

Company Registration No. 07368292 (England and Wales)

BROOK LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2014

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BROOK LEARNING TRUST

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BROOK LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

I Daker (Chair)
J Boyd
K Elves
J Dalton
D Coslett (Chief Executive Officer & Accounting Officer)
L Garratt
M Garner
C Beech
C Morris
R Lees (Appointed 16 December 2013 and resigned 21 March 2014)

Members

I Daker
J Boyd
K Elves
J Dalton

Senior Leadership Teams

Trust

Deborah Coslett, Chief Executive Officer
Carol Morris, Strategic Director for Academies
Carrie Beech, Strategic Director for Partnerships
Louise Burgess, Finance Director

The Hayesbrook School

David Day, Principal
Janet Kane, Vice Principal
Collette Nelson, Assistant Principal

David Burren, Assistant Principal

Ian Ward, Assistant Principal

The High Weald Academy

Carrie Beech, Principal
Richard Shaw, Vice Principal
Damian Carlier, Trust Senior Leader

Danielle Connolly, Trust Senior Leader

Rebecca Daw, Associate Senior Leader

The Ebbsfleet Academy

Alison Colwell, Principal
Crystal Cardnell, Vice Principal
Jessica Eales-White, Vice Principal
Daniel Smith, Vice Principal

Company secretary

Louise Burgess

Company registration number

07368292 (England and Wales)

BROOK LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office	Brook Street Tonbridge Kent TN9 2PH United Kingdom
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	Lloyds Bank PLC 121 High Street Tonbridge Kent TN9 1DB
Solicitors	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells Kent TN1 1NX

BROOK LEARNING TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditor's report of the Trust for the period 01 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The principal activity of the Trust is the operation of state-funded secondary education to students aged between 11 and 19 within the Trust's Academies, The Hayesbrook School, The High Weald Academy and The Ebbsfleet Academy. It has a combined roll of 1958, as per the school census on 3rd October 2013.

Structure, governance and management

Constitution

The Trust is a company limited by guarantee with no share capital (registration no. 07368292) and an exempt charity, regulated by the EFA (Education Funding Agency). The Trust's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trust is known as Brook Learning Trust following a change of name with effect from 20th August 2013 (formerly named The Hayesbrook School Academy Trust).

Details of the Trustees and Governors who served during the year are included in the Reference and Administrative Details included at the front of these accounts.

Members' liability

Each member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up while he/she is 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.

Method of recruitment and appointment or election of Directors

The Directors of the Trust for the purposes of the Companies Act 2006 are Trustees for the purposes of charity legislation.

Directors may be recruited at any time and are subject to retirement on the anniversary of their fourth year of office. They are eligible for re-election at the meeting at which they retire.

The Articles of Association specify that the Board of Directors may include:

- Up to 15 Directors appointed by the members
- A minimum of two Parent Directors
- The Chief Executive Officer

Policies and procedures adopted for the induction and training of Directors

The training and induction provided for new Directors depends on their existing experience. Induction to the Trust Board is arranged by the Clerk to the Trust Board. Bespoke training according to Trustee need and experience is also provided. All Trustees are periodically invited to review their experience and knowledge and identify where further training might be useful or necessary. All Trustees are given access to hard copies of policies and procedures. These will also be available in electronic format via the Trust website (which is currently under construction). Trustees are also given hard copies of minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees.

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 in respect of any single claim or series of claims arising out of the same set of circumstances.

BROOK LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Organisational structure

The structure of the Trust consists of three senior levels: the Trust Board of Directors, the Local Governing Bodies and the Senior Leadership Teams. The management structure is to ensure that all statutory responsibilities and duties are fulfilled. Decision making at all levels is encouraged.

The Trust Board of Directors

The four members form the limited company and exempt charity known as Brook Learning Trust and are responsible for appointing most of the Directors of the Trust.

The Board of Directors

The Board of Directors is responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments, including the Chief Executive Officer. The Board delegates specific responsibilities to its committees and those of its Local Governing Bodies. The Board of Directors meets at least three times a year and has two committees:

- Finance Committee
- Audit and Risk Committee

Local Governing Bodies

Each Academy has its own Local Governing Body. LGBs have their own terms of reference and comprise appropriately qualified and experienced Governors. The activities of LGBs are reported at Board Meetings.

The Senior Leadership Team

Day to day management of the Trust is undertaken by the Chief Executive Officer and the Academy Principals, supported by other members of the Senior Leadership Teams. The Chief Executive Officer is the Accounting Officer and the Finance Director is the Principal Finance Officer. The responsibilities for conducting financial transactions within the Trust are set out in the Trust's Scheme of Delegation.

Connected organisations including related party relationships

The Trust is working with Lee Evans Partnership on a site development strategy for the High Weald Academy. Lee Evans Partnership were selected following a competitive process and have been working on a phased approach to site refurbishment with a view to accessing the EFA's Condition Improvement Fund (previously Academies Capital Maintenance Fund). Kevin Hook, a governor of the High Weald Academy is also a partner in Lee Evans Partnership but was not involved in the selection of Lee Evans.

Thomson Snell and Passmore acted as the Trust's legal advisors during the sponsorship of the Ebbsfleet Academy. James Herbert, who joined the governorship of the Hayesbrook School during the year, was a partner in Thomson Snell and Passmore.

