

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**THE BROOKE WESTON TRUST**

**(A Company Limited by Guarantee)**

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

THURSDAY



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**THE BROOKE WESTON TRUST**

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**FOR THE YEAR ENDED 31 AUGUST 2016**

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

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>Members</b>	A E G de Capell Brooke R Lane G G Weston G H Weston R Morrison	
<b>Trustees/Directors</b>	A E G de Capell Brooke Dr A Campbell P Harris-Bridge R Lane R Morrison C Priestley H Stevenson G G Weston G H Weston	(Chief Executive Officer and Accounting Officer)  (Chairman)
<b>Company Secretary</b>	Mrs D Tysoe	
<b>Senior Management Team</b>		
Chief Executive Officer	Dr A Campbell	
Finance Director	Mrs D Tysoe	
Executive Principal	J Henrys	
Executive Principal	Miss P Stringer	
Cluster Business Manager	T Laws	
Cluster Business Manager	Mrs C Stewart	
<b>Chair of Finance and Audit Committee</b>	P Harris-Bridge	
<b>Principal and Registered office</b>	Coomb Road Great Oakley Corby Northamptonshire NN18 8LA	
<b>Company Registration Number</b>	02400784 (England and Wales)	
<b>Independent Auditor</b>	Smith Hodge & Baxter Chartered Accountants & Statutory Auditors Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL	
<b>Bankers</b>	HSBC Bank plc 22-24 Corporation Street Corby Northamptonshire NN17 1NJ	

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

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Solicitors**

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

**Subsidiary undertakings**

Corby CTC Trading Limited  
Corby Business Academy Trading Company Limited

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their report together with the financial statements and auditors' report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustee's report, and a directors' report under company law.

In 2015/16 the trust operated four primary academies, three secondary academies, one all-through academy and one secondary free school in Northamptonshire and Wisbech. On 1 September 2016 the all-through Academy converted to become two separate schools, a primary academy and a secondary academy. Its academies have a combined pupil capacity of 7,522 and had a roll of 6,838 in the school census on 1 October 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**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 The Brooke Weston Trust are also directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Brooke Weston City Technology College was formed in 1991. In 2007 it changed its name to become The Brooke Weston Trust before becoming an Academy in 2008. Corby Business Academy opened September 2008. It ceased trading as an independent company and joined The Brooke Weston Trust on 1 April 2012. Kettering Science Academy joined The Brooke Weston Trust alongside Corby Business Academy on 1 April 2012. It had previously been an independent company operating since September 2009. Thomas Clarkson Academy joined the trust on the 1 June 2012 having previously been part of Cambridgeshire County Council. On 1 September 2012 the trust expanded further to include Beanfield Primary School, Corby Technical School and Gretton Primary School. Both the Primary Schools transferred to the trust from Northamptonshire County Council whilst Corby Technical School is a new free school serving the needs of the local area. Peckover Primary School transferred to the trust from Cambridgeshire County Council on 1 April 2013. Oakley Vale Primary School transferred to the trust from Northamptonshire County Council on 1 September 2013.

**Members' liability**

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

**Trustees' indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees 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 directors/Trustees**

The articles of association require no less than three directors. The Principal Sponsors (A de Capell Brooke and the Garfield Weston Foundation) may appoint up to two directors each including themselves. The Chief Executive Officer shall remain a director for as long as he remains in office. There shall be a minimum of two parent directors unless there are Local Governing Bodies which include at least two parent members. The Secretary of State for Education may appoint as many directors as he thinks fit in accordance with the terms of the funding agreement. In addition to this, the directors themselves may appoint up to seven co-opted directors for a term of up to four years.

The term of office for any director shall be limited to four years, except the Chief Executive Officer (who remains a director whilst in post) and the Principal Sponsor (during any period in which the Principal Sponsor is a director), subject to the remaining being eligible to be a particular type of director, any director may be re-appointed or re-elected.

**Policies and procedures adopted for the induction and training of directors/Trustees**

The training and induction provided for new directors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. Induction tends to be done informally and is tailored specifically to the individual.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

**Organisational structure**

The trust governance structure consists of three levels; the Board of Trustees, the Operations Group and the Local Governing Bodies. The Board of Trustees has two sub-committees; the Finance and Audit Committee and the Remunerations Committee. Each school has its own Local Governing Body.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the schools by the use of budgets and making major decisions about the direction of the schools, capital expenditure and appointment of the Chief Executive Officer and Finance Director.

The trust's Operational Business Model has three levels; the Chief Executive Officer, the Operations Group and the School Principals who control the schools at an executive level implementing the policies laid down by the Trustees and reporting back to them. The aim of the management structure is to develop responsibility and encourage involved decision making at all levels.

**Arrangements for setting pay and remuneration of key management personnel**

The academy's pay policy is linked to its appraisal policy. The Remunerations Committee are responsible for recommending the pay for the Chief Executive Officer and Finance Director to the Board of Directors for approval. Other key management personnel are remunerated making reference to the national pay scales for the role they fill. Those in a teaching role are remunerated making reference to the Teachers Pay and Conditions pay scales, whilst those in a non-teaching role are remunerated using the Brooke Weston Trust Support Staff Pay Scales. Each individual will be subject to an appraisal by their line manager. The Chief Executive Officer and Finance Director undergo an annual appraisal by at least one trustee. The appraisals of the Trust Senior Leadership Team are discussed by the Remunerations Committee prior to any incremental pay award being agreed.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

**Subsidiary companies**

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. 03062232) and Corby Business Academy Trading Company Limited, a company incorporated in England and Wales (registration no. 06725975). Further details regarding the subsidiary companies are given in note 13 to the financial statements.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The principal object and activity of the Academy Trust is to provide education for pupils of different abilities between the ages of 3 and 19.

In accordance with the articles of association the Academy Trust 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 academies, 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 Trust during the year ended 31 August 2016 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 academies 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 Trust's business in accordance with the highest standards of integrity, probity and openness.

The Academy Trust'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 technology in a practical and project orientated way;
- a careers advice and a guidance programme to help students obtain employment or move on to higher education.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**OBJECTIVES AND ACTIVITIES (continued)**

**Public benefit**

The Trustees have regard to the charity commission's guidance on public benefit section 4 of the Charities Act 2011. The Trustees ensure that the Academy Trust's activities are undertaken in line with the charitable objects and aims.

**Equal opportunities policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust 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.

**Employees and disabled persons**

Ramps to access some class rooms and all teaching blocks. Disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academies. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available and through training and career development.

At each school there is a staff consultation committee which meets termly with the school's principal to discuss any matters affecting staff.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Dr A Campbell's report on achievements and performance is detailed below.**

**1. Introduction**

Last September we explained that having made BWT more 'fit for purpose' since 2013, it was important to fulfil that purpose and do more to improve education standards in the communities we serve. We can say that we have started to deliver on this goal. This year's outcomes in our sponsor secondary academies were in line with in-year predictions and the accuracy of internal performance data for all year groups has improved. Of course there is still a long way to go particularly with respect to progress of disadvantaged students and we have more to do to meet our aspirations for the impact of the Trust, but over the last twelve months we should be very encouraged to see that our hardest schools have moved forward.

Here are a few headlines from this year:

- For the first time the majority of our schools are graded good or outstanding by OfSTED.
- For the first time all of our primary schools are well above the floor target for progress.
- Beanfield has been judged a 'good' school for the first time in its history.
- National pass rates in GCSE English and mathematics dropped, but we have bucked this trend.
- Secondary 'Basics' outcome (i.e. % of students passing English and maths) were encouraging: 81.6% at BWA, 62.5% at CBA, 60% at KSA and 45% at TCA.
- Though BWA did not match last year's attainment outcomes for A level or GCSE, its performance was still strong with good value added and progress 8 indicative scores.

