTON ACADEMY TRUST**

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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***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:

*G D Logan*

G D Logan (Dec 17, 2020 13:18 GMT)

**G Logan**

Chair of Trustees

Date: Dec 17, 2020

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

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**GOVERNANCE STATEMENT**

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**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 has formally met 4 times during the year. This was scheduled to be five meetings, but the Coronavirus lockdown led to one fewer meeting taking place. To ensure there was effective oversight of funds in the absence of this meeting, there were at least weekly communications between the CEO, Chair of Trustees and Chief Financial Officer to consider expenditure against the set budget and the impacts of the Pandemic in relation to this.

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

Trustee	Meetings attended	Out of a possible
G Arnold	4	4
R Butterfield	3	4
G Hussain	2	4
R Jamil	2	4
A Kneeshaw, Chief Executive Officer	4	4
G Logan, Chair of Trustees	4	4
A Sheikh	2	4
K Singh	4	4
D Thompson	4	4

Attendance during the year at meetings of the members was as follows:

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

There has been no change during the year to the composition of trustees, with the members being expanded to five with the addition of Professor Gwendolen Bradshaw and Dr Anna Barker.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The work of the trustees considers all areas of operation. This is supplemented by the work of the Risk and Audit committee which considers risk management, financial management or any other issue of importance delegated to it by the main trust board. All discussions at the Risk and Audit committee are fully reported back to the main trust board meeting.

The board considers relevant data outlining the current and recent performance of the trust. To oversee financial performance, the board has access to monthly financial reports, budget statements and annual accounts. Academic performance and the operational performance of schools is assessed in many ways including analysis of student progress data, examination results, pastoral and attendance data. All are presented in a format congruent with external financial audits/reviews or school accountability frameworks. Due to the depth of specialist knowledge of trustees across key areas of operation, they have had a strong appreciation of the current and future issues facing the trust.

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

The trust has also undergone two separate audits throughout 2019-20, with both analysing the quality of governance as part of their scope. The first of these was a Financial Management and Governance Self-Assessment audit, led by two senior ESFA personnel. Their findings in relation to all areas including governance was very positive. The second was an internal audit held in the summer term which noted the high level of scrutiny on both financial aspects as well as issues facing the trust as a whole.

The Audit and Risk Committee met on three occasions in 2019/20. Items for discussion included schemes of delegation, central trust staffing structures, provision of central services to schools, policies, scrutiny and approval of budgets. Attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gareth Logan	3	3
Roger Butterfield	3	3
Altaf Sheikh	1	3
Adrian Kneeshaw	3	3

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**CARLTON ACADEMY TRUST**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

The CEO, as accounting 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 the educational and wider societal outcomes 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 where appropriate.

The accounting officer for the academy trust has delivered value for money during the year in several main ways. These include constantly reviewing all contracts the trust has with external suppliers to ensure that best value is obtained. Expert advice and support is sometimes used to assist in this process.

As staffing is by far the greatest expenditure within the trust, staffing structures are also under constant review to ensure they best match strategic priorities with salaries commensurate to responsibilities. To assist this, new HR and finance policies have been introduced in 2019/20 to ensure staff continue to provide value for money. One of these is the requirement for Upper Pay Scale (UPS) teachers to continue to demonstrate the high standards that enabled them to attain this status or risk losing the extra pay associated with the role.

There are plans in the forthcoming year for an external review of procurement, as well as commissioning outside consultancy to overview the structure and operation of catering.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than 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 2019 to 31 August 2020 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the full Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- identification and management of risks

***The Board of Trustees has decided to employ BHP LLP as internal auditor.***

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

**Financial Monitoring:** Which included a review of management accounts, budgets, minute review, and census report

**Covid-19:** This included an assessment of revised policies, and credit card expenditure

**Purchases:** This analysed a review of purchases and the financial scheme of delegation.

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

**Review of effectiveness**

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Risk and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

*G D Logan*

G D Logan (Dec 17, 2020 13:18 GMT)

**G Logan**  
Chair of Trustees

*Adrian Kneeshaw*

Adrian Kneeshaw (Dec 17, 2020 13:51 GMT)

**A Kneeshaw**  
Accounting Officer

Date: Dec 17, 2020

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**CARLTON ACADEMY TRUST**

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of Carlton Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.