- Teaching School Status

The Hayesbrook School was officially recognised as a Teaching School in September 2011 and its Teaching School Alliance, the Brook Alliance was help up as an example of national good practice. In June 2013, The Hayesbrook School lost its Ofsted outstanding judgement (it is now judged by Ofsted to be good) and as a result of this, Teaching School status was rescinded by the National College of Teaching and Learning (NCTL). A subsequent appeal was unsuccessful. The Brook Alliance continues to exist, but is now under the umbrella of the Medway Teaching School Alliance, which is accountable for any funding that the NCTL might provide.

- The Tonbridge and West Kent School Sports Partnership

BROOK LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The Tonbridge and West Kent School Sports Partnership fulfils the School Games Organiser role for both The Hayesbrook School and the High Weald Academy. This involves organising sporting fixtures between competing schools as part of the Kent School Games. The Partnership works with 37 local primary schools to support them with their sports premium funding to improve PE lessons and sports clubs. The Partnership is running a Young Ambassador programme involving 25 students across ten secondary schools, including The Hayesbrook School and The High Weald Academy. An internship programme has recently been set up, giving three graduates the opportunity to work as volunteers with the SSP for one day a week. The Partnership deliver bikeability training and have secured sponsorship from Charlie Harris to develop a Cricket Academy. They also run the government funded initiative, Change4Life, promoting healthy lifestyles in schools. Over the coming year the Partnership manager will be working alongside a new Kent Advisory Service initiative piloted by Jo Winkler, Senior Improvement Advisor at Kent County Council to monitor and provide feedback on external providers for primary schools through their sports premium funding.

Objectives and activities

Objects and aims

The principal object of the Trust is the advancement of education in the United Kingdom. It achieves this object principally through the operation of The Hayesbrook School, The High Weald Academy and The Ebbsfleet Academy, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

Objectives, strategies and activities

The Trust recognises the power of education to transform lives and communities, promote social justice and champion learning for all. Its overriding ambition is to ensure outstanding achievement and progress, raise aspirations and maximise potential. This will be achieved through:

- Improving outcomes for young people through high expectations, support and challenge
- Investing in future generations to enable staff and students to flourish and achieve their potential
- Working in partnership and collaboration to drive improvement and influence the future of education
- Driving leading edge practice to inspire creativity and innovation in learning
- Promoting the values of PRIDE: Personal excellence, Respect and friendship, Inspiration, Determination and courage and Equity.

Public benefit

In setting the objectives and planning the associated activities, Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

BROOK LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

Post 16 examination results for 2014 are as below. DfE measures were different in 2014 to 2013 and so it is difficult to make a direct comparison.

2014	The Hayesbrook School	The High Weald Academy	The Ebbsfleet Academy
APS per entry	184.3 (A level) 233.8 (Voc)	184 (A level) 214.9 (Voc)	N/A
APS per student	626.9 (A level) 699.2 (Voc)	602.5 (Combined)	N/A
AAB passes (%)	0%	15%	N/A
Pass rate (all)	100%	100%	N/A

2013	The Hayesbrook School	The High Weald Academy	The Ebbsfleet Academy
3+ A*-E passes	69%	92%	N/A
2+ A*-E passes	91%	100%	N/A
1+ A*-E passes	100%	100%	N/A
APS per entry	199	215	N/A
APS per student	560	713	N/A

GCSE results for 2014 were as follows with the previous year's results shown in brackets. Please note that due to changes in DfE Performance Tables measures, it is difficult to accurately compare 2013 results with 2014 results:

	The Hayesbrook School	The High Weald Academy	The Ebbsfleet Academy
5 A*-C GCSE	79% (2013: 77%)	59% (2013: 72%)	59%
5 A*-C GCSE inc English & Maths	52% (2013: 58%) 48% first entry	57% (2013: 34%) 31% first entry	38% 36% first entry
1 A*-G GCSE	100% (2013: 100%)	100% (2013: 100%)	

In order to achieve high standards the Trust is rigorous in its monitoring and evaluation through:

- Effective school improvement planning
- Focused line management and performance management procedures and protocols
- Bespoke and differentiated CPD for all
- High expectations underpinned by realistic, yet challenging, targets
- A clear focus on student attainment and progress
- Accountability Meetings with the Principal and Chair of Governors of each Academy, led by the CEO and held three times a year
- Departmental Reviews based on OfSTED criteria and carried out by SLT
- Focused and timely interventions for students at risk of underachieving
- Annual readiness for OfSTED health checks at each Academy
- Monitoring and evaluation through the Learning and Development Committees at each Academy.

BROOK LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Key Performance Indicators

The Directors have measured financial performance against the following Key Financial Performance Indicators:

KPI	Target	Achieved for 2013-14
Ratio of Current assets: current liabilities	1:1	1:2
Staff costs as a % of total income	80% or lower	66%**
Reserves carried forward	2% of total income	4.7% of total income

** Staffing costs as a percentage of total income are significantly lower at the Ebbsfleet Academy as a result of its PFI status. The academy's total income includes over £1m PFI funding, which is paid directly back to the Local Authority to meet the costs of the PFI contract. Furthermore, the academy does not employ its own caretaking and cleaning staff, which skews the percentage further.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the 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

At 31st August 2014 the net book value of fixed assets was £26,466k (2013: £30,650k) and details 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.

