

REGISTERED COMPANY NUMBER: 02400784 (England and Wales)  
EXEMPT CHARITY

**REPORT OF THE GOVERNORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2011**  
**FOR**  
**THE BROOKE WESTON TRUST**  
(A Company Limited by Guarantee)

THURSDAY



A82      \*A0ORAYB5\*      #143  
22/12/2011  
COMPANIES HOUSE

Smith Hodge & Baxter  
Chartered Accountants  
& Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire  
NN15 6BL



**THE BROOKE WESTON TRUST**

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**FOR THE YEAR ENDED 31ST AUGUST 2011**

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**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

<b>Governors</b>	A E G de Capell Brooke H W G de Capell Brooke Mrs D Cassie Mrs D Davis (Resigned 31st August 2011) Mrs V Dowley M Deene Hall P Harris-Bridge J Hill Ms K James Prof T Kerry (Chairman) Mrs J Khayat Mrs S M Mason N Matthew (Resigned 31st August 2011) Sir Cyril Taylor G G Weston G Witt
<b>Members</b>	A E G de Capell Brooke H W G de Capell Brooke Mrs V Dowley Mrs J Khayat Mrs S M Mason Sir Cyril Taylor G G Weston
<b>Executive Principal</b>	Sir Peter A Simpson
<b>Principal</b>	Miss P Stringer
<b>Vice Principals</b>	R Bernard Mrs R Steele M Wilmott
<b>Director of Finance &amp; Administration</b>	Mrs D Tysoe
<b>Company Secretary</b>	Mrs D Tysoe
<b>Registered office/Principal address</b>	Coomb Road Great Oakley Corby Northamptonshire NN18 8LA
<b>Registered Company number</b>	02400784 (England and Wales)
<b>Principal address</b>	Smith Hodge & Baxter Chartered Accountants & Statutory Auditors Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**Bankers**

HSBC Bank plc  
22-24 Corporation Street  
Corby  
Northamptonshire  
NN17 1NJ

**Subsidiary Undertaking**

Corby CTC Trading Limited



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

The Governors present their report together with the financial statements of the Academy for the year ended 31st August 2011. The report has been prepared in accordance with the Charities Act 1993 as amended by the Charities Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out therein, and comply with the Academy's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

The Governors have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2006. The Governors ensure that the Academy's activities are undertaken in line with the charitable objects and aims.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and an exempt charity.

Governors of the Academy are nominated by either the Secretary of State for Education, or the members of the charitable company. The articles of association require the Governors of the Academy to appoint at least four Governors to be responsible for the statutory and constitutional affairs of the Academy and the management of the Academy.

**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 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

**Governors' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

**Principal activities**

The Academy Trust's principal activity, as set out in its articles of association and funding agreement is to advance, for the public benefit, education in the United Kingdom through its carrying on as a school offering a broad curriculum with emphasis on particular specialisms.

**Method of recruitment and appointment or election of Governors.**

Some of the Governors are directors of the Academy for the purposes of the Companies Act 2006 and some are Trustees for the purposes of charity legislation.

The term of office for any Governor shall be three years but Governors are eligible for re-election at the meeting at which they retire.

The Governors who were in office at 31st August 2011 and served throughout the period are listed on page 1. A E G de Capell Brooke, H W G de Capell Brook and G G Weston retired 31st August 2011 and, being eligible, offered themselves for re-election and they were re-elected.

**Policies and procedures adopted for the induction and training of Governors**

During the period under review the Governors held 3 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

**Organisational structure**

The management structure consists of four levels, the Governors, the Executive Principal, the Senior Management Team and the Departmental Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.



**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Organisational structure (continued)**

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and appointment of the Principals and the Director of Finance and Administration

The Senior Managers are the Principal, three Vice Principals and the Director of Finance and Administration. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

The Departmental Management Team includes the Management Team and the Heads of Department. These managers are responsible for the day to day operation of the departments within the Academy and for a whole approach.

**Subsidiary company**

The Brooke Weston Trust owns 100% of the issued ordinary shares of Corby CTC Trading Limited, a company incorporated in England and Wales (registration no 3062232). Further details regarding the subsidiary company are given in note 13 to the financial statements.

**Risk management**

The governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

**Connected organisations, including related party relationships**

The Brooke Weston Partnership recognises the benefits to be gained by collaboration. This partnership brings together a number of schools, each with its own Principal, but operating under the leadership of an Executive Principal and sharing the same Finance Director and Director of ICT.

The academy has been part of the Brooke Weston Partnership throughout the year, alongside Corby Academy and The Kettering Science Academy Trust.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The principal object and activity of the Academy is to provide education for pupils of different abilities between the ages of 11 and 19.

In accordance with the articles of association the Academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

**Objectives, strategies and activities**

The main objectives of the Academy during the year ended 31 August 2011 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**OBJECTIVES AND ACTIVITIES (continued)**

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

The Academy's main strategy to carry out the objects is to provide education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff, and especially teaching staff,
- secondments and placing of students with industrial and commercial partners,
- a programme of sporting and after school leisure activities for all students,
- a system of after school clubs to allow students to explore science and engineering in a practical and project orientated way,
- a careers advisory service to help students obtain employment or move on to higher education

**Equal opportunities policy**

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Disabled persons**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

**ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS**

**Brooke Weston Partnership**

**Partnership Development**

The Brooke Weston project was, from the outset, seen as more than just one school. The original charitable documents set out the aims as being 'to advance for the public benefit education by establishing a school or schools'.

The original Brooke Weston CTC was the first step towards fulfilling these ambitions, Corby Business Academy was the first extension of the partnership into a second school and Kettering Science Academy was the third school to join the group.

The vision remains for the partnership to be a strong coalition of academies each led by a principal committed to the success of their own school but each anxious to commit to the success of the others, principals who will compete but collaborate, who will be delighted with the success of their own academy but equally pleased with the success of their sister schools. A supportive network of institutions sharing common values the foundation of these being that it is the interests of the students rather than institutional convenience that will always have priority.

Since it began in 2007 the partnership has established the Corby Business Academy as a popular and rapidly improving school and in 2009 it opened Kettering Science Academy. In its first four years it has operated in a largely informal and somewhat ad-hoc way appropriate for a small group of trusted colleagues working together. However, this should be seen as a transitional period and it is now necessary to set in place structures that will work well for an expanding organisation.