*Adrian Kneeshaw*  
Adrian Kneeshaw (Dec 17, 2020 13:51 GMT)

**A Kneeshaw**  
Accounting Officer

Date: Dec 17, 2020

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**CARLTON ACADEMY TRUST**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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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 2019 to 2020;
- 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 D Logan (Dec 17, 2020 13:18 GMT)

**G Logan**  
Chair of Trustees

Date: Dec 17, 2020

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**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

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

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**Opinion**

We have audited the financial statements of Carlton Academy Trust (the 'academy trust') for the period ended 31 August 2020 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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

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

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

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**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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](http://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: Dec 17, 2020

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**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 30 April 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Carlton Academy Trust's funding agreement with the Secretary of State for Education dated 22 May 2019 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

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

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**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Lesley Kendrew  
Reporting Accountant  
**BHP LLP**

New Chartford House  
Centurion Way  
Cleckheaton  
BD19 3QB

Date: Dec 17, 2020

**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and capital grants	3	-	-	22,575	938,179
Charitable activities	4	-	9,403,453	-	2,401,943
Other trading activities	5	623,991	110,819	-	146,121
Investments	6	839	-	-	89
<b>Total income</b>	<b>624,830</b>	<b>9,514,272</b>	<b>22,575</b>	<b>10,161,677</b>	<b>3,486,332</b>
<b>Expenditure on:</b>					
Charitable activities	7,8	284,991	9,754,785	323,740	2,518,490
<b>Total expenditure</b>		<b>284,991</b>	<b>9,754,785</b>	<b>323,740</b>	<b>2,518,490</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>339,839</b>	<b>(240,513)</b>	<b>(301,165)</b>	<b>967,842</b>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	22	-	(863,000)	-	(426,000)
<b>Net movement in funds</b>		<b>339,839</b>	<b>(1,103,513)</b>	<b>(301,165)</b>	<b>541,842</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,290,144	(2,194,319)	1,446,017	541,842
Net movement in funds		339,839	(1,103,513)	(301,165)	(1,064,839)
<b>Total funds carried forward</b>		<b>1,629,983</b>	<b>(3,297,832)</b>	<b>1,144,852</b>	<b>(522,997)</b>

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

The notes on pages 26 to 50 form part of these financial statements.

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**CARLTON ACADEMY TRUST**

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

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**BALANCE SHEET**  
*AS AT 31 AUGUST 2020*

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	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	13	<b>1,060,452</b>	1,273,655
		<hr/>	<hr/>
		<b>1,060,452</b>	1,273,655
<b>Current assets</b>			
Debtors	14	<b>612,343</b>	1,688,370
Cash at bank and in hand		<b>1,700,189</b>	322,367
		<hr/>	<hr/>
		<b>2,312,532</b>	2,010,737
Creditors: amounts falling due within one year	15	<b>(175,981)</b>	(302,550)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>3,197,003</b>	2,981,842
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>3,197,003</b>	2,981,842
Defined benefit pension scheme liability	22	<b>(3,720,000)</b>	(2,440,000)
		<hr/>	<hr/>
<b>Total net (liabilities)/assets</b>		<b>(522,997)</b>	541,842
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	<b>1,144,852</b>	1,446,017
Restricted income funds	16	<b>422,168</b>	245,681
		<hr/>	<hr/>
Restricted funds excluding pension asset	16	<b>1,567,020</b>	1,691,698
Pension reserve	16	<b>(3,720,000)</b>	(2,440,000)
		<hr/>	<hr/>
<b>Total restricted funds</b>	16	<b>(2,152,980)</b>	(748,302)
<b>Unrestricted income funds</b>	16	<b>1,629,983</b>	1,290,144
		<hr/>	<hr/>
<b>Total funds</b>		<b>(522,997)</b>	541,842
		<hr/> <hr/>	<hr/> <hr/>