The academy held fund balances at 31 August 2014 of £23,301k (2013: £27,780k) comprising a fixed asset fund of £26,506k (2013: £30,544k), a deficit on the FRS 17 LGPS fund of £3,846k, (2013: £(2,802k)) and restricted general funds of £641k (2013: £38k).

The fixed asset fund comprises three elements, the first being unavailable for spending, representing as it does the net book value of fixed assets already acquired of £26,466k (2013: £30,650k). The second element is the value of outstanding loans held with Kent County Council for capital projects undertaken in years prior to academisation, -£75k (2013: -£186k). The third element is available for spending on specific capital projects, representing the unspent balance of capital grants of £115k (2013: £(78k)).

The pension fund deficit is due to be repaid over the long term, in accordance with advice given by scheme actuaries. Note 16 to the accounts gives further analysis of the funds held at 31 August 2013.

Reserves policy

Directors have agreed on a target level of reserves of around 2% of income in order to offer the Trust some flexibility to deal with unforeseen costs. The level of reserves should never be in deficit.

Each year the Governors and Trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

Where material funds have been designated, the reserves policy statement should quantify and explain the purpose of the designations and, where set aside for future expenditure, the likely timing of that expenditure. Where any fund is materially in deficit, the academy trust should provide details of the circumstances giving rise to the deficit and details of the steps being taken to eliminate the deficit. [see the Charity Commission document Charity Reserves and Defined Benefit Pension Schemes].

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

BROOK LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Principal risks and uncertainties

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to academic performance/finances/child welfare. The Directors have implemented a number of systems to assess risks that the Trust faces, and have developed policies and procedures to mitigate those risks. The Trust maintains comprehensive insurance cover for all of its operations. Which extends to £2,000,000 of business interruption cover at each academy. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Senior Leadership Team and overseen by Directors and Governors.

The principal financial risk faced by the Trust is that ongoing pressure on funding results in a risk that deficits may be experienced. This is becoming more acute as funding from the DfE continues to reduce in real terms. Salary and other inflation pressures rise but grant funding received remains flat.

The vast majority of the funding received by the Trust is sensitive to changes in pupil numbers. All three Academies face challenges in this area, but most acutely at the High Weald Academy which faces a rapidly falling roll over the coming years before numbers are likely to begin to rise again. The Trust is aware of its financial challenges which arise from the local demographic and is consulting with the DfE about measures to address sustainability. The Trust operates a termly (6 times a year) budget monitoring timetable including scrutiny by Governors of financial performance in order to mitigate risks as far as possible.

The risk resulting from the Trust's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Financial and risk management objectives and policies

Most of the Trust's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Plans for future periods

Brook Learning Trust will focus on raising standards within its three academies over the coming year. The objectives for the year are:

- To embed the BLT culture, vision and values across the academies within the trust
- To develop a coaching and mentoring ethos in each academy
- To support and challenge the academies to drive improvement
- To set high expectations that foster excellent teaching and learning to raise standards of achievement
- To streamline the work of newly centralised functions such as governance, HR & recruitment, communication and marketing, and finance.

Brook Learning Trust is also working with the National College for Teaching & Leadership to set up its own School Centred Initial Teacher Training provision. This is an integral part of the Trust's strategy for recruiting and retaining high quality graduates, and ensuring that the teacher training they receive is of a high quality.

Full details of future plans are contained within the Trust's Strategic Plan 2014-2015.

BROOK LEARNING TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Funds held as custodian trustee on behalf of others

The Trust holds funds on behalf of other schools, through the Tonbridge and West Kent School Sports Partnership. The following balances formed part of our reserves at the 31st August 2014:

Brook Alliance: £0

School Sports Partnership: £4,841

The activities of the Tonbridge and West Kent School Sports Partnership are described above under Related Party Relationships.

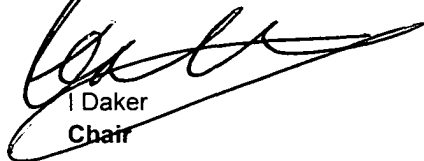
Auditor

In so far as the Directors are aware:

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

A resolution proposing that Baxter & Co be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 16 December 2014 and signed on its behalf by:



I Daker
Chair

BROOK LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Brook Learning 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 Directors 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 Brook Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
I Daker (Chair)	4	4
J Boyd	3	4
K Elves	3	4
J Dalton	3	4
D Coslett (Chief Executive Officer & Accounting Officer)	4	4
L Garratt	3	4
M Garner	3	4
C Beech	4	4
C Morris	3	4
R Lees (Appointed 16 December 2013 and resigned 21 March 2014)	1	1

The Trust Audit and Risk Committee met twice during the year. The Committee is chaired by a member of The Hayesbrook School's Local Governing Body, who is a qualified accountant. Membership of the committee is currently drawn from the Local Governing Bodies of two out of the three Academies, and attendance during the year was as follows:

Attendance by committee members at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
B Walsh (Chair)	2	3
M Garner	1	1
K Hook	1	1
L Garratt	3	3
A Goda	2	3
R Jackson	1	1
D Coslett (Chief Executive Officer & Accounting Officer)	2	3

** unable to attend due to ASCL conference

BROOK LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The Trust Audit and Risk Committee met twice during the year. The Committee is chaired by a member of The Hayesbrook School's Local Governing Body, who is a qualified accountant. Membership of the committee is currently drawn from the Local Governing Bodies of two out of the three Academies, and attendance during the year was as follows:

Directors	Meetings attended	Out of possible
C Thackwell (Chair)	2	2
K Hook	2	2
M Garner	1	2
J Herbert	2	2
D Coslett (Cheif Executive Officer & Accounting Officer)	1**	2

** unable to attend due to Ofsted inspection at The High Weald Academy

Following expansion of the Trust with the sponsorship of The Ebbsfleet Academy in November 2013, the Board of Directors took the decision to replace Academy Principals with members of the Executive Team on the Board of Directors. This presents a more sustainable model as the Trust expands, and enables the Trust to remain within the prescribed one third of the Directorship consisting of employed staff.