All of our academies have been established as separate entities. However, the Corby Academy Trust, the Brooke Weston Trust and the Kettering Science Academy sponsors have resolved to create a single Trust for all the partnership's schools. The establishment of a single Trust affords an opportunity to formalise a revised management structure and process, the implementation of which was delayed by the general election in 2010.

**A Single Trust**

Withers, our legal advisers, have been begun work on the combined Trust documentation and progress, although slow, is being made.



**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)**

**Staffing**

The present structure of the partnership has an 'executive principal' working to oversee the development of the partnership. The executive principal has direct responsibility for the overall performance of each academy, for ensuring sound financial management and for the appointment of senior staff. The administration of each governing body is also managed by the executive principal's office.

During the transitional period the executive principal employed a deliberate strategy of being only a minimal presence in each school in order not to 'upstage' the principal and to ensure that students were clear that the principal was the person in day-to-day charge of the academy. This is now unnecessary and detrimental to the development of a collaborative partnership, in the future the executive principal will need to develop a stronger presence with staff and students through activities designed to ensure that these relationships are fostered.

To date the central team supporting the executive principal has consisted of a PA, a Director of Finance, a Director of IT and a project manager. As more schools are added this group may become larger but its size will be limited by the funding available. Expenditure on the central team will be capped at 3% of the academies' budget. It is not the intention to create a large central bureaucracy but rather to create an organisation in which commonly held values ensure a common approach and where individual expert practitioners are encouraged and enabled to work across more than one school.

The first substantive example of this approach is to make arrangements for Andrew Campbell to move to a role in which he will be deputy Executive Principal, whilst his vice principal, John Henrys becomes acting Principal at the Business Academy. These arrangements are at present temporary and will be reviewed with the Trustees towards the end of the 2011/12 academic year. In this role Dr Campbell will engage in the expansion of the partnership in both the primary and secondary education phases.

**Centres of Excellence**

It is expected that each school in the partnership will become an outstanding centre of excellence in some aspect of education. Brooke Weston as a 'Teaching School' may well specialise in ITT and other CPD. It would seem sensible to develop the specialist SEN provision at the Business Academy into a facility that is able to provide a national lead whilst the new ICT provision at the Science Academy affords that school the opportunity to become the lead in the use of ICT to promote learning. Other areas of especially good practice will no doubt become apparent during the next five years. The expectation is that all schools will be outstanding and of a national reference standard in some area of operation.

**Future Projects**

In line with the wishes of the Trust the Partnership will continue to pursue opportunities for expansion in both primary and secondary phases of education. It will take advantage of opportunities provided by the secondary 'transformational' academy route and the Free School arrangements to develop secondary schools and will work with Northamptonshire and other neighbouring local authorities to increase the number of primary schools operating as members of the partnership.

Projects under development include bringing the Thomas Clarkson Community College (TCCC) in Wisbech into the partnership as the fourth secondary academy. An under performing rural school with significant levels of deprivation TCCC is in urgent need of new management. An Expression of Interest has been submitted to the DFE and it is expected that if all goes well the school will become a BW academy in April 2012.

The proposal for a small Free School in Corby operated in conjunction with Tresham College has been considered by the DFE and we await the outcome of our submission.

**Brooke Weston**

This has been a very busy but very rewarding year at Brooke Weston Academy.



**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)**

**Ofsted**

Brooke Weston was subject to a full Section 5 inspection in January of this year. A team of two HMI's and three additional Ofsted inspectors visited the Academy for two days, observing 52 lessons, interviewing senior leaders, staff, students and the Chair of Governors.

The Academy was judged to be 'outstanding' by the inspection team in 30 out of a possible 31 categories. In the remaining category SMSC, the Academy was judged to be 'Good'. The team praised every aspect of the Academy including its leadership, teaching and 'can-do' culture. The 15-page report commented *'Brooke Weston Academy provides students with an outstanding education. This is because the outstanding leadership of the academy knows precisely what needs to be done to ensure students get the best possible start. The staff work incredibly hard to meet the needs of every individual student regardless of their background.'*

We were all delighted with the outcome of the inspection as it provided us with the necessary judgments to fulfill the criteria, to apply for Brooke Weston, to be designated as a National Teaching School. Whilst the inspection in itself was undoubtedly an important event, the outcomes from the process and the judgments were crucial for the future of Brooke Weston Academy.

**National Teaching School Status**

In May 2011 we submitted our application for Teaching School designation. There were approximately 1,200 expressions of interest in the first recruitment round, however Brooke Weston has become one of only 57 secondary schools in the country granted National Teaching School status – a new designation entitling us to lead training and professional development for both new entrants to the profession and continuing CPD for all in the profession, through to identifying and providing for the leaders of the future. The milestone marks a shift towards school-centred training and development. Teaching schools will be responsible for leading a group of schools, working with other partners including universities, to deliver high quality support for teachers and leaders at all stages in their career.

**Investors in People Gold Award**

Brooke Weston has held Investor in People status for the past 10 years, but a new grading system introduced since the last assessment three years ago, enabled companies to seek the award at bronze, silver or gold levels. The standard IIP award is given if companies achieve the initial 39 requirements whereas gold awards are accredited to organisations that meet 165 out of the possible 196 standards. In July 2011 the Academy was due for its three year assessment and we put ourselves forward for the Gold standard. Nationally across the whole employment sector 1% of companies hold the gold award and the Academy is now one of them.

**Every Child Matters Gold Award**

During the academic year Brooke Weston Academy also achieved the 'Every Child Matters' Gold award after an intensive assessment in February 2011. The accreditation was awarded after we evidenced how we met the standards in seven key areas of student care including health, safety, enjoyment, achievement and leadership.

**Examination Outcomes 2010/11**

**GCSE**

For the eighth successive year, 100% of students in Year 11 secured 5 or more GCSE equivalent qualifications. In fact this year every student secured at least 7 A\* - C passes. Thirty seven percent of all grades awarded were A\* or A, with 38 students achieving 10 or more A\*/A grades and 56% of the cohort achieving five or more A\*/A grades in their individual profiles.

Of some concern this year was the percentage of students achieving five A\* - C grades including English and mathematics. Disappointingly the figure was 1% down on the previous year's 85%. We experienced staffing issues within the Maths department throughout the year and even though we restructured the curriculum to ensure that Year 11 students had the best provision possible, the results were a little down on those we had expected. Eighty five percent secured GCSE Mathematics, with 21% securing the top two grades.