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**CARLTON ACADEMY TRUST**

**(A company limited by guarantee)**

REGISTERED NUMBER: 11963458

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**BALANCE SHEET (CONTINUED)**

*AS AT 31 AUGUST 2020*

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

The financial statements on pages 22 to 50 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

*G D Logan*

G D Logan (Dec 17, 2020 13:18 GMT)

**G Logan**

Chair of Trustees

Date: Dec 17, 2020

The notes on pages 26 to 50 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<b>1,487,520</b>	322,278
<b>Cash flows from investing activities</b>	19	<b>(109,698)</b>	89
<b>Change in cash and cash equivalents in the year</b>		<b>1,377,822</b>	322,367
Cash and cash equivalents at the beginning of the year		<b>322,367</b>	-
<b>Cash and cash equivalents at the end of the year</b>	20, 21	<b>1,700,189</b>	322,367

The notes on pages 26 to 50 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Donated goods, facilities and services**

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

• **Transfer on conversion**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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1. Accounting policies (continued)

**1.8 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

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

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

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

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

**1.11 Liabilities**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**1. Accounting policies (continued)**

**1.12 Financial instruments**

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

Financial Assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.13 Operating leases**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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1. Accounting policies (continued)

**1.14 Pensions**

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

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

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

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

**1.15 Fund accounting**

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**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 22, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Transfers from Local Authority on conversion	-	-	-	-	938,179
Assets gifted by ESFA	-	-	22,575	<b>22,575</b>	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	22,575	<b>22,575</b>	938,179
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	<hr/> <b>1,203,410</b> <hr/>	<hr/> <b>(1,790,000)</b> <hr/>	<hr/> <b>1,524,769</b> <hr/>	<hr/> <b>938,179</b> <hr/>	

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**4. Funding for the Academy's educational operations**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b><i>DfE/ESFA grants</i></b>			
General Annual Grant	8,317,833	<b>8,317,833</b>	2,115,829
Other Dfe/ESFA grants	1,008,060	<b>1,008,060</b>	286,114
Other government grants non capital	53,904	<b>53,904</b>	-
	<hr/>	<hr/>	<hr/>
	9,379,797	<b>9,379,797</b>	2,401,943
<b><i>Exceptional government funding</i></b>			
Coronavirus Job Retention Scheme grant	23,656	<b>23,656</b>	-
	<hr/>	<hr/>	<hr/>
	9,403,453	<b>9,403,453</b>	2,401,943
	<hr/>	<hr/>	<hr/>
Total 2019	<hr/>	<hr/>	<hr/>
	2,401,943	2,401,943	
	<hr/>	<hr/>	<hr/>

**5. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Catering income	158,460	-	<b>158,460</b>	24,871
SLA/salary income	447,973	-	<b>447,973</b>	117,420
PFI revenue	17,558	-	<b>17,558</b>	-
Other income	-	110,819	<b>110,819</b>	3,830
	<hr/>	<hr/>	<hr/>	<hr/>
	623,991	110,819	<b>734,810</b>	146,121
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	<hr/>	<hr/>	<hr/>	<hr/>
	142,291	3,830	146,121	
	<hr/>	<hr/>	<hr/>	<hr/>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**6. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Bank interest received	839	<b>839</b>	89
	<hr/>	<hr/>	<hr/>
Total 2019	89	89	
	<hr/>	<hr/>	

**7. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Education:					
Direct costs	7,373,022	-	528,078	<b>7,901,100</b>	1,750,381
Allocated support costs	1,504,810	78,141	879,465	<b>2,462,416</b>	768,109
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,877,832	78,141	1,407,543	<b>10,363,516</b>	2,518,490
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	2,185,967	66,603	265,920	2,518,490	
	<hr/>	<hr/>	<hr/>	<hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Education	7,901,100	2,462,416	<b>10,363,516</b>	2,518,490
Total 2019	1,750,381	768,109	2,518,490	