Governance arrangements were reviewed during the year and the following changes were made to improve the strategic oversight whilst eliminating duplication of work:

- Resources Committee meetings at local level were disbanded. Instead all financial reporting is routed through the Trust Finance Committee, which now meets termly (6 times a year) in line with the Trust's financial monitoring cycle.
- Learning and Development Committees at local level were disbanded. Instead Local Governing Bodies will assign specific roles to governors, who will report directly to the full Local Governing Body meetings.

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 Brook Learning Trust for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Directors 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 Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Directors.

BROOK LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed C Thackwell (Chair of Trust Audit and Risk Committee), as Responsible Officer (RO).

The Trust has chosen to engage with Baxter & Co to carry out a programme of compliance work at all three Academies during the year. The findings are reported to the Chair of the Audit and Risk Committee and discussed at committee meetings.

The RO is supported in this role by the auditors who conduct a programme of supplementary work. There were 6 visits during the year following which reports were provided to the Chair of Trust Audit and Risk Committee and discussed at committee meetings. The Board of Directors are satisfied that the RO function has been fully delivered in line with the EFA requirements.

There were no material breaches of internal control, but some minor recommendations were made which have been addressed. A restructure of the finance team which concluded in August 2014 will help to consolidate the team and standardise internal controls across the Trust.

Review of effectiveness

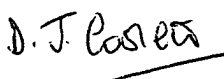
As accounting officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer
- the work of the External Auditor;
- the financial management and governance self-assessment process
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Directors on 16 December 2014 and signed on its behalf by:


I Daker
Chair


D Coslett
Chief Executive Officer & Accounting
Officer

BROOK LEARNING TRUST

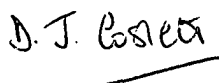
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of Brook Learning Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education 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 Secretary of State. 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's Board of Directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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 Directors and EFA.

Approved on 16 December 2014 and signed by:



D Coslett
Accounting Officer

BROOK LEARNING TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who also act as trustees for Brook Learning Trust) are responsible for preparing the Directors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Directors are required to:

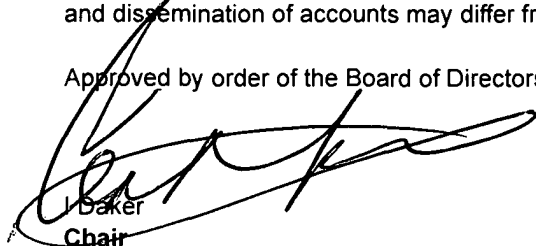
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Directors on 16 December 2014 and signed on its behalf by:



J. Baker
Chair

BROOK LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BROOK LEARNING TRUST

We have audited the accounts of Brook Learning Trust for the year ended 31 August 2014 set out on pages 19 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors, who also act as trustees for the charitable activities of Brook Learning Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

BROOK LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BROOK LEARNING TRUST

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; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David John Walsh FCCA (Senior Statutory Auditor)
Baxter & Co

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 18 December 2014

BROOK LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROOK LEARNING TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 01 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Brook Learning Trust during the period 1 September 2013 to 31 August 2014 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 Brook Learning Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Brook Learning Trust and the 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 Brook Learning Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Brook Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Brook Learning Trust's funding agreement with the Secretary of State for Education dated 29 May 2012 and the Academies Financial Handbook, extant from 1 September 2013, 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 2014. 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 2013 to 31 August 2014 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 2014 issued by the 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 to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the work of the Responsible Officer.

BROOK LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROOK LEARNING TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David John Walsh FCCA
for and on behalf of Baxter & Co
Reporting Accountant
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 18 December 2014

BROOK LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total 2014 £'000	Total 2013 £'000
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	18	-	18	117
- Inherited on conversion	26	-	-	-	-	16,427
- Activities for generating funds	3	170	113	-	283	185
- Investment income	4	5	-	-	5	7
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	120	12,879	1,169	14,168	9,693
Total incoming resources		295	13,010	1,169	14,474	26,429
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	-	1	-	1	103
- Fundraising trading	6	134	-	-	134	125
<i>Charitable activities</i>						
- Educational operations	7	161	13,859	4,231	18,251	10,117
Governance costs	8	-	66	-	66	96
Deficit inherited on conversion	26	-	562	-	562	-
Total resources expended	6	295	14,488	4,231	19,014	10,441
Net incoming/(outgoing) resources before transfers		-	(1,478)	(3,062)	(4,540)	15,988
Gross transfers between funds		-	976	(976)	-	-
Net income/(expenditure) for the year		-	(502)	(4,038)	(4,540)	15,988
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	61	-	61	(272)
Net movement in funds		-	(441)	(4,038)	(4,479)	15,716
Fund balances at 1 September 2013		-	(2,764)	30,544	27,780	12,064
Fund balances at 31 August 2014		-	(3,205)	26,506	23,301	27,780