The performance in English Language was outstanding with 96% of the cohort achieving A\* - C, 42% securing the highest grades A\*/A, up 5% on the previous year. Students achieving two or more Science subjects at A\* - C improved again this year, up 2% to 99%. The capped average points score (top 8 GCSE grades) increased again to 403 points per student.



**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)**

A number of students also completed their BTEC Level 3 Subsidiary Diploma in eBusiness, with the vast majority securing a Distinction, UCAS equivalent to Grade A at A Level. This is a significant achievement as they have secured this qualification two years ahead of schedule. This outstanding performance cannot be reflected in the Key Stage 4 performance tables as it is a Level 3 qualification.

The performance in all three core subjects English, Mathematics and Science was significantly ahead of that achieved nationally. In Modern Foreign Languages 38% of the cohort achieved at least one of the three languages offered.

The detailed analysis of results in 2011 indicates a year of consolidation, however it still represents significant achievement given that these are the achievements of a comprehensive intake of students. Our prime focus will be continuing to work with the Mathematics department to further improve the A\*-C pass rate to 90% and increasing the A\*/A performance as well. This will hopefully, have a positive impact on the national performance measure of 5+ GCSE A\* - C including Maths and English, which we have set at an aspirational target figure of 87%.

Destination data for this year group indicated that 139 students returned to Sixth Form study at Brooke Weston, 8 students opted for post 16 study at other local schools, 31 went on to FE Colleges, 4 secured apprenticeships and 1 went into employment.

**Year 12**

The performance of students in Year 12 AS examinations was very much in-line with that secured by the previous cohort. Almost 50% of all grades awarded were at the highest level, grade A or B. Retention into Year 13 was above the 90% target we had set and continuing students are now in the strongest possible position to move forward and complete their A Level studies.

**A2 Results – Year 13**

The results for students in Year 13 were the best ever achieved by A Level students in the history of Brooke Weston. Following the 13% improvement last year in the number of top graded A Levels achieved, the results improved again by 7% to 68% A\*/A/B. It is an exceptional achievement in just two years that the percentage of A\*/A/B graded A Levels has improved by 20%. However the drive for this improved performance started four years ago and the results of the numerous management and intervention strategies are now just being realised.

Once again all students secured pass grades and the average points score per entry increased from 96 to 98 points, indicating the average grade achieved was a B. The average points score per student increased to 379 from 333 indicating that students leaving Brooke Weston secured on average a slightly better than AAA grade profile. The percentage of A\*/A grades improved from 36.5% to 47.1% compared to the National performance figure of 27%. Boys outperformed girls this year for the first time bucking the national trend. Eighty percent of the students in Year 13 secured places at their first or second choice universities and the remaining 20% went into employment.

**Staffing**

Seven members of the teaching staff left Brooke Weston during the last academic year. We are fully staffed for the new academic year and we have managed to avoid recruiting overseas teachers this year. In the past three years many of the staff who have left have been overseas staff returning home. This is an unsatisfactory arrangement as recruitment is costly, the investment in induction and support from Heads of Department and other staff is too extensive for a one maybe two year contract term. It also does not provide students with continuity.

**Learning Environment**

The continual re-investment in the building and the high level of attention to detail has enabled us to maintain excellent standards throughout all areas of Brooke Weston Academy. The pleasant, clean environment certainly contributes to maintaining an atmosphere that is conducive to learning and visitors continue to be impressed with the high quality learning environment which is provided for all.

During the Christmas vacation work was completed on the much-needed extended dining room facility. In the light of increased sixth form numbers this provision had become exceptionally crowded during mealtimes and we had started to lose the pleasant dining experience which has always been an important aspect of our 'Brooke Weston family culture'. Planning for this extension to provide an additional 80 seats started before the summer vacation in 2010 and although the lead-in time for such a project was short, I am pleased to say that the work was completed on time and within budget. The experience of eating in comfortable surroundings is once again a feature of the Academy.



**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)**

Throughout the May vacation and during term 5, the entire toilet facilities at the Academy have been fully refurbished with new sanitary ware installed. It was testament to our students, who were able to work around the tradesmen, which enabled this project to be undertaken and completed in a relatively short time frame.

The summer vacation once again saw a period of significant re-investment in the original plant. Full refurbishment programmes of the Weston Theatre, Library, Lecture Theatre, Front reception, and Sports hall have been undertaken. The student car park has been surfaced in tarmac. Upstairs link areas have been re-carpeted and re-furbished. Finally, an updated access system was installed which not only provided us with more efficient turnstiles and registration procedures, but also improved the safety and security systems within the Academy.

Throughout the year we continued our replacement programme of classroom and study area PCs. We continue with the server replacement programme to ensure that the infra-structure supports the increased use of technology within the curriculum.

**Admissions**

Whilst the quality of educational provision in Corby and Kettering has improved considerably since Brooke Weston opened, we continue to be exceptionally popular. This year, 857 families included Brooke Weston as one of their three choices on the Local Authority Common Preference Form for entry into Year 7. We continue to use the GL Learning non-verbal IQ test to enable us to select a fully comprehensive cohort of students. With students in public care, those with a statement of special needs and the sibling link preference taken into account, we once again employed a randomised allocation once the students had been placed into the 9 ability stannines. Forty-nine families lodged appeals and two students were subsequently awarded places in Year 7.

We have also admitted 50 new students into Year 12. This has resulted in a larger than ever Sixth Form cohort, but a redesigned curriculum offering greater breadth of A Level and Applied Learning courses, ensures an effective match between curriculum provision and intake.

**FINANCIAL REVIEW**

**Financial report for the year**

Most of the Academy's income is obtained from the Young People's Learning Agency/Department of Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA/DfE during the year ended 31 August 2011 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the YPLA/DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2011 total revenue expenditure was £8,210,972 (2010 £7,802,299) and £311,844 (2010 £594,562) was spent on fixed assets. Total incoming funds from the DfE and other sources were £7,809,768 (2010 £8,312,034).

At 31st August 2011 the net book value of tangible fixed assets was £13,109,775 (2010 £13,241,923) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**Principal Risks and uncertainties**

The Governors consider the following items as the principal risks and uncertainties facing the Academy Trust.