**Analysis of support costs**

	<b>Education 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	1,504,810	<b>1,504,810</b>	496,500
Other costs	21,097	<b>21,097</b>	6,053
Recruitment and other staff costs	74,695	<b>74,695</b>	15,546
Maintenance of premises and equipment	78,141	<b>78,141</b>	66,603
Rent and rates	51,883	<b>51,883</b>	9,548
Heat and light	151,214	<b>151,214</b>	19,185
Security and transport	26,632	<b>26,632</b>	8,030
Catering	134,827	<b>134,827</b>	22,051
Technology costs	43,052	<b>43,052</b>	16,717
Legal and professional	35,238	<b>35,238</b>	12,674
Depreciation	323,740	<b>323,740</b>	78,752
Governance costs	17,087	<b>17,087</b>	16,450
	2,462,416	<b>2,462,416</b>	768,109
Total 2019	768,109	768,109	

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2020</b>	2019
	£	£
Operating lease rentals	-	4,542
Depreciation of tangible fixed assets	<b>323,740</b>	78,752
Fees paid to auditors for:		
- audit	<b>8,000</b>	5,000
- other services	<b>4,300</b>	3,250
	<u><b>8,000</b></u>	<u>5,000</u>
	<u><b>4,300</b></u>	<u>3,250</u>

**10. Staff****a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	2019
	£	£
Wages and salaries	<b>6,395,312</b>	1,527,621
Social security costs	<b>630,297</b>	148,684
Pension costs	<b>1,520,153</b>	442,317
	<u><b>8,545,762</b></u>	<u>2,118,622</u>
Agency staff costs	<b>126,430</b>	36,345
Staff restructuring costs	<b>51,830</b>	31,000
	<u><b>8,724,022</b></u>	<u>2,185,967</u>

Staff restructuring costs comprise:

	<b>2020</b>	2019
	£	£
Redundancy payments	<b>14,727</b>	-
Severance payments	<b>37,103</b>	31,000
	<u><b>51,830</b></u>	<u>31,000</u>

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

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*FOR THE YEAR ENDED 31 AUGUST 2020*

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**10. Staff (continued)****b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £37,103 (2019: £31,000). Individually, the payments were: £230, £2,462, £4,581, £9,944 and £19,886.

**c. Staff numbers**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
Teachers	<b>136</b>	121
Administration and support	<b>104</b>	125
Management	<b>4</b>	4
	<b>244</b>	250

**d. Higher paid staff**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>6</b>	-
In the band £80,001 - £90,000	<b>2</b>	-
In the band £90,001 - £100,000	<b>1</b>	-
In the band £210,001 - £220,000	<b>1</b>	-

**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 £547,501 (2019 - £123,502).

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**11. 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:

		<b>2020</b>	2019
		<b>£</b>	£
A Kneeshaw, Chief Executive Officer	Remuneration	<b>210,000 -</b>	45,000 -
		<b>215,000</b>	50,000

A Kneeshaw's remuneration (upon which there are no employer pension contributions) includes, not only pay as Chief Executive Officer at Carlton Academy Trust, but also includes payments to him for his role as headteacher at Tracks Education and advisory services to University Academy Keighley, as disclosed at note 25.

During the year ended 31 August 2020, expenses totalling £3,512 were reimbursed or paid directly to 1 Trustee (2019 - £475 to 1 Trustee).