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

BROOK LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2014

		2014	2013
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	26,466	30,650
Current assets			
Stocks	12	17	18
Debtors	13	503	279
Cash at bank and in hand		1,352	1,186
		<u>1,872</u>	<u>1,483</u>
Creditors: amounts falling due within one year	14	(1,191)	(1,475)
Net current assets		681	8
Total assets less current liabilities		<u>27,147</u>	<u>30,658</u>
Creditors: amounts falling due after more than one year	15	-	(76)
Net assets excluding pension liability		<u>27,147</u>	<u>30,582</u>
Defined benefit pension liability	19	(3,846)	(2,802)
Net assets		<u>23,301</u>	<u>27,780</u>
Funds of the Academy Trust:			
Restricted income funds	17		
- Fixed asset funds		26,506	30,477
- General funds		641	105
- Pension reserve		(3,846)	(2,802)
Total restricted funds		<u>23,301</u>	<u>27,780</u>
Unrestricted funds	17	-	-
Total funds		<u>23,301</u>	<u>27,780</u>

The accounts were approved by order of the Board of Directors and authorised for issue on 16 December 2014.

I, 
Chair

Company Number 07368292

BROOK LEARNING TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow/(outflow) from operating activities	20	(991)	749
Cash funds transferred on conversion		141	45
Borrowings transferred on conversion		-	(123)
Returns on investments and servicing of finance			
Investment income	5		7
Financing costs	(1)		(3)
Net cash inflow/(outflow) from returns on investments and servicing of finance		4	4
		(846)	675
Capital expenditure and financial investments			
Capital grants received	1,169		92
Payments to acquire tangible fixed assets	(47)		(224)
Net cash flow from capital activities		1,122	(132)
Net cash inflow/(outflow) before financing		276	543
Financing			
Repayment of other loan	(34)		27
Repayment of long term bank loan	(76)		(34)
Net cash inflow/(outflow) from funding		(110)	(7)
Increase/(decrease) in cash	21	166	536

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, ie 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 Directors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

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

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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.

Donations

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

Other income

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

Donated services and gifts in kind

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

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £10,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £10,000) 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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Buildings	2% - 20% (Straight Line) *
Computer equipment	20% (Straight Line)
Motor vehicles	15% (Straight Line)

* the rate of depreciation for many of the buildings at the High Weald Academy has been accelerated due to their poor condition, as highlighted in a condition survey commissioned by the Education Funding Agency.

Fixed Asset Transfers from Predecessor Schools

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at fair value, based on existing use.

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set). Assets transferred (other than fixed assets) are dealt with as a donation in kind within the Statement of Financial Activities in the year of transfer.

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.8 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.

1.9 Pensions 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 and the assets are held separately from those of the Academy Trust.

Teachers' Pensions

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 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 Directors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education and other donors.

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Other income	-	18	18	117
	==	==	==	==

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Hire of facilities	110	-	110	87
Other income	60	113	173	98
	==	==	==	==
	170	113	283	185
	==	==	==	==

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Short term deposits	5	-	5	7
	==	==	==	==

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
DfE / EFA grants				
General annual grant (GAG)	-	11,235	11,235	7,866
Capital grants	-	1,169	1,169	92
Other DfE / EFA grants	-	972	972	873
	-	13,376	13,376	8,831
Other government grants				
Other grants	-	550	550	591
Other funds				
Other incoming resources	120	122	242	271
Total funding	120	14,048	14,168	9,693

6 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Academy's educational operations					
- Direct costs	7,351	1,652	1,460	10,463	7,409
- Allocated support costs	1,637	3,959	2,192	7,788	2,708
	8,988	5,611	3,652	18,251	10,117
Other expenditure					
Costs of generating voluntary income	-	-	1	1	103
Costs of activities for generating funds	68	-	66	134	125
Governance costs	-	-	66	66	96
	68	-	133	201	324
Total expenditure	9,056	5,611	3,785	18,452	10,441

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2014 £'000	2013 £'000
Operating leases		
- Plant and machinery	22	41
Loss/(profit) on disposal of fixed assets	2,165	-
Fees payable to auditor		
- Audit	12	14
- Other services	13	12
	<u> </u>	<u> </u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2014 £
Gifts made by the trust - total	165
Unrecoverable debts - total	500
	<u> </u>

Central services

The central services contribution for The Hayesbrook School and The High Weald Academy is 3% of the grant income (excluding PFI) and for The Ebbsfleet Academy 3.4% of the grant income.

