

Company Registration No. 02400784 (England and Wales)

**THE BROOKE WESTON TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

THE BROOKE WESTON TRUST

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THE BROOKE WESTON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A E G de Capell Brooke
R Lane
G G Weston
G H Weston

Trustees

Dr A Campbell (CEO and Accounting Officer)
R Morrison (Chair of Trustees)
A E G de Capell Brooke
P Harris-Bridge (Chair of Finance and Audit Committee)
R Lane
H Stevenson
G G Weston
G H Weston
C Priestley (Resigned 23 April 2018)
Sir P A Simpson
S Taylor (Appointed 30 October 2017)

Executive Management Team

- Chief Executive Officer	Dr A Campbell
- Finance Director	Mrs D Tysoe
- Director of Education	Miss P Stringer (Resigned 31 December 2017)
- Head of Analytics, Performance and Innovation	J Henrys (Change in role from 1 May 2018)
- Executive Principal (Secondary)	Mrs A Hill
- Executive Principal (Primary)	L Smith
- Senior Operations Manager	T Laws
- Senior Finance / HR Manager	Mrs C Stewart
- Executive Officer	Miss A Trott

Company secretary

D Tysoe

Company registration number

02400784 (England and Wales)

Principal and registered office

Coomb Road
Great Oakley
Corby
Northamptonshire
NN18 8LA

THE BROOKE WESTON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal/Associate Principal	Name
Beanfield Primary School	Northamptonshire	Principal	L Smith (New role 31/12/17)
Beanfield Primary School	Northamptonshire	Associate Principal	S Eathorne (Appointed 01/01/18)
Brooke Weston Academy	Northamptonshire	Principal	P Kirkbride
Corby Business Academy	Northamptonshire	Associate Principal	J Taylor (Resigned 31/08/18)
Corby Technical School	Northamptonshire	Principal	A Reynolds
Compass Primary Academy	Northamptonshire	Principal	J Fallowell
Gretton Primary School	Northamptonshire	Principal	J MacDonald
Kettering Science Academy	Northamptonshire	Interim Associate Principal	T Segalini
Oakley Vale Primary School	Northamptonshire	Principal	E Goodwin
Peckover Primary School	Cambridgeshire	Principal	C Norman
Thomas Clarkson Academy	Cambridgeshire	Interim Associate Principal	R Scott

Independent auditor
Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

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

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

THE BROOKE WESTON TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates five primary and five secondary academies in Northamptonshire and Cambridgeshire. Its academies have a combined pupil capacity of 7,848 and had a roll of 7,174 in the school census on 4 October 2018.

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 the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Brooke Weston Trust was formed in 2012, and is comprised of the following academies: Corby Business Academy (sponsor led academy opened in September 2008 and became part of Brooke Weston Trust in 2012); Kettering Science Academy (sponsor led academy joined in 2012); Thomas Clarkson Academy (sponsor led academy joined in 2012); Beanfield Primary Academy (sponsor led academy joined in 2012); Corby Technical School (Free School opened in 2012); Gretton Primary Academy (academy converter in 2012); Peckover Primary School (academy converter in 2013); and Oakley Vale Primary (academy converter in 2013).

Members' liability

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

Trustees' indemnities

As required in the Articles of Association The Academy has registered with the RPA to cover the liability of Trustees/Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. The cover under the policy is £10,000,000 and in the period under review no sums have been paid out.

Method of recruitment and appointment or election of trustees

As laid down in Sections 45-67a of the Articles of Association the number of Directors shall not be 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. Relevant due diligence in the form of a comprehensive skills and effectiveness audit and uptake of character and employment references are undertaken prior to consideration of appointing a director to the board External expert advice is sought on the effectiveness of the operation of the board, its recruitment process and its governance structures.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of trustees

All Trustees are provided with induction training upon their appointment. This includes a range of training pertaining to the management of a multi-academy trust, with statutory training, such as safeguarding and GDPR, included. The induction provides 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. Additional training is available and directors are regularly notified of in-house courses/training sessions offered by Brooke Weston Trust. Any other training needs identified through the annual Board effectiveness review are promptly actioned. All directors receive access to external advice and support through the National Governors' Association and also have access to a Company Secretary for further assistance and guidance.