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2020 was £2,045. The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**13. Tangible fixed assets**

	Furniture and equipment £	Motor vehicles £	Total £
<b><i>Cost or valuation</i></b>			
At 1 September 2019	1,352,407	-	1,352,407
Additions	82,037	28,500	110,537
At 31 August 2020	<u>1,434,444</u>	<u>28,500</u>	<u>1,462,944</u>
<b><i>Depreciation</i></b>			
At 1 September 2019	78,752	-	78,752
Charge for the year	323,350	390	323,740
At 31 August 2020	<u>402,102</u>	<u>390</u>	<u>402,492</u>
<b><i>Net book value</i></b>			
At 31 August 2020	<u>1,032,342</u>	<u>28,110</u>	<u>1,060,452</u>
At 31 August 2019	<u>1,273,655</u>	<u>-</u>	<u>1,273,655</u>

**14. Debtors**

	2020 £	2019 £
<b><i>Due within one year</i></b>		
Trade debtors	1,200	200
Other debtors	22,710	42,099
Prepayments and accrued income	588,433	1,646,071
	<u>612,343</u>	<u>1,688,370</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**15. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£</b>	£
Trade creditors	<b>1,287</b>	107,561
Other taxation and social security	<b>153,810</b>	147,834
Accruals and deferred income	<b>20,884</b>	47,155
	<hr/> <b>175,981</b> <hr/>	<hr/> 302,550 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**16. Statement of funds**

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

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 2020.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**16. Statement of funds (continued)**

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 2020.

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

	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b><i>Unrestricted funds</i></b>				
General funds	1,345,790	(55,646)	-	1,290,144
<b><i>Restricted general funds</i></b>				
General Annual Grant (GAG)	2,115,829	(1,985,252)	-	130,577
Other grants	289,944	(174,840)	-	115,104
Pension reserve	(1,790,000)	(224,000)	(426,000)	(2,440,000)
	615,773	(2,384,092)	(426,000)	(2,194,319)
<b><i>Restricted fixed asset funds</i></b>				
Fixed assets transferred on conversion	1,352,407	(78,752)	-	1,273,655
Capital grants received	172,362	-	-	172,362
	1,524,769	(78,752)	-	1,446,017
<b><i>Total Restricted funds</i></b>	<b>2,140,542</b>	<b>(2,462,844)</b>	<b>(426,000)</b>	<b>(748,302)</b>
<b><i>Total funds</i></b>	<b>3,486,332</b>	<b>(2,518,490)</b>	<b>(426,000)</b>	<b>541,842</b>

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**17. Analysis of net assets between funds****Analysis of net assets between funds - current period**

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

**Analysis of net assets between funds - prior period**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	1,273,655	1,273,655
Current assets	1,290,144	548,231	172,362	2,010,737
Creditors due within one year	-	(302,550)	-	(302,550)
Provisions for liabilities and charges	-	(2,440,000)	-	(2,440,000)
<b>Total</b>	<b>1,290,144</b>	<b>(2,194,319)</b>	<b>1,446,017</b>	<b>541,842</b>

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**18. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	<b>(201,839)</b>	967,842
<b>Adjustments for:</b>		
Depreciation	<b>323,740</b>	78,752
Interest receivable	<b>(839)</b>	(89)
Defined benefit pension scheme cost less contributions payable	<b>373,000</b>	214,000
Defined benefit pension scheme finance cost	<b>44,000</b>	10,000
Increase in debtors	<b>1,076,027</b>	(312,598)
(Decrease)/increase in creditors	<b>(126,569)</b>	302,550
Net gain on assets and liabilities from Local Authority on conversion	-	(938,179)
<b>Net cash provided by operating activities</b>	<b>1,487,520</b>	322,278

**19. Cash flows from investing activities**

	2020 £	2019 £
Interest receivable	<b>839</b>	89
Purchase of tangible fixed assets	<b>(110,537)</b>	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(109,698)</b>	89

**20. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	<b>1,700,189</b>	322,367
<b>Total cash and cash equivalents</b>	<b>1,700,189</b>	322,367

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 AUGUST 2020*

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**21. Analysis of changes in net debt**

	<b>At 1 September 2019 £</b>	<b>Cash flows £</b>	<b>At 31 August 2020 £</b>
Cash at bank and in hand	<b>322,367</b>	<b>1,377,822</b>	<b>1,700,189</b>
	<hr/> <b>322,367</b> <hr/>	<hr/> <b>1,377,822</b> <hr/>	<hr/> <b>1,700,189</b> <hr/>

**22. 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 2016.

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.