**1.1 Summary of Progress on 2015-16 Priorities to August 2016**

*Education standards*

Secondary curriculum and examination boards are now aligned for better Trust-wide support; new student data and performance tracking systems have been embedded at both primary and secondary level; the quality of teaching continues to improve in most cases; we have improved outcomes at our sponsor secondary academies; for the first time ever all primary schools are above floor target – though Beanfield and Compass in particular have reading and maths challenges still to address.

*Leadership and talent management*

New BWT website and first phase marketing materials launched; new Communications Officer in post and communications strategy under development; new talent management and succession planning initiatives launched via the Teacher Leaders programme, our own Teaching School development programmes and the NAHT Aspire leadership development framework; all key vacancies filled and interim Director of Recruitment in place.

*Governance and efficiency*

The five-year financial plan is on track; £700,000 per annum has been secured from unspent funds to improve school standards and has been deployed as per year 1 plan; all actions in relation to EFA audit completed; further compliance actions taken e.g. health and safety committee established.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**1.2 Trust Priorities 2016-17**

These priorities reflect the need to: continue improving student progress especially that of disadvantaged students; embed joined up approaches to school improvement and management of Trust-wide performance data; ensure we increase teaching capacity and succession planning at all levels; deliver the agreed financial plan.

**2. Recruitment**

**2.1 Staffing, Recruitment and Succession**

**School Improvement Competency Framework and People Development**

We have now committed to a three year Trust-wide programme of leadership development and individual school improvement using the NAHT Aspire management competency framework. This is augmented by our new partnership with the Teacher Leaders initiative – a national programme that is intended to fast track an elite group of staff with clear potential for early leadership responsibility. Both these programmes are high profile additions to the career offer we can make to our staff through the Teaching School, intra-trust networks and wider collaborations.

There are no significant gaps in senior staffing but we continue to prioritise securing more high quality teachers in Ebacc subjects as well as new recruits to BWT teacher training programmes. The overall calibre of school-level leadership is under constant review and where we have any concerns, strong support and challenge is in place via the Executive Principals and myself working with the Chairs of the LGBs.

**Staff Feedback**

In 2016-17 we are revisiting the methodology for capturing staff feedback and perceptions of working for BWT. We have now appointed consultants to complete a research exercise on stakeholder engagement with our staff and our wider stakeholder groups. The objectives are to better understand how our employees do (or don't) embrace the core values of the Trust and what others (our parents, local community partners, for example) think of us. This piece of work should be completed by the end of October 2016 and will result in an action plan for improving engagement and reputation over the next two years. The plan will provide specific recommendations for addressing individual school-level issues as well as formulating a coherent Trust strategy based on our five core values.

**3. Standards**

This section reviews performance in the most important educational standards. It is based on information provided through the Trust's self-evaluation processes for individual schools and analysis of in-year performance data. It is supplemented by external quality assurance via OfSTED inspections and DFE monitoring visits.

**3.1 Secondary performance for 2016**

**A level**

At A level, changes to the methodology for measuring student outcomes means it is problematic to make a simplistic comparison with previous years. For example, there is a new scale for average points score that does not easily 'read across' to the old one and also a new 'success rate' measure. Nevertheless, all three sponsor academies improved from their position for 2015. BWA has also returned strong results, but did not reach the same high level as last year where the cohort was the strongest ever. This year it was KSA who achieved Cambridge success. It was however pleasing to see a recent report from the local paper which concluded that in 2015 BWA had been the most successful state school in the county for successful Oxbridge entries – a feat we will certainly try to repeat in the future.

**Year 13 Results - provisional**

	<b>Success rate: the % of students who started and successfully completed their courses</b>	<b>% 3+ A*-B</b>	<b>% 3+ A*-E</b>	<b>Average points per entry: A level</b>	<b>Average points per entry: vocational</b>
<b>BWA</b>	89	25	62.0	34.53	38.71
<b>CBA</b>	86	12.5	41.1	28.41	37.6
<b>KSA</b>	68	18.2	54.5	29.06	36.36
<b>TCA</b>	71	0	45	30.23	48.93



**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**GCSE**

At GCSE there are also new performance measures for this year. The new 'basics' indicator is one of the most important. This reports the percentage of students achieving maths and English at grade C or above. The other important measure is 'Progress 8' which measures progress from starting point across 8 subjects and produces an averaged whole school score. For comparison we have also included 'old money' 5+A\*C EM performance and the levels of progress in English and maths in 2016.

**Year 11 Results - provisional**

	<b>Basics (2015 NA=58%)</b>	<b>5+A*C EM</b>	<b>3LOP En</b>	<b>4LOP En</b>	<b>3LOP Ma</b>	<b>4 LOP Ma</b>	<b>P8 (floor -0.5)</b>
<b>BWA</b>	81.6	77	85	45	81	38	+0.25
<b>CBA</b>	62.5	59	85	41	66	30	-0.25
<b>KSA</b>	60	56	72	35	65	27	-0.59
<b>TCA</b>	45	39	77	36	53	17	-0.57

All three sponsor academies improved their 5A\*CEM (2015 figures included in red) and their levels of progress in English and maths. Nevertheless, maths is still in need of improvement and at TCA in particular.

**3.2 Primary performance for 2016**  
**KS2 progress only**

	<b>Reading Progress (floor – 5.0)</b>	<b>Writing Progress (floor -7.0)</b>	<b>Maths Progress (floor -5.0)</b>	<b>Above floor overall?</b>
<b>BPS</b>	- 3.4	+ 0.7	- 2.1	Y
<b>CPS</b>	- 1.8	+ 0.8	- 3.7	Y
<b>GPS</b>	+ 0.8	+3.9	+ 0.4	Y
<b>OVPS</b>	+ 0.6	+ 0.3	+ 0.9	Y
<b>PPS</b>	- 0.5	+ 2.0	+ 1.1	Y

Beanfield and Compass Primary must focus on improvements in their reading and maths in particular. It is very encouraging that all schools are well above the new floor targets and that overall four primaries have continued their trend of improvement, but our focus must now be on achieving positive progress scores in every school for every area as soon as possible and increasing the amount of 'value' we add for each student.

**4. Attendance 2015-2016**

During 2015-16 levels of attendance were sustained in most cases. National figures for 2015-16 are not yet available so final comparison is not possible. Trust averages are above the previous national figures. Attendance at CBA and KSA is down slightly, but there is no single reason other than illness. At CBA this is due to a number of long term absentees and the reasons are well documented. TCA is closing towards national average.

All BWT schools continue to operate the same robust absence policy and procedures and this year has seen an increase in the number of court cases brought on our behalf by the councils we work with.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**4. Attendance 2015-2016 (continued)**

% Primary	Beanfield	Gretton	Compass	OVPS	Peckover	National '14-15	Trust Average
	96.3	96.9	95.8	95.9	95.5	95.2	96.0.
% Secondary	BWA	CBA	CTS	KSA (S)	TCA		
	96.4	94.9	96.2	94.5	93.9	94.9	95.1

**5. Governance and Infrastructure**

**5.1 General Governance**

**LGB strength**

Local governing body effectiveness will always be important to us. This year we are introducing a succession planning framework and variety of more in-depth training events for governors, including safeguarding training tailored to the context of each school. We are working with local chairs to recruit further governors and are asking them to be more robust in their approach to managing governor absenteeism. However, if the Board decides any LGB has an ongoing significant issue around poor attendance or capability it has the right to impose an Executive Board comprised of existing governors, the Executive Principal and governors from other BWT schools. In the future the Trust could consider further amendments to its governance model with a move towards area governance boards overseeing several schools within a cluster rather than individual governing bodies for every school.