Organisational structure

The overall responsibility of the Members is to ensure the Trust's object, as per the Articles of Association (establishing, maintaining, operating, managing and developing schools including, but in no way limited to a school offering a broad curriculum with emphasis on particular specialisms; collaborating with other schools and the wider community to share expertise and resources) is met; and to hold the Board of Directors to account.

The overall responsibility of the Board of Directors is the general control and management of the administration of Brooke Weston Trust, and in accordance with the provisions set out in the Articles of Association and Master Funding Agreement, is legally responsible and accountable for all statutory functions and the performance of the academies under its responsibility. The Board of Directors delegates the operational management of the Academy Trust to the Chief Executive Officer (also the Accounting Officer), as outlined in the Scheme of Delegation. His main task is to execute the strategic objectives as determined by the Board of Directors and embed policies agreed by the Directors in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the Trust's young people. The day-to-day management of each school is delegated to the Principals and their senior leadership teams, as detailed in the Scheme of Delegation. Each school is governed by a governing body who are responsible for providing critical support and challenge to the leadership team around: setting the academy's vision, ethos and strategic direction; holding the Principal to account for the educational performance of the academy and its pupils; and ensuring the academy and staff have the correct resources and support to fulfil their function.

The subcommittees of the Board and Best Practice Review Groups are in place to develop, implement and quality assure strategies in key areas of operation; Finance and Audit, Education Standards, Remunerations, Health & Safety, Safeguarding. An Executive Management team consisting of; Director of Education, Executive Principal, Finance Director, Senior Operations Manager, Senior Finance/HR Manager and Executive Officer support the Chief Executive Officer in managing the Trust across all business functions. During 2017/18 the Board agreed to further enhance the existing governance structure with the addition of an Audit & Risk Committee which will be effective from September 2018. Terms of reference for each of these groups are published on the Brooke Weston Trust website.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Executive Management team ('key management personnel') is set by the Trust Remunerations Committee. The Executive Principals and Senior Leadership Teams of each academy are paid with reference to the School Teachers' Conditions of Service. The Remunerations Committee benchmarks Executive Management pay levels with relevant market information to ensure it is in line with similar establishments.

The Chair of the Board of Directors undertakes the Performance Management of the Chief Executive Officer and Finance Director and makes recommendation to the Board of Directors along with evidence of targets and key performance indicators met. Despite significant improvements in Trust performance to a point where on provisional data it is operating above national average levels, the Chief Executive has taken the decision to forgo any pay increase for the last two years and has prioritised growing the Trust's school improvement fund.

The Trust Remunerations Committee delegates the responsibility of Performance Management of the academy Principals to the Chief Executive Officer. The Chief Executive Officer, in conjunction with the Finance Director, makes recommendations to the Remunerations Committee along with evidence of targets and key performance indicators met.

Brooke Weston Trust regularly uses recognised pay evaluation schemes to ensure fairness and equity of pay in similar sized jobs across the organisation and also to benchmark salaries at all levels of the organisation. Brooke Weston Trust is pleased to confirm that during 2017/18 a collective agreement was reached with recognised trade unions on pay evaluation processes for support staff. The pay evaluation and benchmarking of senior executive/director roles within the Central Team is ongoing and will be concluded in the following academic year.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	5.58

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	2,000
Total pay bill	31,687,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

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). Further details regarding the subsidiary company are given in note 13 to the financial statements.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects 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 learning by doing and developing transferable life skills.

Objectives, strategies and activities

The main objectives of the Academy Trust during the year ended 31st August 2018 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 by being ambitious for all;
- to improve the effectiveness of the academies by keeping the curriculum and organisational structure under continual review;
- to have a culture that cares for the individual, both staff and pupils, and promotes inclusivity, equality and mutual respect.
- 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.
- to adhere to the NOLAN principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership

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.

Public benefit

The Trustees have referred to the public benefit guidance contained in part 1, section 4 of the Charities Act 2006 and the SORP (items GL 49) to have due regard to the Charity Commission's published general and relevant guidance when they have reviewed the Academy Trust's aims and objectives. This has been used in planning future activities to ensure the primary objective of the Academy is achieved rather than providing a financial return.