**Academy funding**

The DfE is currently consulting on the details of system wide funding reform, including when changes will be introduced. The earliest date being consulted upon for the implementation of changes to the funding system is April 2013. This means that for the academic year 2012/13 academies will be funded using interim arrangements. Until these funding reforms are completed there is a degree of uncertainty as to the level of future funding and the effects this may have on the operation of the Academy Trust.



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**REPORT OF THE GOVERNORS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**FINANCIAL REVIEW (continued)**

**Reserves policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the approximate level of free reserves should be equivalent of 12 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in restricted funds and amounts held as fixed assets) is £1,020,066 (2010 £916,417) which is less than is needed. The Academy intends to continue building up free reserves to the level required.

**Financial position**

The Academy held fund balances at 31 August 2011 of £15,074,809 (2010 £15,248,013) comprising £14,054,643 (2010 £14,331,496) of restricted funds and £1,020,166 (2010 £916,517) of unrestricted funds.

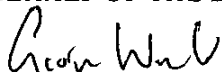
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Governor has taken all the steps that they ought to have taken as a Governor in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Smith Hodge & Baxter, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD**



G G Weston – Governor and Director

Date

12/12/11



**STATEMENT ON INTERNAL CONTROL**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**Scope of Responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Brooke Weston Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing 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 The Brooke Weston Trust for the year ended 31st August 2011 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Governing Body 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 Governing Body 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 ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The risk and control framework**

The Academy'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 governing body,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

In addition, the Governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have:

- set policies on internal controls which cover the following
  - the type of risks the Academy faces,
  - the level of risks which they regard as acceptable,
  - the likelihood of the risks materialising,
  - the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
  - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Management Team to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment,
- including procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken.



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784).**

**STATEMENT ON INTERNAL CONTROL**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

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

The Governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Governors have appointed P Harris-Bridge, a Governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

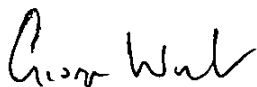
**Review of effectiveness**

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

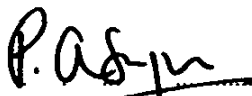
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Governing Body on 12/12/14 and signed on its behalf by



G G WESTON  
Governor and Director



SIR PETER A SIMPSON  
Accounting Officer



**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

The Governors, (some of whom act as trustees for charitable activities of The Brooke Weston Trust, and some are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 resource, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The Governors 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 Governors 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 the YPLA/DfE have been applied for the purposes intended.

The Governors 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 Governing Body on 12/11 and signed on its behalf by



G G WESTON – Governor and Director



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BROOKE WESTON TRUST**

We have audited the financial statements of The Brooke Weston Trust for the year ended 31 August 2011 on pages 16 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the academy'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's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

As explained more fully in the Governors' Responsibilities Statement set out on page 13, the Governors (some of whom are also the directors of the academy 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31st August 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006.**

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF THE BROOKE WESTON TRUST**

**Opinion on other matters prescribed by the academy's funding agreement with the Secretary of State for Education**

- the financial statements have been prepared in accordance with Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency in respect of the relevant financial year,
- proper accounting records have been kept, and
- grants made by the Young People's Learning Agency have been applied for the purposes intended

Ian Chown (Senior Statutory Auditor)  
For and on behalf of Smith Hodge & Baxter  
Chartered Accountants  
& Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire  
NN15 6BL

Date

19/12/11



**THE BROOKE WESTON TRUST (REGISTERED NUMBER 02400784)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR YEAR ENDED 31ST AUGUST 2011**

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted Pension Reserve £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £	Total 2010 £
<b>INCOMING RESOURCES</b>							
<b>Incoming resources from generated funds</b>							
Activities for generating funds	2	103,649	-	-	-	103,649	82,709
Investment income	3	-	-	-	-	-	12,885
<b>Incoming resources from charitable activities</b>							
Funding for the Academy's educational Operations	5	-	-	7,632,216	73,903	7,706,119	8,216,440
<b>Total incoming resources</b>		<b>103,649</b>	<b>-</b>	<b>7,632,216</b>	<b>73,903</b>	<b>7,809,768</b>	<b>8,312,034</b>
<b>RESOURCES EXPENDED</b>							
<b>Charitable activities</b>							
Academy's educational operations	6	-	-	7,705,309	443,992	8,149,301	7,750,854
Governance costs	8	-	-	61,671	-	61,671	51,445
<b>Total resources expended</b>		<b>-</b>	<b>-</b>	<b>7,766,980</b>	<b>443,992</b>	<b>8,210,972</b>	<b>7,802,299</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>103,649</b>	<b>-</b>	<b>(134,764)</b>	<b>(370,089)</b>	<b>(401,204)</b>	<b>509,735</b>
<b>Gross transfers between funds</b>		<b>-</b>	<b>(31,000)</b>	<b>(206,941)</b>	<b>237,941</b>	<b>-</b>	<b>-</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>103,649</b>	<b>(31,000)</b>	<b>(341,705)</b>	<b>(132,148)</b>	<b>(401,204)</b>	<b>509,735</b>
<b>Other recognised gains/losses</b>							
Actuarial gains/(losses) on defined benefit pension schemes		-	228,000	-	-	228,000	(32,000)
<b>Net movement in funds</b>		<b>103,649</b>	<b>197,000</b>	<b>(341,705)</b>	<b>(132,148)</b>	<b>(173,204)</b>	<b>477,735</b>
<b>RECONCILIATION OF FUNDS</b>							
Funds brought forward at 1 September 2010		916,517	(32,000)	1,121,573	13,241,923	15,248,013	14,770,278
<b>Funds carried forward at 31 August 2011</b>	<b>17</b>	<b>1,020,166</b>	<b>165,000</b>	<b>779,868</b>	<b>13,109,775</b>	<b>15,074,809</b>	<b>15,248,013</b>

All of the Academy's activities derive from continuing operations during the above two financial periods

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes form part of the financial statements



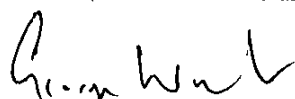
**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)****BALANCE SHEET AT 31ST AUGUST 2011**