**Health and Safety**

The new health and safety group has met for the first time and set out its first priorities. Data is being gathered by the group. In line with the three key areas set out in the group's terms of reference, it has already begun work on the actions below:

- Collating and maintaining a single central Trust record covering the qualifications required and held by staff in our schools for safe operations. This will include information on, for example: first aiders, fire marshals, mini bus drivers, catering staff, DT, PE and science staff as well as our own grounds maintenance staff and a comprehensive list of relevant information from third parties we work with.
- Standardising all schools' procedures for planning and preparing trips and visits.
- Introducing a common RIDDOR template and reporting process across the Trust.
- Embedding a Trust-wide estates compliance package which will inform our risk register, capital spend plans and strategic financial planning process.

**Safeguarding review group: a recommendation**

During 2016-17 the Trust is to establish a safeguarding review group to monitor the safeguarding culture and welfare work of the Trust. The group is to include an external member working alongside our most experienced safeguarding personnel and a senior Trust representative. This is an area where we must get the balance right by meeting our highest obligation which is ensuring the safety and security of our young people, but do so by working in partnership with our staff to ensure they feel valued and trusted whilst maintaining a strong culture of vigilance at all times.

**6. External Relations**

**6.1 Joint Consultation Committee (JCC) and working with Unions**

A number of policies are currently under consultation with unions, including the pay policy for teaching staff. We are also continuing to work on the BWT job families exercise, which made good progress over the summer term.

**6.2 Commercial Services Pilot**

We have now finalised our commercial services offer and hope to trial it in the autumn term with a small number of MATs. There is already interest in using our estates, IT and financial expertise. We will of course proceed with caution and be mindful of avoiding capacity issues over this first year. We keep the pilot under close review.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**6. External Relations**

**6.3 Supporting System Growth: examples of BWT being 'good neighbours'**

BWT is one of a few MATs co-leading a national initiative backed by the EFA to develop a support and advice network for best practice and compliance in estates management and compliance. This project has received high profile backing and will launch with a national conference to be held at CBA later this year. Our Director of Estates has spoken at the Academies Show and has co-authored an article for publication in the educational press. Our Trust Welfare Officer has been the driving force behind a forum for promoting best practice in raising attendance.

BWT has been the driving force behind a major raising aspirations event held at TCA to launch the new academic year for schools in Fenland. 400 staff from across the region attended a conference organised by Trish Stringer and colleagues from Fenland with many of the workshop led by staff from Peckover or other BWT schools. An inspirational school leader from New York was invited to give the keynote address which was a great success.

The BWT CCF continues to go from strength to strength and we are working with a variety of partners across the military and education sector to become established as the state CCF training hub for the east midlands. This work is receiving much attention and support, including a visit from Anne Frost, DfE Director of Post 16 Disadvantage Group in September.

*Concluding Remarks*

The upward trend in performance this year and, equally importantly, the additional leadership and teaching capacity secured for the years ahead, mean we now have real traction in our school improvement efforts. Over the last three years we have reversed a challenging financial position. Without losing focus on these areas despite the clear challenge posed by the progress 8 measure in our secondary sponsor academies we should now strive hard to meet our wider ambition that BWT does more in our region and ultimately regains the position once held by BWA as a national benchmark for innovation and quality in a new MAT-led education system.

**GOING CONCERN**

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

**FINANCIAL REVIEW**

**Financial report for the year**

Most of the Academy Trust's income is obtained from the Education Funding Agency (EFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA/DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the EFA/DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2015), 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 academies not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2016 total revenue expenditure was £44.226 million (2015: £42.558 million) and total incoming funds from the DfE and other sources were £42.896 million (2015: £42.195 million).

At 31 August 2016 the net book value of tangible fixed assets was £128.409 million (2015: £129.425 million) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**FINANCIAL REVIEW (continued)**

**Financial position**

The Academy Trust held fund balances at 31 August 2016 of £123.359 million (2015: £129.288 million) comprising £118.823 million (2015: £124.374 million) of restricted funds and £4.536 million (2015: £4.914 million) of unrestricted funds. The restricted pension reserve is currently in deficit of £11.290 million (2015: £5.797 million). This deficit relates solely to the actuarial assessment of Local Government Pension Scheme and future contribution rates have been agreed taking this deficit into account.

**Reserves policy**

The Trustees review the reserve levels of the Academy Trust continually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the approximate level of free reserves should be equivalent of 4% grant income. Further information can be found in the Trust Reserves Policy. The Academy Trust's current level of free reserves (total funds less the amount held in restricted funds and amounts held as fixed assets) is £4.536 million (2015: £4.914 million) which is more than is needed.

**Investment policy**

The Academy Trust does not hold any investments other than cash at bank and its £200 investment in its subsidiary undertakings, as noted earlier in this report. The Trustee's transferred £1 million of these cash reserves to an investment account, managed by HSBC Global Asset Management, in order to maximise the returns available whilst minimising the risk to the original capital invested. No further funds have been transferred to this account as the Trustee's wish to maintain the working capital of each school at a level in order to meet the day-to-day expenditure incurred. The net gains on these investments amounted to £176,000 during the current year (2015: £32,000).

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Risk management**

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

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy Trust 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 Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**Financial and Risk Management Objectives and Policies**

The Trustees regularly review the risks faced by the Academy Trust and have completed a "Risk Map" to identify the critical areas of concern. As far as possible the Trustees have put in place management controls to minimise/mitigate risks.

**Principal risks and uncertainties**

The Trustees consider the following items are the principal risks facing the Academy Trust:

**Financial**

- Fluctuating student numbers year on year impact directly on funding received from the EFA. This, along with continuing change of instability in the formula for determining the funding at a county and national level, creates uncertainty around future income. This makes effective budgeting more challenging.
- The defined benefit pension scheme liability stands at a deficit of £11.290m (2015: £5.797m) at 31 August 2016. Funding this deficit may lead to increased employer contributions from the academies.

**Other financial risks:**

- Credit risk - the Academy Trust has healthy cash balances and is able to pay its suppliers in accordance with agreed credit terms. Therefore credit risk is considered to be low.
- Cash flow and liquidity risks - Due to the front-loaded cash flow profile of funding received from the EFA, the cash flow and liquidity risks of the Academy Trust are considered to be low.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**PLANS FOR FUTURE PERIODS**

It is now time to focus on a smaller number of priorities fundamental to improving the quality of education the trust is offering in every Brooke Weston Trust classroom. This requires clarity of purpose and leadership, but it also requires additional resources for our most challenged schools over the next few years. The one year priorities for 2016/17 are in the following three areas:

**1. Education Standards**

- Thomas Clarkson Academy our of category of concern
- Student progress and especially improving progress of disadvantaged students
- Trust-wide curriculum alignment with common resources and common examination in core subjects
- Revise performance scorecards, assessment calendar, information flow and tracking system
- Launch Education Standards Committee

**2. Recruitment, Capacity and Succession at all Levels**

- Director of Recruitment appointment, develop action plan aligned to Trust priorities and budgets
- Launch NAHT Aspire programme (a school improvement and leadership competency framework – see below)
- Offer secondment opportunities for school-level senior leaders
- Deploy School Improvement Fund

**3. Financial strategy**

- Drive curriculum costing down to agreed thresholds
- Continue to progress with the Trust five year financial plan
- Launch commercial services pilot

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

So far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on .....19 DECEMBER..... 2016 and signed on the board's behalf by:



.....  
R Morrison  
Chair of Trustees

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Scope of Responsibility**

As Trustees, 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 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 The Brooke Weston 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 three times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A E G de Capell Brooke	2	3
Dr A Campbell	3	3
P Harris-Bridge	3	3
R Lane	2	3
R Morrison (Chair of the Board)	3	3
C Priestley	2	3
H Stevenson	3	3
G G Weston	3	3
G H Weston	2	3

**Governance reviews:**

Internal evaluation and review has been undertaken during the year on the impact and effectiveness of the board of Trustees and the outcome of this is the new streamlined board implemented in February 2016. The Finance and Audit Committee has also reviewed its effectiveness with the outcomes to be reported at the next meeting. Filtering downwards the Local Governing Bodies have all undertaken internal evaluation and review with their outcomes to be reported back to the individual meetings and included in the minutes to these meetings. These reviews are to be undertaken on an annual basis.