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FOR THE YEAR ENDED 31 AUGUST 2020

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**22. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £854,896 (2019 - £141,622).

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 2020 was £349,000 (2019 - £97,000), of which employer's contributions totalled £259,000 (2019 - £75,000) and employees' contributions totalled £ 90,000 (2019 - £22,000). The agreed contribution rates for future years are between 11.5 per cent and 16.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

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

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**22. Pension commitments (continued)****Principal actuarial assumptions**

	<b>2020</b>	2019
	%	%
Rate of increase in salaries	<b>3.55</b>	3.25
Discount rate for scheme liabilities	<b>1.70</b>	1.90
Inflation assumption (CPI)	<b>2.30</b>	2.00
Inflation assumption (RPI)	<b>2.90</b>	3.00

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

	<b>2020</b>	2019
	Years	Years
Retiring today		
Males	<b>21.8</b>	22.2
Females	<b>22.5</b>	25.4
Retiring in 20 years		
Males	<b>24.6</b>	23.2
Females	<b>25.7</b>	27.2

**Sensitivity analysis**

	<b>2020</b>	2019
	£000	£000
Discount rate +0.1%	<b>6,954</b>	5,163
Discount rate -0.1%	<b>7,377</b>	5,477
Mortality assumption - 1 year increase	<b>7,420</b>	5,493
Mortality assumption - 1 year decrease	<b>6,904</b>	5,145
CPI rate +0.1%	<b>7,205</b>	5,379
CPI rate -0.1%	<b>7,119</b>	5,258

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Pension commitments (continued)****Share of scheme assets**

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

	2020 £	2019 £
Equities	2,677,000	2,232,000
Gilts	148,000	302,000
Corporate bonds	334,000	130,000
Property	172,000	127,000
Cash and other liquid assets	59,000	55,000
Other	52,000	32,000
<b>Total market value of assets</b>	<b>3,442,000</b>	<b>2,878,000</b>

The actual return on scheme assets was £235,000 (2019 - £125,000).

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

	2020 £	2019 £
Current service cost	632,000	130,000
Past service cost	-	159,000
Interest cost	44,000	10,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>676,000</b>	<b>299,000</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**22. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>5,318,000</b>	-
Upon conversion	-	4,446,000
Interest cost	<b>102,000</b>	26,000
Employee contributions	<b>90,000</b>	22,000
Actuarial losses	<b>1,040,000</b>	535,000
Benefits paid	<b>(20,000)</b>	-
Past service costs	-	159,000
Current service cost	<b>632,000</b>	130,000
<b>At 31 August</b>	<b>7,162,000</b>	5,318,000

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,878,000</b>	-
Upon conversion	-	2,656,000
Interest income	<b>58,000</b>	16,000
Actuarial gains	<b>177,000</b>	109,000
Employer contributions	<b>259,000</b>	75,000
Employee contributions	<b>90,000</b>	22,000
Benefits paid	<b>(20,000)</b>	-
<b>At 31 August</b>	<b>3,442,000</b>	2,878,000

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020</b>	2019
	£	£
Not later than 1 year	<b>7,800</b>	17,304
Later than 1 year and not later than 5 years	<b>19,500</b>	21,000
	<b>27,300</b>	38,304

**24. 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.

**25. 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

	<b>2020</b>	2019
Charged to University Academy Keighley	<b>230,726</b>	101,802
Charged to Tracks Education	<b>25,564</b>	15,618
	<b>256,290</b>	117,420

**26. Post balance sheet events**

The following primary schools joined the Academy Trust in the year 2020/21:  
Lister Primary, Manningham, Bradford - 1 September 2020  
Marshfield Primary, Little Horton, Bradford - 1 December 2020  
Thorpe Primary, Idle, Bradford - 1 December 2020