	Notes	<u>2011</u> £	<u>2010</u> £
<b>FIXED ASSETS</b>			
Tangible assets	12	13,109,775	13,241,923
Investments	13	100	100
		<hr/>	<hr/>
		13,109,875	13,242,023
<b>CURRENT ASSETS</b>			
Stocks	14	10,000	10,000
Debtors amounts falling due within one year	15	398,712	916,809
Cash at bank and in hand		3,111,379	1,841,509
		<hr/>	<hr/>
		3,520,091	2,768,318
<b>CREDITORS</b>			
Amounts falling due within one year	16	(1,720,157)	(730,328)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		1,799,934	2,037,990
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES/NET ASSETS EXCLUDING PENSION ASSET / (LIABILITY)</b>		14,909,809	15,280,013
<b>PENSION SCHEME ASSET / (LIABILITY)</b>	22	165,000	(32,000)
		<hr/>	<hr/>
<b>NET ASSETS INCLUDING PENSION SCHEME ASSET/(LIABILITY)</b>		15,074,809	15,248,013
		<hr/>	<hr/>
<b>FUNDS OF THE ACADEMY</b>	17		
Restricted funds			
Fixed asset fund		13,109,775	13,241,923
General fund		779,868	1,121,573
Pension reserve		165,000	(32,000)
		<hr/>	<hr/>
Total restricted funds		14,054,643	14,331,496
Unrestricted funds			
General fund		1,020,166	916,517
		<hr/>	<hr/>
Total unrestricted funds		1,020,166	916,517
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		15,074,809	15,248,013
		<hr/>	<hr/>

The financial statements on pages 16 to 32 were approved by the Board of Governors and authorised for issue on

12/12/11

and are signed on their behalf by



G G Weston – Governor and Director

The notes form part of these financial statements



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

	<u>2011</u> £	<u>2010</u> £
<b>Reconciliation of net income to net cash inflow from operating activities</b>		
Net income/(expenditure)	(401,204)	509,735
Depreciation	443,992	445,607
Interest payable	4,032	3,956
Capital grants from DfE/YPLA and other capital income	(73,903)	(333,916)
FRS 17 pension cost less contributions payable	35,000	2,000
FRS17 pension finance income	(4,000)	(2,000)
Decrease in debtors	518,097	564,206
Increase/(Decrease) in creditors	989,829	(362,273)
Net cash inflow from operating activities	<u>1,511,843</u>	<u>827,315</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	-	-
Interest paid	(4,032)	(3,956)
Net cash outflow from returns on investments and servicing of finance	<u>(4,032)</u>	<u>(3,956)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(311,844)	(594,562)
Capital grants from DfE/YPLA	73,903	333,916
Net cash outflow from capital expenditure and financial investment	<u>(237,941)</u>	<u>(260,646)</u>
Net increase in cash	<u>1,269,870</u>	<u>562,713</u>
<b>Reconciliation of net cash flow to movement in net funds (re note 1)</b>		
Increase in cash in the period	1,269,870	562,713
Changes in net funds	1,269,870	562,713
Net funds at 1st September 2010	1,841,509	1,278,796
Net funds at 31st August 2011	<u>3,111,379</u>	<u>1,841,509</u>

**NOTES TO THE CASH FLOW STATEMENT**

**I ANALYSIS OF CHANGES IN NET FUNDS**

	At 1st September <u>2010</u>	Cash Flows	At 31st August <u>2011</u>
Cash in hand and at bank	1,841,509	1,269,870	3,111,379
<b>TOTAL</b>	<u>1,841,509</u>	<u>1,269,870</u>	<u>3,111,379</u>

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**1. ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies which have been applied consistently, except where noted, is set out below.

**Preparation of Consolidated Financial Statements**

The financial statements contain information about The Brooke Weston Trust as an individual charitable company and do not contain consolidated financial information as the parent of a group. In the Governors' opinion the results of the subsidiary are not material to an understanding of the Academy's financial statements as in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

**Incoming Resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or completion of the service.

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

**Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**1 ACCOUNTING POLICIES - continued**

**Tangible Fixed Assets**

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at costs and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful lives, as follows:

Lease	over the period of the lease
Long leasehold buildings	2% of written down value
Learning Resource Centre	33% and 2% of written down value
Hugh de Capell Brooke Centre	2% of written down value
Fixtures, furniture and fittings	10% of written down value
Motor vehicles	33% of written down value
Office and computer equipment	33% of written down value

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**Investments**

The Academy's share holding in the wholly owned subsidiary Corby CTC Trading Limited is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of a valuation exceeds the benefit derived.

**Leased Assets**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term.

**Stocks**

Unused stationery and catering stores are valued at the lower of cost or net realisable value.

**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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pension Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**1. ACCOUNTING POLICIES - continued**

**Pension Benefits continued**

The LGPS is a funded 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 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. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency/Department for Education.

Restricted pension reserve funds represent the Academy's share of the assets and liabilities of the Local Government Pension Scheme.

<b>2. ACTIVITIES FOR GENERATING FUNDS</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Other income	103,649	82,709
<b>3. INVESTMENT INCOME</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Corby CTC Trading Limited – gift aid	-	12,885
<b>4. GENERAL ANNUAL GRANT (GAG)</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Results and Carry Forward for the Year		
GAG brought forward from previous year	1,121,574	825,538
GAG allocation for current period	7,423,783	7,714,602
<b>Total GAG available to spend</b>	<b>8,545,357</b>	<b>8,540,140</b>
Recurrent expenditure from GAG	(7,558,548)	(7,157,918)
Fixed assets purchased from GAG	(237,941)	(260,648)
LGPS pension costs transferred to Pension Reserve	31,000	-
<b>GAG carried forward to next year</b>	<b>779,868</b>	<b>1,121,574</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(890,854)	(925,752)
<b>GAG to surrender to DfE</b> (12% rule breached if result is positive)	<b>(110,986)</b>	<b>195,822</b>
Less earmarked grant for fixed assets restaurant extension	-	225,000
	<b>(110,986)</b> (no breach)	<b>(29,178)</b>

For the year ended 31st August 2010 there was a potential breach of unspent GAG of £195,822, which had been earmarked for the academy's restaurant extension, which had budgeted costs of approximately £225,000. This extension was due to be completed in that year but was delayed as planning permission was not received in time to achieve that deadline. The extension was completed in the current year.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2011**

**4. GENERAL ANNUAL GRANT (GAG) continued**

Use of GAG brought forward from previous year for recurrent purposes  
(Of the amount carried forward each year, a maximum of 2% of GAG can  
be used for recurrent purposes. Any balance, up to a maximum of 12%, can  
only be used for capital purposes.)