The Finance and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to oversee the finance and audit aspects of the Academy Trust. This included reviewing the financial position of the Academy Trust and the work of the external auditors and other matters arising from the internal audit procedures.

Trustee	Meetings attended	Out of a possible
R Morrison	5	5
P Harris-Bridge	5	5
M Ward	5	5
Dr A Campbell	5	5

Whilst Dr A Campbell is a member of the Finance and Audit Committee he does not take part in votes on matters which are deemed to be related to the audit responsibilities of this committee.

**Review of Value for Money**

As accounting officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Review of Value for Money (continued)**

The accounting officer considers how the 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 available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Meetings of the strategic leadership team, the Operations Group, comprising the CEO, Finance Director, the Executive Principals and the Cluster Business Managers. This group meets weekly to review actual performance against the five year financial plan and to ensure that goods and services are procured under trust-wide agreements wherever possible in order to maximise savings.
- Continuing the work undertaken last year in relation to staffing levels and implementing the findings of the comprehensive review. This enables us to maintain the strong short and medium term control over expenditure on staff within all of the academies. Appointment forms must be completed and approved by the CEO for all new appointments to justify recruitment.
- The appointment of a Procurement and Contracts Manager to monitor the procurement process to ensure compliance and value for money.
- Exploring new avenues for maximising income generation for example extended provision for our children and renewable energy options.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Brooke Weston Trust for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2015 to 31 August 2016 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 Finance and Audit 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.

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Smith Hodge & Baxter 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 systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of debit/credit card payments
- testing of control account/bank reconciliations

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

On a quarterly basis, the auditor reports to the board of Trustees, through the finance and audit committee, on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. There were no material control issues arising as a result of the auditors' review.

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 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 finance and audit committee;
- 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 audit and finance 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 on .....19.....~~DECEMBER~~..... 2016 and signed on its behalf by:



.....  
R Morrison  
Chair of Trustees



.....  
Dr A Campbell  
Accounting Officer

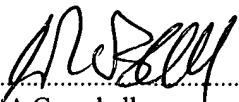


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

As accounting officer of The Brooke Weston Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Educational Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or any material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

  
.....  
Dr A Campbell  
Accounting Officer

..... 19 DECEMBER ..... 2016

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees, (who act as governors of The Brooke Weston Academy Trust and 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 Annual Accounts Direction published by the Education 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 the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from EFA/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 on 19 DECEMBER 2016 and signed on its behalf by:



.....  
R Morrison  
Chair of Trustees

**INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS  
OF THE BROOKE WESTON TRUST  
FOR THE YEAR ENDED 31 AUGUST 2016**

We have audited the financial statements of The Brooke Weston Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 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 Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, as set out on page 16, 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.

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 Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Trust's affairs as at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by Education Funding Agency.

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

In our opinion the information given in the Trustees' Annual Report including the Strategic 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

21 DECEMBER 2016

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO THE BROOKE WESTON TRUST AND THE EDUCATION FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2016**

In accordance with the terms of our engagement letter dated 8 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Brooke Weston Trust during the period 1 September 2015 to 31 August 2016 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 The Brooke Weston Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Brook Weston Trust and EFA 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 The Brooke Weston Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Brooke Weston Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Brooke Weston Trust's funding agreement with the Secretary of State for Education dated 30 March 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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 our conclusion includes:

- Assessment and testing of the internal audit work and reliance placed upon this work for the review of internal control procedures.
- Further testing of the internal control procedures has been carried out in the following areas:
  - Sample test of delegated authority procedures
  - Enquiry and review of transactions with connected persons
  - Review of governance procedures including inspection of Trustee and relevant board minutes
  - Sample test of procurement procedures.
- Communications with the accounting officer

**Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Hodge & Baxter  
Reporting Accountant  
Smith Hodge & Baxter  
Chartered Accountants & Statutory Auditors  
Thorpe House  
93 Headlands  
Kettering  
NN15 6BL

21 DECEMBER 2016

**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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


			Restricted	Restricted	Fixed	Restricted		
		Unrestricted	Pension	General	Asset	Endowment	Total	Total
	Notes	Funds	Reserve	Funds	Funds	Funds	2016	2015
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>INCOME AND ENDOWMENTS FROM:</b>								
Donations and capital grants	2	33	-	1	1,451	-	1,485	856
Charitable activities:								
Funding for the Academy Trust's educational operations	3	1,422	-	39,426	-	-	40,848	40,970
Other trading activities	4	563	-	-	-	-	563	369
<b>Total</b>		<b>2,018</b>	<b>-</b>	<b>39,427</b>	<b>1,451</b>	<b>-</b>	<b>42,896</b>	<b>42,195</b>
<b>EXPENDITURE ON:</b>								
Raising funds	5	340	-	-	-	-	340	249
Charitable activities:								
Academy Trust's educational operations	6	2,232	718	38,944	1,992	-	43,886	42,309
<b>Total</b>	<b>5</b>	<b>2,572</b>	<b>718</b>	<b>38,944</b>	<b>1,992</b>	<b>-</b>	<b>44,226</b>	<b>42,558</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(554)</b>	<b>(718)</b>	<b>483</b>	<b>(541)</b>	<b>-</b>	<b>(1,330)</b>	<b>(363)</b>
<b>Transfers between funds</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>(116)</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net gains on investments</b>	<b>12</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176</b>	<b>32</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(378)</b>	<b>(718)</b>	<b>367</b>	<b>(425)</b>	<b>-</b>	<b>(1,154)</b>	<b>(331)</b>
<b>Other recognised (losses)/gains</b>								
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(4,775)	-	-	-	(4,775)	141
<b>Net movement in funds</b>		<b>(378)</b>	<b>(5,493)</b>	<b>367</b>	<b>(425)</b>	<b>-</b>	<b>(5,929)</b>	<b>(190)</b>
<b>RECONCILIATION OF FUNDS</b>								
Total funds brought forward		4,914	(5,797)	358	129,765	48	129,288	129,478
<b>Total funds carried forward</b>	<b>16</b>	<b>4,536</b>	<b>(11,290)</b>	<b>725</b>	<b>129,340</b>	<b>48</b>	<b>123,359</b>	<b>129,288</b>