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.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

Brooke Weston Trust is pleased to report it has improved its performance in some key schools during 2017/18. Overall there are important areas which are now its focus for the next academic year (in particular the Trust is focussed on further improving metrics for white British boys and disadvantaged students in both primary and secondary schools). The realignment of Brooke Weston Trust's executive leadership structures, the sustained investment in the capacity and work of the Trust's school improvement teams and the more strategic use training for staff at all levels is having a positive impact which can be seen in the shift of the Trust's performance – for example, provisional overall KS4 performance has moved from well below average to above average this year.

During 2017-18 we have continued to manage our finances very well in a challenging climate. The series of leadership and operational changes this year includes centralisation of our finance function and implementation of the support staff pay standardisation exercise Trust-wide.

The Trust's five year priorities remain as referred to in the previous Trustees report. The one year objectives for 2017/18 are included below with a summative assessment of the progress we made during the academic year.

2017-18 Target	Measurable Progress	Success criteria	Met/Partially Met/Not Met	
Governance				
Review of governance/ agreement on future methodology for assuring compliance, new auditors appointed; New Audit & Risk Committee formed	Agreed way forward for MAT governance reflection and review. New auditors working effectively with central team and schools. Audit committee established for Sept 2018.	Strong governance culture and confidence in trust committees and LGBs from Board.	Discussions on governance review are ongoing. Audit and Risk Committee finalized.	
Education Standards				
Performance of disadvantaged students; Trust flight path; Director of Subject roles embedding; transition to new Executive Leadership model; Management Information System (MIS) roll out; 'Ambition For All' campaign in place	Student outcomes; flight path used by schools and Trust; Trust Director of Subject activity; MIS roll out underway; 'Ambition For All' culture alive and well in all schools.	Progress of disadvantaged students; flight path adhered to; Director of Subject impact across Ebacc; EP impact on standards; MIS roll out on schedule.	Disadvantaged gap has closed, but not enough. Performance of white British boys is big issue. D of S positive impact.	
People				
Teaching school aligned to BWT needs; leadership Career Stage Expectations (CSE) framework; BWA Leadership Academy; robust performance management; complete job families' project	Participation in BWTSa by our own staff in line with school priorities; 2018-19 performance management preparation using CSE; launch Leadership Academy; finish job families' project.	Improved school performance metrics; CSE used effectively for accountability and growth; fair Trust-wide support staff pay.	Better take up of Teaching School (TS) offer. TS structures being changed to align with BWT leadership model.	
Financial strategy				
Operate within our means and according to the financial plan; develop income generation	Finances managed in line with the approved financial plan; more entrepreneurial approach to income generation and value for money.	Financial performance targets met; new avenues opened for income generation.	Budget targets met for the year, but income generation (except bids) not achieved.	

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

Brooke Weston Trust measures its financial performance against the below indicators:

Key Performance Indicators	Forecast 2017/18	Budget 2018/19
Staff Pay as % of Expenditure	74.8%	74.4%
Average Teacher Cost	£41,866	£44,386
Average Class Size		
Primary	27	29
Secondary	25	25
Teacher Contact Ratio	0.8	0.8
Spend per pupil		
Staff Costs	£4,164	£4,076
Total Expenditure	£5,515	£5,504

The key financial performance indicators above are monitored by the Board to ensure that the Trust is demonstrating efficient management of their resources.

Key points to note:

- Staff pay as a percentage of total expenditure has increased to over 70%. This is mainly as a result of the pay standardisation exercise undertaken with the support staff unions.
- Average Teacher Cost has increased in 2018/19 in line with the STPCD pay increases to teaching staff (3.5% to main scale teachers) and an element of incremental increases. These are closely monitored by the Finance and Resources Committee. This has resulted in an increase in the average teacher cost.
- Class sizes in the Primary Schools have increased for 2018/19 as the schools have increased the student numbers towards the Pupil Admitted Number, this has enabled the trust to become more efficient as funds reduce.

The Trust continues to work hard to ensure that it is sustainable into the future.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Standards and Performance Outcomes

The table below shows the Trust's current evaluation against the OfSTED areas as of November 2018 and, in the final column, the schools' target grade at next inspection.