The amounts charged during the year were as follows:	Total £'000
The Hayesbrook School	173
The High Weald Academy	134
The Ebbsfleet Academy	135
	<u> </u>
	<u>442</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Direct costs				
Teaching and educational support staff costs	75	7,276	7,351	6,333
Depreciation	-	1,652	1,652	261
Technology costs	-	434	434	191
Educational supplies and services	86	468	554	262
Examination fees	-	210	210	152
Staff development	-	87	87	93
Other direct costs	-	175	175	117
	<u>161</u>	<u>10,302</u>	<u>10,463</u>	<u>7,409</u>
Allocated support costs				
Support staff costs	-	1,637	1,637	1,416
Depreciation	-	414	414	65
Loss/(Profit) on disposal of fixed assets	-	2,165	2,165	-
Recruitment and support	-	28	28	17
Maintenance of premises and equipment	-	1,380	1,380	368
Cleaning	-	12	12	8
Energy costs	-	160	160	173
Rent and rates	-	115	115	83
Insurance	-	98	98	82
Security and transport	-	10	10	12
Catering	-	117	117	65
Interest and finance costs	-	135	135	85
Other support costs	-	396	396	334
PFI charges	-	1,121	1,121	-
	<u>-</u>	<u>7,788</u>	<u>7,788</u>	<u>2,708</u>
Total costs	<u>161</u>	<u>18,090</u>	<u>18,251</u>	<u>10,117</u>

8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Legal and professional fees	-	41	41	70
Auditor's remuneration				
- Audit of financial statements	-	12	12	14
- Other non-audit costs	-	13	13	12
	<u>-</u>	<u>66</u>	<u>66</u>	<u>96</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

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

	2014 Number	2013 Number
Teachers	124	99
Administration and support	104	95
Management	4	4
	<u>232</u>	<u>198</u>

Costs included within the accounts:

	2014 £'000	2013 £'000
Wages and salaries	6,837	6,195
Social security costs	498	449
Other pension costs	1,070	893
	<u>8,405</u>	<u>7,537</u>
Supply staff costs	429	166
Staff restructuring costs	222	123
	<u>9,056</u>	<u>7,826</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,000- £70,000	3	2
£70,001 - £80,000	4	4
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
	<u>9</u>	<u>7</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	8	6
	£'000	86	65
Local Government Pension Scheme	Numbers	1	1
	£'000	14	14

Included in staff re-structuring costs are non-statutory/non-contractual severance payments totalling £24,780. Three of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £7,500, £6,400 and £5,880.

10 Directors' remuneration and expenses

The Chief Executive Officer and other Staff Directors only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the academy trust in respect of their role as Directors. Expenses of £8,466 were received by 3 Directors in the current year.

The value of Directors' remuneration was as follows:

D Coslett (Chief Executive Officer) £105,000- £110,000 (2013: £105,000 - £110,000)
D Rowe (Principal) N/a (2013: £70,000- £75,000)
R Jackson (Principal) N/a (2013: £70,000 - £75,000))
C Morris (Staff Director) £75,000 - £80,000 (2013 : N/a)
C Beech (Staff Director) £70,000 - £75,000 (2013 : N/a)

Other related party transactions involving the Directors are set out within the related parties note.

Directors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover of between £1m and £2m per academy on any one claim and the cost for the year ended 31 August 2014 was £466 (2013: £1,869).

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 September 2013	31,533	-	30	31,563
Additions	3	44	-	47
Disposals	(2,165)	-	-	(2,165)
At 31 August 2014	29,371	44	30	29,445
Depreciation				
At 1 September 2013	892	-	21	913
Charge for the year	2,060	2	4	2,066
At 31 August 2014	2,952	2	25	2,979
Net book value				
At 31 August 2014	26,419	42	5	26,466
At 31 August 2013	30,641	-	9	30,650

Disposals during the year represent the de-commissioning of two buildings no longer fit for occupation, on the site of High Weald Academy (the "west wing" Science Block and the Mary Sheafe building). The Mary Sheafe building will be demolished and the Science block will be re-developed and brought back into use.

12 Stocks

	2014 £'000	2013 £'000
Stock - Livestock	13	12
Stock - Uniform & Stationery	4	6
	17	18

13 Debtors

	2014 £'000	2013 £'000
Trade debtors	46	33
VAT recoverable	175	76
Other debtors	87	120
Prepayments and accrued income	195	50
	503	279

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

14	Creditors: amounts falling due within one year	2014	2013
		£'000	£'000
	Government loans	76	110
	Trade creditors	140	216
	Taxes and social security costs	110	130
	Other creditors	565	103
	Accruals	-	76
	Deferred income	300	840
		<u>1,191</u>	<u>1,475</u>
15	Creditors: amounts falling due after more than one year	2014	2013
		£'000	£'000
	Government loans	-	76
		<u>-</u>	<u>76</u>
	Analysis of loans	2014	2013
		£'000	£'000
	Wholly repayable within five years	76	186
	Less: included in current liabilities	(76)	(110)
		<u>-</u>	<u>-</u>
	Amounts included above	-	76
		<u>-</u>	<u>76</u>
	Loan maturity		
	Debt due in one year or less	76	110
	In more than one year but not more than two years	-	76
		<u>76</u>	<u>186</u>
16	Deferred income	2014	2013
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	300	840
		<u>300</u>	<u>840</u>
	Total deferred income at 1 September 2013	840	199
	Amounts credited to the statement of financial activities	(840)	(199)
	Amounts deferred in the year	300	840
		<u>300</u>	<u>840</u>
	Total deferred income at 31 August 2014	300	840
		<u>300</u>	<u>840</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Funds