	2011 £	2010 £
Recurrent expenditure from GAG in current year	7,558,548	7,157,918
GAG allocation for current year	(7,423,783)	(7,714,602)
GAG allocation for previous year x 2%	(154,292)	(155,692)
GAG brought forward from previous year in excess of 2% used on recurrent expenditure in current year (2% rule breached if result is positive)	(19,527)	(712,376)
	(no breach)	(no breach)

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
DfE/YPLA capital grant	-	73,903	73,903	333,916
DfE/YPLA revenue grants				
General Annual Grant (GAG) (Note 4)	-	7,423,783	7,423,783	7,714,602
Other DfE/YPLA grants	-	171,878	171,878	142,852
	-	7,595,661	7,595,661	7,857,454
Other Government grants				
Special educational projects	-	36,555	36,555	25,070
	-	36,555	36,555	25,070
	-	7,706,119	7,706,119	8,216,440

**6. RESOURCES EXPENDED**

	Staff Costs £	Non pay Premises £	Expenditure Other Costs £	Totals 2011 £	Totals 2010 £
Academy's educational operations					
Direct costs	4,054,613	-	1,038,075	5,092,688	5,237,464
Allocated support costs	1,664,606	1,007,046	384,961	3,056,613	2,513,390
	5,719,219	1,007,046	1,423,036	8,149,301	7,750,854
Governance costs including allocated support costs	30,000	-	31,671	61,671	51,445
	5,749,219	1,007,046	1,454,707	8,210,972	7,802,299

Incoming/outgoing resources for the year include

Auditors' remuneration	12,438	13,075
Depreciation – owned assets	443,992	445,607
Directors' remuneration	-	-



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2011**

**7. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted Funds £	Totals 2011 £	Totals 2010 £
<b>Direct Costs</b>				
Staff costs	-	4,035,433	4,035,433	3,835,811
Teachers Salaries – Other DfE	-	-	-	114,282
Teachers Salaries – Other grants	-	19,180	19,180	25,070
Medical insurance	-	9,749	9,749	13,136
Subcontract	-	5,949	5,949	6,233
Trips	-	(12,654)	(12,654)	37,198
Books	-	27,197	27,197	31,539
Stationery & materials	-	71,646	71,646	69,240
Transport	-	106,416	106,416	187,974
Examination fees	-	125,806	125,806	163,320
Fees for external advice	-	15,524	15,524	11,260
Other	-	41,388	41,388	71,148
Educational equipment	-	144,606	144,606	75,237
Educational equipment – other DfE	-	-	-	28,750
Staff development	-	58,456	58,456	121,839
Depreciation	-	443,992	443,992	445,607
	-	5,092,688	5,092,688	5,237,464

	Unrestricted Funds £	Restricted Funds £	Totals 2011 £	Totals 2010 £
<b>Allocated support costs</b>				
Staff costs	-	810,519	810,519	817,607
Educational support staff	-	605,295	605,295	566,564
Cleaning	-	17,653	17,653	18,069
Water	-	4,956	4,956	22,903
Fuel	-	157,364	157,364	173,594
Rates	-	41,931	41,931	61,261
Insurance	-	69,186	69,186	63,880
Security	-	58,123	58,123	66,042
Waste disposal	-	10,053	10,053	10,434
Building maintenance	-	635,936	635,936	197,509
Grounds maintenance	-	11,843	11,843	7,595
Catering staff and other costs	-	248,792	248,792	190,095
Telephone	-	19,805	19,805	11,714
Postage	-	14,208	14,208	9,901
Subscriptions	-	39,179	39,179	36,865
Pupil recruitment	-	21,328	21,328	11,193
Insurance	-	-	-	5,336
Pupil support	-	31,135	31,135	26,972
Non educational trips	-	(8,401)	(8,401)	(7,104)
Furniture & equip – repairs	-	9,433	9,433	549
Motor expenses	-	7,553	7,553	12,189
Sundries	-	158,971	158,971	128,003
Information Technology costs	-	13,461	13,461	11,049
Sponsorship	-	20,205	20,205	30,852
Offsite provision	-	54,053	54,053	36,362
Bank interest	-	4,032	4,032	3,956
	-	3,056,613	3,056,613	2,513,390



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

<b>8. GOVERNANCE COSTS</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Staff costs	30,000	30,000
Auditors' remuneration	12,438	13,075
Legal and professional fees	19,233	8,370
	<hr/>	<hr/>
	61,671	51,445
	<hr/>	<hr/>

<b>9. STAFF COSTS</b>	<b>2011</b>	<b>2010</b>
<b>Staff costs during the year were:</b>	<b>£</b>	<b>£</b>
Wages and salaries	4,747,960	4,458,155
Social security	380,326	334,255
Other pension costs	620,933	566,924
	<hr/>	<hr/>
	5,749,219	5,359,334
	<hr/>	<hr/>

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows

<b>Charitable Activities</b>	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No</b>
Management	7	7
Administration and support	54	53
Teachers	86	83
Governance	1	1
	<hr/>	<hr/>
	148	144
	<hr/>	<hr/>

The number of employees whose emoluments fell within the following bands were

	<b>2011</b>	<b>2010</b>
£60,001 - £70,000	5	3
£100,001 - £110,000	1	1
£150,001 - £160,000	1	1
	<hr/>	<hr/>

The above employees participated in the Teachers' Pension Scheme During the year ended 31 August 2011 pension contribution for these staff amounted to £74,491 (2010 £54,656)

**10. GOVERNORS' REMUNERATION AND EXPENSES**

During the year no Governors received any payments or expenses from the Academy in respect of their role as Governors (2010 None)

The staff Governors only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as Governors

Related party transactions involving the trustees are set out in note 23

**11. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business The insurance provides cover up to £1,000,000 aggregate liability in any one period and the cost for the year ended 31st August 2011 was £3,501 (2010 £1,651) The cost of this insurance is included in the total insurance cost



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2011**

**12. TANGIBLE FIXED ASSETS**

	<b>Hugh de Capell Brooke Centre £</b>	<b>Lease £</b>	<b>Long leasehold buildings £</b>	<b>Learning resource centre £</b>
<b>COST</b>				
At 1 September 2010	4,268,300	1,100,000	9,479,405	798,435
Additions	-	-	-	-
At 31 August 2011	4,268,300	1,100,000	9,479,405	798,435
<b>DEPRECIATION</b>				
At 1 September 2010	84,417	176,000	2,921,775	211,602
Charge for year	83,678	8,800	131,152	11,737
At 31 August 2011	168,095	184,800	3,052,927	223,339
<b>NET BOOK VALUE</b>				
At 31 August 2011	4,100,205	915,200	6,426,478	575,096
At 31 August 2010	4,183,883	924,000	6,557,630	586,833