Academy or Free School	Leadership, Management	Teaching & Learning	Personal Dev, Behaviour, SMSC	Outcomes	Early Years or Sixth Form	Overall effectiveness	Target grade
BPS	2	2	2	2	2	2	2
CPA	3	3	2	3	2	3	2
GPS	1	1	1	1	1	1	1
OVPS	3	2	2	2	2	3	2
PPS	1	1	1	1	1	1	1
BWA	1	1	1	1	1	1	1
CBA	3	3	3	3	3	3	3
CTS	2	2	2	2	2	2	2
KSA	2	3	2	3	2	3	2
TCA	2	2	2	2	2	2	2

Key:

BPS – Beanfield Primary School, BWA – Brooke Weston Academy, CBA – Corby Business Academy, CPA – Compass Primary Academy, CTS – Corby Technical School, GPS – Gretton Primary School, KSA – Kettering Science Academy, OVPS – Oakley Vale Primary School, PPS – Peckover Primary School, TCA – Thomas Clarkson Academy.

1 – Outstanding, 2 – Good, 3 – Requires Improvement

Year 11 Successes

- Year 11 provisional progress shows us as an improved Trust, moving from Well Below Average in 2017 to Above or Well Above Average in 2018.
- Indicative progress scores for individual schools show 4 schools (BWA, CTS, KSA and TCA) are operating at or above the national average level.
- Progress of disadvantaged students has improved in the same 4 schools, but there is more to do.
- DFE league tables show TCA is the most improved school in Fenland for progress and attainment. This is an exceptional achievement which, if sustained, could have a significant impact on the social and economic development of Wisbech in the longer term.

Year 11 Challenges

- The performance of disadvantaged students and white British boys remains a major challenge.
- We are optimistic that this year we will see a significant upturn in standards at CBA.
- CTS's performance places it in the average band nationally. We must see significant improvement this year.
- Across most secondaries raw attainment in English and mathematics is still a challenge. The low prior attainment for students is a factor, but we must convert more to higher levels.
- Non Ebacc subject performance is currently lower than that for the Ebacc subjects and adjustments in curriculum and staffing models are in place to address this.

Sixth Form Successes

- Three sixth forms (BWA, KSA, TCA) improved. We anticipate CBA doing likewise this year.
- At KSA the average grade moved from D+ to C+ in a single year. We have also had one student achieve a full scholarship to Harvard. KSA can claim its sixth form is now 'Good' in Ofsted terms.

Sixth Form Challenges

- We have made adjustments to the curriculum and teaching for this year.
- Vocational (BTec) outcomes were depressed compared to last year in all our schools. The average grade dropped from Distinction* to Distinction in most cases. This pattern reflects the national picture in the first year of sitting the new-style qualifications. We are addressing the strategies to prepare students for such qualifications more effectively.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Primary Successes

- Overall there has been an improvement Trust progress scores for Reading, Writing, and Mathematics. All are above national average. Writing is the strongest, followed by Mathematics and then Reading.
- Compared to 2017 results, our schools have improved on the percentage of children achieving the nationally expected levels of attainment and 'greater depth' in Reading, Writing and Mathematics.
- The attainment of disadvantaged students has improved in 4 of our 5 schools, but not enough.

Primary Challenges

- The progress and attainment of disadvantaged students remains our most pressing priority.
- At Compass Primary disadvantaged performance is marginally down, though progress overall continues to improve.

BWT Student Attendance 2017-18

The table below indicates the percentage attendance during the year at each school and their persistent absence (PA) figure:

Attendance/ Persistent Absence (PA)	BPS	CPA	GPS	OVPS	PPS	National	Trust Av.
Primary %	96.32	95.70	96.50	96.51	96.46	96.00	96.30
Primary PA %	8.10	10.90	6.08	5.26	5.86	8.3	7.24
	BWA	CBA	CTS	KSA	TCA		
Secondary %	96.36	94.32	95.63	95.22	92.96	94.60	94.90
Secondary PA %	5.99	15.61	8.10	9.20	17.67	13.5	11.34

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.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

The principal source of income for the Academy Trust is obtained from the Education & Skills Funding Agency (ESFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31st August 2018 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 ESFA/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 31st August 2018 total revenue expenditure was £47.879 million (2017: £46.613 million) and total incoming funds from the DfE and other sources were £43.852 million (2017: £49.481 million).