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
Restricted general funds					
General Annual Grant	(11)	11,235	(11,767)	976	433
Other DfE / EFA grants	21	972	(993)	-	-
Other government grants	95	550	(605)	-	40
Other restricted funds	(67)	594	(359)	-	168
	<u>38</u>	<u>13,351</u>	<u>(13,724)</u>	<u>976</u>	<u>641</u>
Funds excluding pensions					
Pension reserve	(2,802)	-	(1,105)	61	(3,846)
	<u>(2,764)</u>	<u>13,351</u>	<u>(14,829)</u>	<u>1,037</u>	<u>(3,205)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	183	1,169	(3)	(1,150)	199
Inherited fixed asset fund	29,957	-	(4,194)	110	25,873
Capital expenditure from GAG or other funds	404	-	(34)	64	434
	<u>30,544</u>	<u>1,169</u>	<u>(4,231)</u>	<u>(976)</u>	<u>26,506</u>
Total restricted funds	<u>27,780</u>	<u>14,520</u>	<u>(19,060)</u>	<u>61</u>	<u>23,301</u>
Unrestricted funds					
General funds	-	295	(295)	-	-
Total funds	<u>27,780</u>	<u>14,815</u>	<u>(19,355)</u>	<u>61</u>	<u>23,301</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Funds

(Continued)

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

The Restricted General Funds are used to fund the general operating costs of the Academies within the Trust.

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 could carry forward at 31 August 2014.

The Restricted LGPS Fund represents the Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets (£26,466k) plus the unspent element of Capital funds (£115k), less government loans from KCC used to acquire assets (£75k). When assets are purchased the fund is increased and disposals and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the directors, to support any of the Trust's charitable purposes.

Details of funds held by each academy within the trust are set out below.

Analysis of academies by fund balance

	Total £'000
Fund balances at 31 August 2014 were allocated as follows:	
The Hayesbrook School	22
The High Weald Academy	87
The Ebbsfleet Academy	443
Central services	89
	<hr/>
Funds excluding fixed asset fund and pensions reserve	641
	<hr/>
Restricted fixed asset fund	26,506
Pension reserve	(3,846)
	<hr/>
Total funds	23,301
	<hr/>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Funds

(Continued)

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
The Hayesbrook School	3,113	695	302	869	4,979
The High Weald Academy	2,177	494	119	1,821	4,611
The Ebbsfleet Academy	1,793	296	132	1,775	3,996
Central services	268	220	1	146	635
	<u>7,351</u>	<u>1,705</u>	<u>554</u>	<u>4,611</u>	<u>14,221</u>

18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	26,466	26,466
Current assets	-	1,757	115	1,872
Creditors: amounts falling due within one year	-	(1,116)	(75)	(1,191)
Defined benefit pension liability	-	(3,846)	-	(3,846)
	<u>-</u>	<u>(3,205)</u>	<u>26,506</u>	<u>23,301</u>

19 Pensions 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 Kent County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £19k (2013: £26k) were payable to the schemes at 31 August 2014 and are included within creditors.

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

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.

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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 9 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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the 'Teachers Pensions website <<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>>.

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £341k.

The employer's contribution rate includes additional contributions of 8.3% over a period of 20 years, so as to eliminate the pension fund deficit.

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.

	2014 £'000	2013 £'000
Employer's contributions	393	347
Employees' contributions	103	91
Total contributions	496	438
Principal actuarial assumptions		
	2014 %	2013 %
Rate of increase in salaries	4.50	5.10
Rate of increase for pensions in payment	2.70	2.90
Discount rate for scheme liabilities	3.90	4.70
RPI increases	3.50	3.70
CPI increases	2.70	2.90

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

Sensitivity Analysis

Scheme liabilities have been valued at £7,459k (2013: £4,844k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £7,278k (2013: £4,716k)

If the discount rate were to decrease by 0.1%, liabilities would be measured at £7,645k (2013: £4,978k)

If the mortality rate were to increase by a year, liabilities would be measured at £7,204k (2013: £4,665k)

If the mortality rate were to decrease by a year, liabilities would be measured at £7,716k (2013: 5,026k)

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

	2014 Years	2013 Years
Retiring today		
- Males	22.7	20.0
- Females	25.1	24.0
Retiring in 20 years		
- Males	24.9	22.0
- Females	27.4	26.0

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

	2014 Expected return %	2014 Fair value £'000	2013 Expected return %	2013 Fair value £'000
Equities	6.70	2,466	5.90	1,471
Bonds	3.60	425	3.90	245
Gilts	3.00	44	-	-
Property	5.90	368	3.90	164
Other assets	2.90	310	2.45	162
Total market value of assets		3,613		2,042
Present value of scheme liabilities - funded		(7,459)		(4,844)
Net pension asset / (liability)		(3,846)		(2,802)

Assumptions on Expected Rates of Return

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

	2014 £'000	2013 £'000
Financial expenditure/(income)		
Expected return on pension scheme assets	(155)	(82)
Interest on pension liabilities	289	164
	<u>134</u>	<u>82</u>
Other expenditure/(income)		
Current service cost	461	373
Past service cost	-	-
	<u>461</u>	<u>373</u>
Total operating charge/(income)	<u>595</u>	<u>455</u>

Included in the current service cost is the curtailment loss of £17k (2013: £25k).