	<b>Fixtures furniture &amp; fittings £</b>	<b>Motor vehicles £</b>	<b>Office &amp; computer equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 September 2010	1,972,169	167,877	2,561,710	20,347,896
Additions	235,388	-	76,456	311,844
At 31 August 2011	2,207,557	167,877	2,638,166	20,659,740
<b>DEPRECIATION</b>				
At 1 September 2010	1,242,463	140,817	2,328,899	7,105,973
Charge for year	97,548	9,019	102,058	443,992
At 31 August 2011	1,340,011	149,836	2,430,957	7,549,965
<b>NET BOOK VALUE</b>				
At 31 August 2011	867,546	18,041	207,209	13,109,775
At 31 August 2010	729,706	27,060	232,811	13,241,923

The Academy has been granted the use of the site that it occupies. The lease term is for 125 year or until such time as the site is not used for running an academy, at which point the land reverts back to the lessor.

**Sources of funding for assets acquired (cumulative to date)**

	<b>£</b>
DfE capital grants	14,146,914
Other DfE grants	2,247,916
Private sector and other	4,264,910
<b>Cost of fixed assets at 31 August 2011</b>	<b>20,659,740</b>
Less Accumulated depreciation	(7,549,965)
<b>Net book value of fixed assets at 31 August 2011</b>	<b>13,109,775</b>

The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2011**

**13. FIXED ASSET INVESTMENTS**

**COST**

At 1st September 2010 and 31st August 2011

**Shares in group  
undertakings**

**£**

100

**NET BOOK VALUE**

At 31st August 2011

100

At 31st August 2010

100

There were no investment assets outside the UK

The company's investments at the balance sheet date in the share capital of companies include the following

**Corby CTC Trading Limited**

Country of incorporation England

Nature of business hire of sports and business facilities

Class of share

% holding

Ordinary

100

**2011**

**2010**

**£**

**£**

Aggregate capital and reserves

20,554

18,390

Profit/(loss) for the year

2,164

(9,395)

The investment is shown in the balance sheet at cost. The Governors have not prepared group accounts as they are of the opinion that the results of the subsidiary are not material to an understanding of the Academy's financial statements in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

A summary of the results for the year ended 31 August 2011 and the balance sheet position as at 31 August 2010 is shown below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Turnover	66,137	83,667
Expenditure	65,120	(73,374)
Profit on ordinary activities before Gift Aid payment	1,017	10,293
Gift Aid payment to The Brooke Weston Trust	-	(10,275)
Net profit before taxation	1,017	18
Taxation	(1,147)	9,413
Retained profit/(sustained loss) for year	2,164	(9,395)
Retained profits brought forward at 1 September 2010	18,290	27,685
Retained profits carried forward at 31 August 2011	20,454	18,290
Fixed Assets	44,753	50,210
Current assets	170,100	212,564
Current liabilities	(188,251)	(237,189)
Provisions for liabilities and charges	(6,048)	(7,195)
	20,554	18,390
Called up share capital	100	100
Profit and loss account	20,454	18,290
Shareholder's funds	20,554	18,390

The audit report for Corby Business Academy Trading Company Limited for the year ended 31 August 2011 is to be completed. The audit report for the year ended 31 August 2010 was unqualified.



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**14. STOCKS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Stationery and other supplies	10,000	10,000

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	27,446	20,568
Amounts owed by group undertakings	139,323	188,844
Prepayments and accrued income	35,280	71,609
Other debtors	196,663	635,788
	<b>398,712</b>	<b>916,809</b>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	563,906	237,925
Social security and other taxes	114,577	110,517
Accruals and deferred income	1,041,674	381,886
	<b>1,720,157</b>	<b>730,328</b>

As 31st August 2011 accruals and deferred income include deferred grant income of £586,343 (2010 £Nil) in respect of 2010/11 personalised learning grants not received until June 2011 and were therefore unspent at the year end

**17. FUNDS**

	<b>Balance at 1 September 2010</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains, losses and Transfers</b>	<b>Balance at 31 August 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>					
Restricted General Funds	1,121,573	7,632,216	(7,766,980)	(206,941)	779,868
Restricted Fixed Asset Funds	13,241,923	73,903	(443,992)	237,941	13,109,775
Pension Reserve	(32,000)	-	-	197,000	165,000
<b>Total restricted funds</b>	<b>14,331,496</b>	<b>7,706,119</b>	<b>(8,210,972)</b>	<b>228,000</b>	<b>14,054,643</b>
<b>Unrestricted funds</b>					
Unrestricted General Funds	916,517	103,649	-	-	1,020,166
<b>Total unrestricted funds</b>	<b>916,517</b>	<b>103,649</b>	<b>-</b>	<b>-</b>	<b>1,020,166</b>
<b>TOTAL FUNDS</b>	<b>15,248,013</b>	<b>7,809,768</b>	<b>(8,210,972)</b>	<b>228,000</b>	<b>15,074,809</b>



**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**17. FUNDS continued**

**Purpose of restricted funds**

Restricted General Funds represent unspent General Annual Grant (GAG) which must be used for the normal recurring costs of the Academy. The Academy is allowed to carry forward up to 12% of the amount (GAG), of the carried forward amount, up to 2% of the GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended. During the year a transfer of £237,941 was made from restricted general funds to represent capital expenditure met from GAG income.