At 31st August 2018 the net book value of tangible fixed assets was £132.312 million (2017: £133.059 million) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The scheme of delegation for Brooke Weston Trust has been updated in 2017/18 in readiness for the introduction of the new Audit & Risk Committee (effective from September 2018) and the new central team finance structure to be implemented from September 2018. Other financial highlights for 2017/18 include: a review of indirect costs of education to identify cost-saving opportunities without impacting on teaching and learning; developing benchmarking KPIs to compare financial performance and share best practice with other multi-academy trusts; approving capital investment across Brooke Weston Trust schools including the nursery at Peckover Primary School. In 2018 the Academy Trust was successful in receiving a School Conditions Allocation grant (for the fourth year running) towards improving the building conditions across the ten academies.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

School Condition Allocation

Brooke Weston Trust receives 'School Condition Allocation' (SCA) Funding annually to support the maintenance of our estate. The grant is to support condition-based issues with guidance stating that "Investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues". BWT allocated SCA funding in 2018 to the following projects that were prioritised from the data we hold on our built assets as well as local knowledge of our buildings.

Site	Details of works	Cost of works
Beanfield Primary School	Repairs to school gates for safe site access and security	£16,000
	Upgrades to school heating systems	£49,500
	Toilet block refurbishment	£12,000
Brooke Weston Academy	Upgrades to school heating systems and air handling units	£66,000
Corby Business Academy	Upgrades to school heating systems and air handling units	£38,200
	Contingency for emergency repairs due to building movement	£10,000
Compass Primary Academy	Improvements to external drainage systems	£6,000
	Ventilation and extracting upgrades in dining hall	£22,000
Corby Technical School	Tree safety works	£10,000
	Boiler replacement	£10,000
Gretton Primary School	School entrance remodelling for security and H&S concerns	£25,000
Kettering Science Academy	External ductwork lagging and insulation	£66,000
	Electrical safety upgrades	£17,000
Oakley Vale Primary School		-
Peckover Primary School	Commitment to expand a block for pastoral provision (suitability)	£200,000

Healthy Pupils Capital Grant

Brooke Weston Trust received a capital grant of £58,573 in the year 2017-18. This grant is a one-off allocation funded via the Government's 'Soft Drinks Industry Levy'. Brooke Weston Trust decided to invest this funding in a project at Corby Business Academy to develop an external learning environment and sensory garden designed to meet the needs of students with high level learning difficulties and additional needs. The project will support physical activity, mental health and wellbeing.

MAT Pilot Loan

Brooke Weston Trust, in partnership with other multi-academy trusts, has generated loan funding to support investment in energy reduction and efficiency technologies. The Trust has invested the loan in LED lighting schemes to replace inefficient old lighting and solar PV generation across many schools in its estate. The Trust plans to utilise the savings generated for the benefit of all schools in the Trust rather than just the school into which the technology has been installed. This approach allows all Trust schools to benefit from schemes targeted in locations that will generate the maximum return on investment. The loan will be paid off within 8 years and over the lifetime of the project will provide over £1m to the Trust.

School Standards Fund

This was the second year of the long-term strategy to deploy reserves into the School Standards Fund which is designed to drive school improvement and to meet the wider objectives of the Academy Trust. The headline impact of this investment in 2017-18 has been the significant overall improvement in Trust progress performance at KS4 from below average to well above average, and a strong improvement in primary outcomes. A short summary of impact from some Standards Fund initiatives is given below.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Primary Teaching	Comment
Additional primary teachers	4/5 schools now graded 'Good'; 5th still to be inspected.
Directors of Literacy and Numeracy	In post and developing coordinated resources, training and delivery to accelerate and sustain primary performance.
Secondary Teaching	
Leadership Capacity	Additional leadership capacity at TCA, KSA and CBA. TCA now most improved school in Cambridgeshire for progress.
P8 and Ebacc intervention	KSA & TCA outcomes, Ebacc priority remains as part of wider curriculum review.
Senior leadership capacity at targeted academies	Ongoing use of additional capacity at senior leadership level to undertake quality assurance, train other staff and implement targeted interventions to support student outcomes.
Subject networks and resources	Foster better culture of sharing and MAT-wide communications.
Director of Subjects Eng, Sci, MFL, Hist, Geog, PE,	Improved curriculum offer; improving outcomes in subjects as evidenced by 2018 results
Leadership	
BWT Leadership Academy	Middle leaders cohort secured with BWT for 2 years. Staff development and CPD. Investing in next generation of leaders.
Leadership Coaching	External support & challenge for Principals, Executive Principals, and CEO.
Trust QA and Support	
Primary Monitoring & QA	Impact of external consultants on performance outcomes and coaching/mentoring of SLT.
School improvement programme Year 3 of 3	Improving curriculum offer; assessment practice; engagement with families and community