Actuarial gains and losses recognised in the statement of financial activities

	2014 £'000	2013 £'000
Actuarial (gains)/losses on assets: actual return less expected	(525)	(157)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	464	429
	<u>(61)</u>	<u>272</u>
Total (gains)/losses	<u>(61)</u>	<u>272</u>
Cumulative (gains)/losses to date	<u>693</u>	<u>754</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

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

	2014 £'000	2013 £'000
Opening defined benefit obligations	(4,844)	(2,797)
Obligations acquired on conversion	(1,317)	(1,005)
Current service cost	(444)	(348)
Interest cost	(289)	(164)
Contributions by employees	(103)	(91)
Actuarial gains/(losses)	(464)	(429)
Benefits paid	19	15
Curtailments and settlements	(17)	(25)
	<u>(7,459)</u>	<u>(4,844)</u>

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

	2014 £'000	2013 £'000
Opening fair value of scheme assets	2,042	1,123
Assets acquired on conversion	414	257
Expected return on assets	155	82
Actuarial gains/(losses)	525	157
Contributions by employers	393	347
Contributions by employees	103	91
Benefits paid	(19)	(15)
	<u>3,613</u>	<u>2,042</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Pensions and similar obligations

(Continued)

History of experience gains and losses:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of defined benefit obligations	(7,459)	(4,844)	(2,797)	(1,959)	(1,710)
Fair value of share of scheme assets	3,613	2,042	1,123	756	552
Surplus / (deficit)	<u>(3,846)</u>	<u>(2,802)</u>	<u>(1,674)</u>	<u>(1,203)</u>	<u>(1,158)</u>
Experience adjustment on scheme liabilities	-	-	-	-	-
Experience adjustment on scheme assets	525	157	45	(24)	-

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £'000	2013 £'000
Net income	(4,540)	15,988
Capital grants and similar income	(1,169)	(92)
Net deficit/(surplus) transferred on conversion	562	(16,427)
Net current assets other than cash transferred on conversion	200	(25)
Investment income	(5)	(7)
Financing costs	1	3
FRS17 pension costs less contributions payable	68	26
FRS17 pension finance income	134	82
Depreciation of tangible fixed assets	2,066	326
Losses/(profits) on disposals of fixed assets	2,165	-
(Increase)/decrease in stocks	1	(18)
(Increase)/decrease in debtors	(224)	234
Increase/(decrease) in creditors	(250)	659
Net cash inflow/(outflow) from operating activities	<u>(991)</u>	<u>749</u>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

21	Reconciliation of net cash flow to movement in net funds	2014	2013
		£'000	£'000
	Increase/(decrease) in cash	166	536
	Repayment of other loan	34	(27)
	Local authority loans	76	34
		<hr/>	<hr/>
	Change in net funds resulting from cash flows	276	543
	Net funds at 1 September 2013	1,000	457
		<hr/>	<hr/>
	Net funds at 31 August 2014	1,276	1,000
		<hr/>	<hr/>

22	Analysis of net funds	At 1	Transferred	Cash flows	Non-cash	At 31 August
		September	on		changes	2014
		2013	conversion			
		£'000	£'000	£'000	£'000	£'000
	Cash at bank and in hand	1,186	141	25	-	1,352
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Debt due within one year	(110)	-	110	(76)	(76)
	Debt due after one year	(76)	-	-	76	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		(186)	-	110	-	(76)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Net balances	1,000	141	135	-	1,276
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

23 Commitments under operating leases

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Expiry date:				
- Within one year	-	-	52	16
- Between two and five years	-	-	12	18
- In over five years	1,351	-	-	-
	<u>1,351</u>	<u>-</u>	<u>64</u>	<u>34</u>

The Ebbsfleet Academy - PFI commitments

The Ebbsfleet Academy was built under the Private Finance Initiative (PFI). The PFI contract remains between Kent County Council and the PFI company, but the Trust has agreed to the following payment arrangements with Kent County Council. For the duration of the PFI contract, or up until termination of the Ebbsfleet Academy's Supplementary Funding Agreement (whichever is soonest), the Trust will pay:

- The Affordability Gap, being the sum of money specifically allocated to the academy for the purposes of the PFI payments. The full year allocation for 2013-14 was £1,072k, and will increase by RPIX each year for the remainder of the PFI contract. The exact sum of money assigned to the Ebbsfleet Academy for PFI contributions in its annual budget will be paid over to Kent County Council in monthly instalments.
- The Academy Contribution, being the amount which the Trust pays to Kent County Council as contribution towards the PFI facilities management contract. This amount is determined by a formula based on a lump sum and a per pupil sum (£258k in 2013/14). This sum will increase by RPIX for two years and by agreement between both parties thereafter.

The commitment for the PFI agreement is shown under land and buildings above.

24 Capital commitments

	2014	2013
	£'000	£'000
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	<u>485</u>	<u>1,213</u>

The High Weald Academy has recently secured £485k from the EFA's Emergency Academies Capital Maintenance Fund following structural failure of the Mary Sheafe building. The funding will be used to bring back into use previously decommissioned classrooms in the Science block, and to demolish the Mary Sheafe building. The works are expected to be completed by December 2014.

BROOK LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

25 Related parties

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which Directors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

26 Conversion to an academy

Academy	Location	Date of conversion		
The Ebbsfleet Academy	Swanscombe	1 November 2013		
Funds surplus/(deficit) transferred:	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total 2014 £'000
LA budget funds	-	141	-	141
LGPS pension funds	-	(903)	-	(903)
Other funds	-	200	-	200
	-	(562)	-	(562)
Net assets transferred:				£'000
Tangible fixed assets apart from land and buildings				200
Cash				141
Pension surplus/(deficit)				(903)
				(562)

27 Members' liability

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