Restricted Pension Reserve Funds represent the Academy's share of the assets and liabilities of the Local Government Pension Scheme.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2011 are represented by

	Unrestricted Funds £	Restricted Pension Reserve £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	-	13,109,775	13,109,775
Fixed asset investments	100	-	-	-	100
Current assets	1,020,066	-	2,500,025	-	3,520,091
Current liabilities	-	-	(1,720,157)	-	(1,720,157)
Pension scheme asset	-	165,000	-	-	165,000
<b>Total Net Assets</b>	<b>1,020,166</b>	<b>165,000</b>	<b>779,868</b>	<b>13,109,775</b>	<b>15,074,809</b>

**19. CAPITAL COMMITMENTS**

	2011 £	2010 £
Contracted for, but not provided in the financial statements	-	225,000

**20. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

- the value at that time of the Academy site and premises and other assets held for the purpose of the Academy, and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**21. 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 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**22. PENSION AND SIMILAR OBLIGATIONS**

The Academy'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 Hymans Robertson LLP Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £72,476 (2010 £70,991) were payable to the schemes at 31 August 2011 and are included within creditors

**Teachers' Pension Scheme**

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent The employee rate was 6.4% for the same period

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme The Academy is unable to identify its share of the underlying assets and liabilities of the scheme

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds The total contribution made for the year ended 31 August 2011 was £212,000 (2010 £219,000) of which employer's contributions totalled £150,000 (2010 £156,000) and employees' contributions totalled £62,000 (2010 £63,000) The agreed contribution rates for future years are 16.3% for employers and 5.5% to 7.5% for employees

**Principal Actuarial Assumptions**

	<b>At 31 August 2011</b>	<b>At 31 August 2010</b>
Rate of increase in salaries	4.9%	4.7%
Rate of increase for pensions in payment/inflation	2.6%	2.7%
Discount rate for scheme liabilities	5.4%	4.8%
Inflation assumption (CPI)	RPI less 0.8% pa	RPI less 0.5% pa
Commutation of pensions to lump sums - Pre April 2008 service	50%	50%
- Post April 2008 service	75%	75%



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2011**

**22. PENSION AND SIMILAR OBLIGATIONS continued**  
**Local Government Pension Scheme continued**

**Sensitivity Analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

<b>Change in assumptions at year ended 31 August 2011:</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount £</b>
0.5% decrease in Real Discount Rate	12%	131,000
1 year increase in member life expectancy	3%	31,000
0.5% increase in the Salary Increase Rate	5%	51,000
0.5% increase in the Pension Increase Rate	7%	76,000

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

	<b>At 31 August 2011</b>	<b>At 31 August 2010</b>
<i>Retiring today</i>		
Males	21.4	21.6
Females	23.3	24.8
<i>Retiring in 20 years</i>		
Males	23.4	23.5
Females	25.5	26.7

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	<b>Expected return at 31 August 2011</b>	<b>Fair value at 31 August 2011 £</b>	<b>Expected return at 31 August 2010</b>	<b>Fair value at 31 August 2010 £</b>
Equities	6.8%	886,000	6.9%	269,000
Bonds	4.6%	218,000	4.3%	90,000
Property	4.8%	85,000	4.9%	23,000
Cash	3.9%	24,000	4.0%	8,000
<b>Total market value of assets</b>		<b>1,213,000</b>		<b>390,000</b>
<b>Present value of scheme liabilities</b>				
- Funded		<b>(1,048,000)</b>		<b>(422,000)</b>
<b>Surplus/(deficit) in the scheme</b>		<b>165,000</b>		<b>(32,000)</b>

The expected returns are the median annualised (geometric) total returns over twenty years

The actual return on scheme assets was £26,000 (2010 £26,000)

<b>Amounts recognised in the statement of financial activities</b>	<b>2011 £</b>	<b>2010 £</b>
Current service cost (net of employee contributions)	185,000	176,000
Past service cost	-	(25,000)
Obligations transferred in from previous employment	-	7,000
<b>Total operating charge</b>	<b>185,000</b>	<b>158,000</b>



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2011**

**22 PENSION AND SIMILAR OBLIGATIONS continued**

**Local Government Pension Scheme continued**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	30,000	17,000
Interest on pension liabilities	(26,000)	(15,000)
	<hr/>	<hr/>
<b>Pension finance income/(costs)</b>	<b>4,000</b>	<b>2,000</b>
	<hr/>	<hr/>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £196,000 gain (2010 £32,000 loss)

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2010</b>	422,000	153,000
Current service cost	185,000	176,000
Interest cost	26,000	15,000
Employee contributions	62,000	63,000
Actuarial (gain)/loss	360,000	40,000
Benefits paid	(7,000)	-
Past Service cost	-	(25,000)
	<hr/>	<hr/>
<b>At 31 August 2011</b>	<b>1,048,000</b>	<b>422,000</b>
	<hr/>	<hr/>

**Movements in the fair value of academy's share of scheme assets**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2010</b>	390,000	146,000
Expected return on assets	30,000	17,000
Actuarial gain/(loss)	588,000	8,000
Employer contributions	150,000	156,000
Employee contributions	62,000	63,000
Benefits paid	(7,000)	-
	<hr/>	<hr/>
<b>At 31 August 2011</b>	<b>1,213,000</b>	<b>390,000</b>
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2012 is £149,000

**The history of experience adjustments is as follows:**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	(1,048,000)	(422,000)
Fair value of share of scheme assets	1,213,000	390,000
	<hr/>	<hr/>
<b>Surplus/(Deficit) in the scheme</b>	<b>165,000</b>	<b>(32,000)</b>
	<hr/>	<hr/>
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Experience adjustments on share of scheme assets	588,000	8,000
Experience adjustments on scheme liabilities	(516,000)	(40,000)



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST AUGUST 2011**

**23. RELATED PARTY DISCLOSURES**

Owing to the nature of the Academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following transactions were carried out with the Academy's wholly owned subsidiary, Corby CTC Trading Limited

- a) The subsidiary made a gift aid donation of £Nil (2010 £10,275) to the Academy in the year
- b) At 31 August 2011 £139,323 (2010 £188,844) was owed by the subsidiary to the Academy

The following transactions were carried out with The Corby Academy. The Academy and the Corby Academy are related by their joint management team, Governors and their involvement in the Brooke Weston Partnership.

- a) £549,429 (2010 £176,572) was repaid by the Corby Academy to The Brooke Weston Trust during the year
- b) At 31 August 2011 £6,927 (2010 £556,356) was owing to the Academy by Corby Academy

The following transactions were carried out with The Kettering Science Academy Trust. The Academy and The Kettering Science Academy Trust are related by their joint management team, Governors and involvement with the Brooke Weston partnership.

- (a) Expenditure of £8,819 (2010 £2,515) was incurred by the Academy on behalf of The Kettering Science Academy Trust during the year
- (b) At 31 August 2011 £11,334 (2010 £2,515) was owing to Academy by The Kettering Science Academy Trust

**24. ULTIMATE CONTROLLING PARTY**

The Academy is under the control of the Governors