Reserves policy

Due to the unpredictable nature of the funding received by the EFSA the Academy Trust aims to retain a level of free reserves of the amount equivalent to 4% of grant income. 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 Academy Trust's current level of free reserves (total funds less the amount held in restricted funds and amounts held as fixed assets) is £4.018 million (9.7% of recurrent grant income). This continues to be reduced through staggered investment into the BWT School Standards Fund over a five year period – this was a strategic decision taken by the Board to fund the strategies employed to improve outcomes for its students.

The Academy Trust's support staff are entitled to membership of the Local Government Pension Scheme. The pension scheme liability relates to a non-cash provision for the Academy Trust's share in this pension scheme and under the funding agreement the Academy Trust must show this pension liability on the balance sheet. The Local Government Pension Scheme as at 31 August 2018 held a reduced deficit of £5.487 million. However should operations cease this pension liability would be funded by the DfE. The contribution rate to reduce the liability is calculated by an independent actuary.

Investment policy

The Academy Trust does not hold any investments other than cash at bank and its £100 investment in its subsidiary undertakings, as noted earlier in this report. The Trustee's transferred £1 million of these cash reserves, a sum which was generated from Trading Company commercial activity and not taken from public funds, to an investment account in order to maximise the returns available. No further funds have been transferred to this account as the Trustee's wish to maintain the working capital of each school at a minimum level in order to meet the day-to-day expenditure incurred. The total income received from these investments amounted to £75,935 during the current year (2017: £91,216).

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

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. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Scheme of Delegation.

The Trustees maintain a Trust-wide risk register which covers the categories listed below:

- Academic achievement – the academic achievement of pupils of the academy falls below acceptable standards
- Quality of teaching – the quality of teaching at the academy falls below acceptable standards
- Finance – there are insufficient funds to deliver the services to an appropriate level
- Infrastructure – the academy services are unavailable for a significant period of time and/or are unfit for purpose
- Leadership and Governance – the leadership in, and management of, the academy falls below acceptable standards
- Health & Safety – the behaviour, health and safety of pupils, staff or visitors falls below acceptable standards
- Physical – the academy premises are unavailable for occupation for a significant period of time
- Reputational – the academy suffers from significant public reputational damage
- Staffing and resources – there are insufficient staff or resources to deliver services to the appropriate level
- Students – student welfare, behaviour, and attendance falls below the acceptable standard
- Legal – the academy is not compliant with statutory regulations
- Safeguarding – the academy's arrangements for the safeguarding of pupils do not meet statutory requirements
- Governance – the governance structure is ineffective at providing support and challenge to the leaders of the academy

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

- Finance – uncertainty over future funding, in particular for High Needs Funding given the disproportionately high numbers of students in unit provision facilities in Brooke Weston Trust (two out of ten schools)
- Staffing and resources – increasing challenges around recruitment of teachers in high-demand subjects
- Academic achievement – two Brooke Weston Trust academies are currently performing under the national average

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. This is reviewed in-depth by the BWT Finance and Audit, though will be the responsibility of the Audit & Risk Committee from September 2018.

Fundraising

Throughout 2017/18 Brooke Weston Trust's campaign, 'Ambition for All', ran with a single focus on improving academic outcomes and opportunities for character development. As part of this campaign, each academy acted as torchbearer for a month where they celebrated ambition through a range of fundraising events. Each school donated funding to charities of their choice.

Each school also holds additional fundraising activities throughout the year for key calendared events, such as Children in Need, Comic Relief, Sports Relief etc.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

Based on the performance outcomes of the 2017/2018 period, the Board have set the following objectives and priorities for the next three years:

Trust Priorities for 2018-21

1. **Recruitment and Retention:** teaching vacancy factor to be an average of a term or less; recruitment (number and quality of applicants) and retention (succession planning) improved by becoming the 'employer of choice' in the region.
2. **Improving school standards:** all current schools graded at least Good; 40% of secondary and 60% of primary to be outstanding by 2022.
3. **Restructure of core services:** achieve 10% cost saving by 2022 compared to 2018 on staffing and operational costs.
4. **New financial plan:** Retain 4% of budget as unspent fund contingency and 1.5% of budget for school improvement work annually; by 2022 generate 50% of all school improvement funds from commercial activity.
5. **Expanding student numbers in existing schools:** TCA and KSA YRs 7-11; joint Corby 6th form of 500+ by 2022; add more primary schools to the Trust by 2022.
6. **Supporting strong governance:** Develop robust governance processes with annual internal and external audits indicating high levels of compliance, support and challenge at all levels.