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

**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)****BALANCE SHEET AT 31 AUGUST 2016**

		<b>2016</b>	<b>2015</b>
	Notes	<b>£000s</b>	<b>£000s</b>
<b>FIXED ASSETS</b>			
Tangible assets	11	128,409	129,425
Investments	12	1,317	1,141
		<hr/>	<hr/>
		129,726	130,566
<b>CURRENT ASSETS</b>			
Stocks	13	10	10
Debtors	14	2,383	1,121
Cash at bank and in hand		6,405	7,131
		<hr/>	<hr/>
		8,798	8,262
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	15	(3,875)	(3,743)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		4,923	4,519
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES/NET ASSETS EXCLUDING PENSION LIABILITY</b>		134,649	135,085
<b>DEFINED BENEFIT PENSION SCHEME LIABILITY</b>	25	(11,290)	(5,797)
		<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>		123,359	129,288
		<hr/>	<hr/>
<b>FUNDS OF THE ACADEMY TRUST</b>	16		
Restricted funds:			
Fixed asset fund		129,340	129,765
Restricted income fund		725	358
Pension reserve		(11,290)	(5,797)
Endowment fund		48	48
		<hr/>	<hr/>
Total restricted funds		118,823	124,374
Unrestricted income funds		4,536	4,914
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		123,359	129,288
		<hr/>	<hr/>

The financial statements on pages 19 to 41 were approved by the Trustees and authorised for issue on 19th  
December 2016 and are signed on their behalf by:

  
.....  
R Morrison  
Chair of Trustees

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	2016 £000s	2015 £000s
<b>Cash flows from operating activities:</b>			
Net cash (used in)/provided by operating activities	20	(600)	1,775
Cash flows from investing activities	21	(126)	(779)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(726)	996
		<hr/>	<hr/>
Cash and cash equivalents at 1 September 2015		7,131	6,135
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2016	22	6,405	7,131
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. STATEMENT OF ACCOUNTING POLICIES**

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

**Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in Sterling (£'000).

The Brooke Weston Trust meets the definition of a public benefit entity under FRS 102. The academy trust is a charitable company, limited by guarantee, incorporated and domiciled in England. The address of the registered office is Coomb Road, Great Oakley, Corby, Northamptonshire, NN18 8LA.

**First time adoption of FRS 102**

These financial statements are the first financial statements of The Brooke Weston Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Brooke Weston Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

**Going Concern**

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

**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 Trustees' opinion the results of the subsidiaries are not material to an understanding of the Academy Trust's financial statements as in accordance with S405(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

**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 year 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 (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Income**

**Grants (continued)**

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

- **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the 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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities'. 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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

The Academy Trust has entered into 125 year leases with Cambridgeshire County Council and Northamptonshire County Council for some of the Academy Trust's land and buildings. The rental charge under these leases is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the leases are treated as finance leases and the assets capitalised and depreciated over the period of the leases, in accordance with the tangible fixed assets accounting policy below.

**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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**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 except assets subject to PFI agreements (see below), at rates calculated to write off the cost of each asset on a reducing balances basis over its expected useful life, as follows:

Freehold buildings	2% of written down value
Long leasehold land and buildings	2% of written down value or over the period of the lease
Furniture and equipment	10% of written down value
Motor vehicles	33% of written down value
Computer equipment	33% of written down value

Long leasehold land and buildings and other tangible fixed assets totalling £36,391,965 have been provided and are maintained by a third party under a PFI agreement with Cambridgeshire County Council. The Academy Trust has entered into a 25 year agreement with Cambridgeshire County Council to reimburse that local authority for the major part of its commitment under its PFI agreement. During the year ended 31 August 2016 maintenance of premises and equipment includes £928,522 (2015: £999,415) in respect of payments to the local authority under this agreement. The long leasehold land and buildings and other tangible fixed assets were introduced into the financial statements at insurance values, being the Trustees' estimate of their current market value at 31 August 2013. Due to the nature of the maintenance element of the PFI agreement no depreciation is considered necessary in respect of these assets over the term of the agreement. Once the agreement expires, these assets will be depreciated in accordance with the Academy Trust's existing accounting policy for tangible fixed assets.

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.

**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 benefits 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 payment for the goods or services it must provide.

**Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**Investments**

The Academy Trust's shareholding in the wholly owned subsidiaries Corby CTC Trading Limited and Corby Business Academy Trading Company Limited are 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Investments (continued)**

Investments also include listed investments that are stated in the financial statements at the market value ruling at the balance sheet date. Both realised profits and losses and unrealised profits and losses on the revaluation of listed investments at each period end, are recognised in the Statement of Financial Activities and included in the accumulated Trust fund.

**Leased Assets**

Rentals under operating leases are charged 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.

**Cash and Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of any transaction costs and are subsequently measured at amortised cost using the effective interest method.

**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.

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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 gains and losses.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

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

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

Restricted endowment funds represent funds transferred from Ise Community College, the predecessor school of Kettering Science Academy. The Trustees have the power to spend the capital; both the capital and income are restricted to funding the educational activities of the Academy Trust.

**Critical accounting estimates and areas of judgement**

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

*Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**Prior period adjustment/comparative information**

During the year the Academy Trust reviewed the accounting treatment of the HSBC Portfolio and considered it was more akin to a fixed asset investment rather than cash at bank and in hand, due to the intention to retain this investment for a period in excess of 12 months from the balance sheet date.

This has resulted in £1,141,000 being transferred from Cash at bank and in hand to Fixed Asset Investments for the year ended 31 August 2015 together with £32,000 of income being transferred from Investment income to Net gains on investments, within the SOFA.

As a result of the above recategorisation there has been no impact on net income for the year or the fund balances at 31 August 2015.

Due to the adoption of the Statement of Recommended Practice (SORP): 'Accounting and Reporting by Charities' (FRS 102) and the presentational changes required by the Academies Accounts Direction 2015 to 2016, some of the comparative information for the year ended 31 August 2015 has been amended accordingly; however, except as disclosed in note 28, the total income, expenditure and movement in funds for the year ended 31 August 2015 remain unchanged.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2016 £000s	Total 2015 £000s
Capital grants	-	1,451	1,451	821
Gift aid	27	-	27	33
Other donations	6	1	7	2
	<u>33</u>	<u>1,452</u>	<u>1,485</u>	<u>856</u>

The income from donations and capital grants was £1,485,000 (2015: £856,000) of which £33,000 was unrestricted (2015: £35,000), £1,000 was restricted general funds (2015: £nil) and £1,451,000 was restricted fixed asset funds (2015: £821,000).

**THE BROOKE WESTON TRUST (REGISTERED NUMBER: 02400784)****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016****3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2016 £000s	Total 2015 £000s
DfE/EFA grants				
General Annual Grant (GAG)	-	34,361	34,361	33,842
Start Up grants	-	118	118	186
Other DfE/EFA grants	-	2,556	2,556	2,779
	-	37,035	37,035	36,807
Other Government grants				
Local authority grants	-	1,783	1,783	1,750
	-	1,783	1,783	1,750
Other income from the academy trust's educational operations	1,422	608	2,030	2,413
	1,422	39,426	40,848	40,970

The income from funding for the academy trust's educational operations was £40,848,000 (2015: £40,970,000) of which £1,422,000 was unrestricted (2015: £356,000) and £39,426,000 was restricted (2015: £40,614,000).

**4. OTHER TRADING ACTIVITIES**

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2016 £000s	Total 2015 £000s
Hire of facilities	337	-	337	226
BW Fitness memberships and other income	141	-	141	78
Bungalow rent	7	-	7	-
Other income	78	-	78	65
	563	-	563	369

The income from other trading activities was £563,000 (2015: £369,000) of which £563,000 was unrestricted (2015: £369,000) and £nil was restricted (2015: £nil).