One Year Priorities 2018-19

1. **Recruitment and Retention:** new marketing and recruitment strategy launched; rise in number and quality of applications per post; exit interviews feedback loop in place from June 2018.
2. **Improving school standards** each school to be within 10% of their academic targets for progress and attainment.
3. **Restructure of core services:** revised staffing models for core services ready for implementation by September 2019.
4. **New financial plan:** deliver year 1 of the new five year plan agreed by the Board in July 2018.
5. **Expanding student numbers in existing schools:** KSA and TCA consultations undertaken; phase 1 CTS/BWA 6th form joint curriculum introduced for September 2018. Wisbech Free School bid submitted. Primary marketing campaign to increase numbers especially in Peckover.
6. **Supporting strong governance:** appropriate governance reflection and review, possibly using third party input; new audit committee launched September 2018.

Funds held as custodian trustee on behalf of others

The Academy holds no funds on behalf of any other operating body.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Employee consultation and disabled employees

Disabled employees

Brooke Weston Trust is committed to equality and diversity of all its employees, as referenced in its Single Equality policy and Accessibility policy. Capital investment and SCA funding is utilised to adapt the physical environment of all Trust buildings to ensure accessibility, in terms of: ramps to access classrooms and all teaching blocks, disabled toilets are installed, and door widths are adequate to enable wheelchair access. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by providing support throughout all recruitment processes, by making support resources available and through ongoing training and career development. The Academy Trust tracks pay progression of all employees – this data demonstrates that the Academy Trust encourages equality and fairness in pay and career opportunities for all employees. This has been achieved during 2017/18 for all support staff colleagues through the comprehensive pay standardisation process which achieved collective agreement with support staff unions.

Employee consultation

The meeting arrangements which the Academy Trust operates allows for information on matters that affect employees to be cascaded through the Principals and Senior Leadership Teams to all employees. Members of the Academy Trust Executive Management Team also meet with employees across all academies on a regular or as and when basis to communicate key information that affect them. These are also communicated by letter or email. At each school there is a staff consultation committee which meets termly with the school's principal to discuss any matters affecting staff. This is then escalated to members of the Executive Management Team via the Principal. An annual staff questionnaire is circulated to all employees, as mentioned above. For the question, "I work in a climate where if I have any concerns I feel comfortable to raise them using the Trust's policies", 80% of respondents agreed. A Whistleblowing Officer for the Academy Trust has been appointed and a procedure is in place should any member of staff wish to escalate any concerns through to the Board of Directors.

The Academy Trust operates a Joint Consultative Committee with national representatives of recognised trade unions to discuss employee relations and policies. Local union representatives from the academies attend this forum. A summary report of trade union facility time during 1st April 2017 to 31st March 2018 can be found on the Brooke Weston Trust website.

The Academy Trust undertook consultation with trade union representatives through this forum and with members of staff for the pay standardisation agreement for support staff and for the Trust-wide finance restructure. Collective agreement was achieved with unions for both exercises.

Auditor

In so far as the trustees are aware:

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

The auditors, Smith, Hodge & Baxter Audit Services, have indicated their willingness to continue in office for a period of three years, subject to an annual review of performance, following a full OJEU procurement exercise. This re-appointment was approved by the Board of Directors at the Annual General Meeting of 30 October 2017.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 21 December 2018 and signed on its behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Dr A Campbell (CEO and Accounting Officer)	3	3
R Morrison (Chair of Trustees)	3	3
A E G de Capell Brooke	3	3
P Harris-Bridge (Chair of Finance and Audit Committee)	2	3
R Lane	3	3
H Stevenson	3	3
G G Weston	2	3
G H Weston	2	3
C Priestley (Resigned 23 April 2018)	2	2
Sir P A Simpson	3	3
S Taylor (Appointed 30 October 2017)	2	2

Composition of the Board of Trustees:

- In October 2017 Steve Taylor was appointed as a co-opted Director of the Board for one term (four years).
- Chris Priestley resigned as a co-opted Director of the Board on 23rd April 2018.