**5. EXPENDITURE**

	Staff Costs £000s	Non pay Premises £000s	Expenditure Other Costs £000s	Total 2016 £000s	Total 2015 £000s
Expenditure on raising funds	310	3	27	340	249
Academy's educational operations:					
Direct costs	23,873	1,186	4,556	29,615	29,061
Allocated support costs	6,774	3,927	3,570	14,271	13,248
	30,957	5,116	8,153	44,226	42,558

Expenditure was £44,226,000 (2015: £42,558,000) of which £30,957,000 was staff costs (2015: £30,329,000), £5,116,000 was premises (2015: £4,088,000) and £8,153,000 was other costs (2015: £8,141,000).

Net income/(expenditure) for the year includes:

Fees payable to auditor - audit	18	21
- other services	14	19
Depreciation - owned assets	1,992	2,105

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**6. CHARITABLE ACTIVITIES**

	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
Direct Costs - educational operations	29,615	29,061
Support costs - educational operations	14,271	13,248
	<u>43,886</u>	<u>42,309</u>

Expenditure on charitable activities was £43,886,000 (2015: £42,309,000) of which £2,232,000 was unrestricted (2015: £88,000), £718,000 was restricted pension reserve (2015: £722,000), £38,944,000 was restricted general funds (2015: £39,262,000) and £1,992,000 was restricted fixed asset funds (2015: £2,237,000).

<b>Analysis of support costs</b>	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
Support staff costs	6,774	6,686
Depreciation	3	3
Cleaning	132	121
Recruitment and support	26	119
Light and heat	539	595
Rates and rents	348	354
Insurance	221	208
Maintenance of premises and equipment	2,737	1,732
Security and transport	173	330
Other catering costs	1,191	1,438
IT costs	1,211	850
Bank interest and charges	32	21
Other support costs	724	712
Governance costs	160	79
<b>Total direct and support costs</b>	<u>14,271</u>	<u>13,248</u>

All of the academy trust's expenditure on charitable activities for both the current and previous periods was for its educational operations.

**7. STAFF**

<b>a. Staff Costs</b>	<b>2016 £000s</b>	<b>2015 £000s</b>
Staff costs during the year were:		
Wages and salaries	23,629	23,734
Social security	1,856	1,640
Operating costs of defined benefit pension schemes	4,339	3,873
	<u>29,824</u>	<u>29,247</u>
Supply staff costs	1,121	894
Staff restructuring costs	12	188
	<u>30,957</u>	<u>30,329</u>
Staff restructuring costs comprise:		
Redundancy payments	-	55
Severance payments	12	133
	<u>12</u>	<u>188</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**7. STAFF (continued)**

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,000 (2015: £133,000). Individually, the payments were: £12,000.

**c. Staff numbers**

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	409	418
Teaching Support and Administration	627	606
Management (including management within schools)	25	25
	<u>1,061</u>	<u>1,049</u>

The average number of persons employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	379	398
Teaching Support and Administration	435	412
Management (including management within schools)	36	35
	<u>850</u>	<u>845</u>

**d. Higher paid staff**

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	16	14
£70,001 - £80,000	3	4
£80,001 - £90,000	1	-
£90,001 - £100,000	2	3
£100,001 - £110,000	1	1
£120,001 - £130,000	2	2
£160,001 - £170,000	1	1
	<u>26</u>	<u>25</u>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed in page 1. The total amount of employee benefits (including employer pension contributions) received by the senior management team for their services to the academy trust was £725,163 (2015: £692,897). No trustees receive benefits/payments with the exception of The Chief Executive Officer whose remuneration is disclosed in note 9.

**8. CENTRAL SERVICES**

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

- Financial services
- Property Management
- IT services
- Educational support
- Operations, procurement and compliance services
- Educational Welfare Support
- HR and Personnel
- Legal Support
- Governor Support and Training
- Other services as arising

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**8. CENTRAL SERVICES (continued)**

The trust charged for these services at approximately 4% of budgeted income.

The actual amounts charged during the year were as follows:

	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
Beanfield Primary School	110	114
Brooke Weston Academy	270	278
Corby Business Academy	260	268
Corby Technical School	76	72
Gretton Primary School	23	26
Kettering Science Academy	305	324
Oakley Vale Primary School	60	63
Peckover Primary School	60	76
Thomas Clarkson Academy	302	268
	<hr/>	<hr/>
	1,466	1,489
	<hr/>	<hr/>

**9. RELATED PARTY TRANSACTIONS - 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 Chief Executive Officer and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

Dr A Campbell (CEO/Executive Principal and Trustee):

Remuneration	£160,000 - £165,000	(2015: £160,000 - £165,000)
Employer's pension contributions	£20,000 - £25,000	(2015: £20,000 - £25,000)

During the years ended 31 August 2016 and at 31 August 2015 no expenses were reimbursed to Trustees.

Other related party transactions involving the Trustees are set out in note 26.

**10. TRUSTEES' AND OFFICERS' INSURANCE**

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme. During the previous year the cost of this insurance was £2,827.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**11. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £000s	Long leasehold land and buildings £000s	Furniture & equipment £000s	Computer equipment £000s	Motor vehicles £000s	Totals £000s
<b>COST</b>						
At 1 September 2015	5,825	127,933	6,273	8,459	182	148,672
Additions	-	483	435	58	-	976
Disposals	-	-	-	-	-	-
At 31 August 2016	5,825	128,416	6,708	8,517	182	149,648
<b>DEPRECIATION</b>						
At 1 September 2015	785	8,756	3,033	6,496	177	19,247
Charge for year	101	1,086	367	436	2	1,992
At 31 August 2016	886	9,842	3,400	6,932	179	21,239
<b>NET BOOK VALUE</b>						
At 31 August 2016	4,939	118,574	3,308	1,585	3	128,409
At 31 August 2015	5,040	119,177	3,240	1,963	5	129,425

**12. FIXED ASSET INVESTMENTS**

Total fixed asset investments comprise:

	2016 £000s	2015 £000s
Shares in group undertakings	-	-
Listed investments (HSBC Portfolio)	1,317	1,141
	1,317	1,141

Listed investments (HSBC Portfolio)

Listed  
Investments  
£000s

**COST/VALUATION**

At 1 September 2015	1,141
Net gains/losses in the year	176
At 31 August 2016	1,317

The Academy Trust's listed investments (HSBC Portfolio) were valued by reference to market prices.

Investments in  
subsidiaries

<b>COST</b>	£
At 1 September 2015 and at 31 August 2016	200
<b>NET BOOK VALUE</b>	
At 31 August 2016	200
At 31 August 2015	200

The investments are shown in the balance sheet at cost. The Trustees have not prepared group accounts as they are of the opinion that the results of the subsidiaries are not material to an understanding of the Academy Trust's financial statements in accordance with S405(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**12. FIXED ASSET INVESTMENTS (continued)**

**Corby CTC Trading Limited**

Country of incorporation: England

Nature of business: hire of sports and business facilities

Class of share:	% holding	31 August
Ordinary	100	2015
		£000s
Aggregate capital and reserves		10
Loss for the year		2

A summary of the last audited results for the year ended 31 August 2015 and the balance sheet position as at 31 August 2015 is shown below:

	2015
	£ 000s
Turnover	57
Expenditure	59
Loss on ordinary activities before Gift Aid payment	(2)
Gift Aid payment to The Brooke Weston Trust	-
Net loss before taxation	(2)
Taxation	-
Sustained loss for year	(2)
Retained profits brought forward at 1 September 2014	12
Retained profit carried forward at 31 August 2015	10
Fixed Assets	29
Current assets	224
Current liabilities	(239)
Provisions for liabilities and charges	(4)
	10
Called up share capital	-
Profit and loss account	10
Shareholder's funds	10

The audited results for the year ended 31 August 2016 are not yet available. However the company's activity for the year and net assets position at the end of the year are not expected to be significantly different from those as at 31 August 2015.

**Corby Business Academy Trading Company Limited**

Country of incorporation: England

Nature of business: hire of sports and business facilities

Class of Share	% holding	31 August
Ordinary	100	2015
		£000s
Aggregate capital and reserves		2
Profit for the year		1

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**12. FIXED ASSET INVESTMENTS (continued)**

**Corby Business Academy Trading Company Limited (continued)**

A summary of the last audited results for the year ended 31 August 2015 and the balance sheet position as at 31 August 2015 is shown below:

	<b>2015</b>
	<b>£000s</b>
Turnover	31
Expenditure	3
	<hr/>
Profit on ordinary activities before Gift Aid payment	28
Gift Aid payment to Corby Business Academy	27
	<hr/>
Net profit before taxation	1
Taxation	-
	<hr/>
Retained profit for year	1
Retained profits brought forward at 1 September 2014	2
	<hr/>
Retained profits carried forward at 31 August 2015	3
	<hr/>
Current assets	33
Current liabilities	(30)
	<hr/>
	3
	<hr/>
Called up share capital	-
Profit and loss account	3
	<hr/>
Shareholder's funds	3
	<hr/>

The audited results for the year ended 31 August 2016 are not yet available. However the company's activity for the year and net assets position at the end of the year are not expected to be significantly different from those as at 31 August 2015.

**13. STOCKS**

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Stationery and other supplies	10	10
	<hr/>	<hr/>

**14. DEBTORS**

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Trade debtors	65	87
VAT recoverable	614	264
Amounts owed by group undertakings	230	230
Prepayments and accrued income	1,454	540
Other debtors	20	-
	<hr/>	<hr/>
	2,383	1,121
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Trade creditors	1,076	1,202
Taxation and social security	544	496
Accruals and deferred income	1,791	1,599
Other creditors	464	446
	<b>3,875</b>	<b>3,743</b>
	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
<b>Deferred income</b>		
Deferred income at 1 September 2015	195	240
Released from previous years	(195)	(240)
Resources deferred in the year	277	195
	<b>277</b>	<b>195</b>

At the balance sheet date the academy trust was holding funds received in advance for educational trips, student transport, Universal Infant Free School Meals and other grants related to the 2016/17 academic year.

**16. FUNDS**

	<b>Balance at</b>	<b>Incoming</b>	<b>Resources</b>	<b>Gains, losses</b>	<b>Balance at</b>
	<b>1 September</b>	<b>resources</b>	<b>expended</b>	<b>and Transfers</b>	<b>31 August</b>
	<b>2015</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>2016</b>
	<b>£000s</b>				<b>£000s</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	358	34,361	(33,878)	(116)	725
Start Up Grant	-	118	(118)	-	-
Other DfE/EFA grants	-	2,556	(2,556)	-	-
Other restricted general funds	-	2,392	(2,392)	-	-
Pension Reserve	(5,797)	-	(718)	(4,775)	(11,290)
	<b>(5,439)</b>	<b>39,427</b>	<b>(39,662)</b>	<b>(4,891)</b>	<b>(10,565)</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	35,784	822	(954)	-	35,652
Capital expenditure from GAG	2,511	-	(79)	116	2,548
Other government grants	87,118	629	(848)	-	86,899
Private sector capital sponsorship	4,352	-	(111)	-	4,241
	<b>129,765</b>	<b>1,451</b>	<b>(1,992)</b>	<b>116</b>	<b>129,340</b>
<b>Restricted endowment funds</b>					
Expendable endowment funds	48	-	-	-	48
	<b>124,374</b>	<b>40,878</b>	<b>(41,654)</b>	<b>(4,775)</b>	<b>118,823</b>
<b>Total restricted funds</b>					
	<b>4,914</b>	<b>2,018</b>	<b>(2,572)</b>	<b>176</b>	<b>4,536</b>
<b>Total unrestricted funds</b>					
<b>TOTAL FUNDS</b>	<b>129,288</b>	<b>42,896</b>	<b>(44,226)</b>	<b>(4,599)</b>	<b>123,359</b>

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

Restricted General Funds include unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it should carry forward at 31 August 2016. During the year a transfer of £175,000 was made to Restricted Fixed Asset Funds from GAG Funds in respect of capital expenditure funded from GAG income.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016****16. FUNDS (continued)**

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.

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

Restricted Endowment Funds represent expendable resources to be applied to specific education activities.

**Analysis of academies by fund balance**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
Beanfield Primary School	628	785
Brooke Weston Academy	3,670	3,726
Corby Business Academy	1,279	1,399
Corby Technical School	(323)	(492)
Gretton Primary School	146	180
Kettering Science Academy	(449)	(64)
Oakley Vale Primary School	584	377
Peckover Primary School	212	109
Thomas Clarkson Academy	(1,090)	(969)
Central services	652	269
<b>Total before fixed assets and pension reserve</b>	<b>5,309</b>	<b>5,320</b>
Restricted fixed asset fund	129,340	129,765
Pension reserve	(11,290)	(5,797)
<b>Total</b>	<b>123,359</b>	<b>129,288</b>

Corby Technical School is carrying a cumulative deficit of £323,000. This deficit arose as a direct result of the establishment of the new school, including contributions towards the construction of the new buildings and the purchase of computer equipment and other fixtures and fittings. The school is expected to return to surplus over the coming years as more students are admitted to the school and has returned a surplus in the year to 31 August 2016.

Kettering Science Academy is carrying a cumulative deficit of £449,000. This deficit arose as a result of targeted investment aimed at improving educational standards within the school, which the school has already benefited from. The improvement expenditure is expected to continue throughout the coming year to further improve standards.

Thomas Clarkson Academy is carrying a cumulative deficit of £1,090,000. This deficit also arose as a result of investment in improving educational standards. This will again continue in the coming year to improve standards, along with further support from the Executive Principals to introduce a financially sustainable model for the future.

**Analysis of academies by cost**

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

	<b>Teaching &amp; Educational Support Staff Costs £000s</b>	<b>Other Support Staff Costs £000s</b>	<b>Educational Supplies £000s</b>	<b>Other costs (excluding Depreciation) £000s</b>	<b>Total 2016 £000s</b>	<b>Total 2015 £000s</b>
Beanfield Primary School	1,652	476	33	868	3,029	2,527
Brooke Weston Academy	4,142	1,466	83	2,175	7,866	7,567
Corby Business Academy	4,394	1,190	113	1,807	7,504	6,987
Corby Technical School	935	335	28	512	1,810	1,381
Gretton Primary School	399	80	6	106	591	618
Kettering Science Academy	5,159	1,421	198	1,908	8,686	8,138
Oakley Vale Primary School	993	208	11	331	1,543	1,516
Peckover Primary School	1,050	225	16	355	1,646	1,624
Thomas Clarkson Academy	5,083	938	423	1,903	8,347	8,483
Central Services	66	745	16	385	1,212	1,397
<b>Academy Trust</b>	<b>23,873</b>	<b>7,084</b>	<b>927</b>	<b>10,350</b>	<b>42,234</b>	<b>40,238</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Restricted Endowment Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	-	128,409	-	128,409
Fixed asset investments	1,317	-	-	-	-	1,317
Current assets	3,219	-	4,600	931	48	8,798
Current liabilities	-	-	(3,875)	-	-	(3,875)
Pension scheme liability	-	(11,290)	-	-	-	(11,290)
Total Net Assets	<u>4,536</u>	<u>(11,290)</u>	<u>725</u>	<u>129,340</u>	<u>48</u>	<u>123,359</u>

**18. CAPITAL COMMITMENTS**

	2016 £000s	2015 £000s
Contracted for, but not provided in the financial statements	<u>6,800</u>	<u>-</u>

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000s	2015 £000s
Amounts due within one year	69	41
Amounts due between one and five years	82	65
	<u>151</u>	<u>106</u>

**Academies with Private Finance Initiative (PFI)**

Thomas Clarkson Academy joined the trust on 1 June 2012. Its main school buildings were financed under PFI arrangement which also provides services to the school including maintenance of premises and IT equipment, cleaning and the provision of certain utilities. The school pays an annual amount based on a combination of fixed contribution schedules and pupil numbers which will run until 2037. In the year ended 31 August 2016, £928,522 (2015: £999,415) of costs relating to this has been recognised in expenditure.

**20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2016 £000s	2015 £000s
Net income/(expenditure) for the reporting period	(1,154)	(331)
Adjusted for:		
Depreciation	1,992	2,105
Net gains/losses on investments	(176)	(32)
Rents receivable	(7)	-
Capital grants from DfE and other capital income	(1,451)	(821)
Defined benefit pension scheme cost less contributions payable	489	520
Defined benefit pension scheme finance cost	229	202
(Increase)/decrease in debtors	(653)	(173)
Increase/(decrease) in creditors	131	305
Net cash (used in)/provided by Operating Activities	<u>(600)</u>	<u>1,775</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**21. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Dividends, interest and rents receivable from investments	7	-
Purchase of tangible fixed assets	(976)	(1,260)
Capital grants from DfE/EFA	826	481
Capital grants from local authorities	17	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(126)</b>	<b>(779)</b>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>At 31</b>	<b>At 31</b>
	<b>August</b>	<b>August</b>
	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
Cash in hand and at bank	6,405	7,131
<b>Total cash and cash equivalents</b>	<b>6,405</b>	<b>7,131</b>

**23. 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 Trust 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 for Education.

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

- (a) the value at that time of the Academy Trust's sites and premises and other assets held for the purpose of the Academy Trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State for Education under the Funding Agreement.

**24. 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 cease to be a member.

**25. PENSION AND SIMILAR OBLIGATIONS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £454,981 (2015: £409,084) were payable to the schemes at 31 August 2016 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**25. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Introduction (continued)**

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9th June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £2,387,000 (2015: £2,006,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 2016 was £1,619,000 (2015: £1,509,000) of which employer's contributions totalled £1,226,000 (2015: £1,145,000) and employees' contributions totalled £393,000 (2015: £364,000). The agreed contribution rates for future years are 14.3% to 24.1% for employers and 5.5% to 12.5% for employees.

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

**Principal Actuarial Assumptions**

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Rate of increase in salaries	4.1%	4.6%
Rate of increase for pensions in payment/inflation	2.1%	2.7%
Discount rate for scheme liabilities	2.1%	3.8%
Inflation assumption (CPI)	2.1%	2.7%
Commutation of pensions to lump sums - Thomas Clarkson Academy and Peckover Primary School:		
Pre April 2008 service	25%	25%
Post April 2008 service	63%	63%
- Other academies in the federation:		
Pre April 2008 service	50%	50%
Post April 2008 service	75%	75%



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**25. PENSION AND SIMILAR OBLIGATIONS (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 2016:</b>	<b>Approximate % increase to Employer</b>	<b>Approximate monetary Liability amount £000s</b>
0.5% decrease in Real Discount Rate	13%	3,783
1 year increase in member life expectancy	3%	857
0.5% increase in the Salary Increase Rate	4%	1,256
0.5 % increase in the Pension Increase Rate	9%	2,404

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 2016</b>	<b>At 31 August 2015</b>
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	24.1	24.1
Females	26.6	26.6

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

	<b>Fair value at 31 August 2016 £000s</b>	<b>Fair value at 31 August 2015 £000s</b>
Equity instruments	12,376	9,222
Debt instruments	3,189	2,418
Property	1,360	1,159
Cash	368	279
<b>Total market value of assets</b>	<b>17,293</b>	<b>13,078</b>

The actual return on scheme assets was £520,000 (2015: £445,000).

<b>Amounts recognised in the statement of financial activities</b>	<b>2016 £000s</b>	<b>2015 £000s</b>
Current service cost (net of employee contributions)	1,715	1,653
Net interest cost	229	202
Benefit changes, gains/(loss) on curtailment and gain/(loss) on settlement	-	12
<b>Total operating charge</b>	<b>1,941</b>	<b>1,867</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**25. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
At 1 September	18,875	16,566
Current service cost	1,715	1,653
Interest cost	749	647
Employee contributions	393	364
Actuarial loss/(gain)	7,027	(217)
Benefits paid	(176)	(150)
Curtailments and settlements	-	12
<b>At 31 August</b>	<b>28,583</b>	<b>18,875</b>

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

	<b>2016</b>	<b>2015</b>
	<b>£000s</b>	<b>£000s</b>
At 1 September	13,078	11,350
Interest income	520	445
Return on plan assets (excluding net interest on the net defined pension liability)	2,163	(76)
Employer contributions	1,226	1,145
Employee contributions	482	364
Benefits paid	(176)	(150)
<b>At 31 August</b>	<b>17,293</b>	<b>13,078</b>

**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations 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 trust may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

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

- a) During the year Corby CTC Trading Limited was charged a management fee of £nil (2015: £12,000) and net recharges of £nil were made in respect of other costs incurred by the Academy Trust on behalf of the subsidiary (2015: net recharges of £37,404).
- b) At 31 August 2016 debtors included £230,111 (2015: £230,111) due from the subsidiary.

The following related party transactions were carried out with the Academy Trust's wholly owned subsidiary, Corby Business Academy Trading Company Limited:

- a) Incoming resources include gift aid of £27,000 (2015: £33,000) from Corby Business Academy Trading Company Limited.
- b) At 31 August 2016 there were no amounts due to/from Corby Business Academy Trading Company Limited (2015: None)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**26. RELATED PARTY TRANSACTIONS (continued)**

The following related party transactions were carried out with Inspiring Leaders Limited, a company in which Miss P Stringer (Executive Principal) is a director and the Brooke Weston Academy is a member:

- a) During the year the Brooke Weston Trust was charged £13,446 (2015: £16,615) in respect of leadership development courses.
- b) At 31 August 2016 creditors included £ Nil (2015: £2,011) due to Inspiring Leaders Limited.
- c) The trust made the purchases at arms' length in accordance with its financial regulations and normal procurement procedures, which Miss P Stringer neither participated in nor influenced. In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook.

**27. ULTIMATE CONTROLLING PARTY**

The Academy Trust is under the control of the Trustees and members.

**28. EXPLANATION OF TRANSITION TO FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	Notes	1 September 2014 £000s	31 August 2015 £000s
Total funds under previous UK GAAP		129,478	129,228
Total funds reported under FRS 102		129,478	129,228

Reconciliation of net funds	Notes	31 August 2015 £000s
Net income/(expenditure) previously reported under UK GAAP		(116)
Change in recognition of LGPS interest cost	A	(215)
Net movement in funds reported under FRS 102		(331)

**A - Change in recognition of LGPS interest cost**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £215,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.