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Governance reviews:

The Board and its subcommittees conduct an effectiveness review of their performance on an annual basis. The outcomes of these reviews determine: whether there are any skills gaps on these committees, the training requirements for the members to ensure they are kept abreast of changes within the education sector, whether any improvements can be made to the governance structure of the organisation or whether in-house administrative processes can be refined to support the governance function more efficiently. As a result of the 2017/18 governance review, the following steps were taken:

- Using the DfE 'Competency Framework for Governance' toolkit, a wholesale review of the Board and subcommittee terms of reference and scheme of delegation was undertaken, ensuring greater clarity around responsibility, accountability, consultation and communication throughout the structure
- A skills review of the Board which identified the need for recruitment of an additional Board member (recruitment process to begin in September 2018)
- Commissioning of an external corporate governance specialist to observe and critically appraise the Academy Trust's governance practices (from September 2018)
- Participation of Senior Executives, including the Chief Executive, in conducting DfE pilot MAT governance reviews of other multi-academy trusts, to ensure the Academy Trust is kept up to date with latest governmental advice and guidance
- Amendment of the governance structure to include a separate Audit & Risk Committee (September 2018)
- Alignment of the Academy Trust risk register to the subcommittees to ensure accountability and ownership of specific risk areas

Finance and Audit Committee

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to co-ordinate and Board's financial responsibilities by recommending policy to the Board, interpreting it for staff, and monitoring its implementation. The Committee also provides the Board with an overview of the Academy Trust's financial audit and ensures the proper checks and balances are in place. Particular issues dealt with during 2017-18 include:

- As part of the five year plan, identifying areas of indirect costs of education to generate cost savings without impacting on the quality of teaching and learning
- To review and agree the Teachers' and Support Staff Pay Award
- An assessment of credit card expenditure and mileage and expenses claims across the Academy Trust
- Review and amendment to the Academy Trust investment strategy
- To assess pay progression of teaching staff over a five-year period to identify effectiveness of performance management processes
- To ensure compliance with financial and HR procedures, as checked through the quarterly internal audit
- To review and update financial policies to ensure compliance with ESFA handbook
- To review and approve/reject requests for capital projects, in line with the approved BWT strategy and Scheme of Delegation
- To review the procurement procedures across the Trust to ensure value for money is being achieved

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Dr A Campbell (CEO and Accounting Officer)	4	4
R Morrison (Chair of Trustees)	4	4
P Harris-Bridge (Chair of Finance and Audit Committee)	4	4
M Ward	4	4

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 taxpayer resources received.

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Meetings of the Executive Management team, the Operations Group, comprising the CEO, Finance Director, Executive Principal, HAPSI, Senior Operations Manager and Senior Finance/HR Manager. 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. Key examples of this include:
 - Refinement of specifications for security contracts across the Trust sites, ensuring value for money through economies of scale was achieved without compromising on the quality of service provided.
 - Grouping similar projects across the Trust to achieve greater economies of scale i.e. mechanical engineering works, funded through by SCA funding, were procured as a single tender across Trust sites which enabled value for money and consistency of quality service.
 - Joined-up working amongst Trust academies on a range of school improvement initiatives to ensure best practice is shared widely and consistently – i.e. economies of scale achieved through joint subscriptions, joint training, commissioning a single contractor for quality assurance reviews.
 - A review of the Trust's performance management procedures for teaching and support staff to ensure pay is proportionate to strength of performance.
- Regular review of management accounts and reports with the Finance & Audit Committee and Operations Group which are used to make informed decisions about the best use of the Academy Trust's funds.
- Continuing the work undertaken last year in relation to maintaining efficiency in the Trust's staffing structure. This includes the introduction of a Trust Catering Manager who is able to undertake group purchasing and identify areas of savings within a key service of the Trust's operation. Following the centralisation of the finance service, an exercise undertaken during 2017/18, further improvements have been made to the financial management of the Trust's resources, allowing greater oversight and a more accurate understanding of academy budgets and identifying areas for savings
- Continuing to explore new avenues for maximising income generation for example, providing professional services to other academies, 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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees. Risk is a standing item on all Board and subcommittee agendas and their capacity to handle risk will be reviewed and assessed by the newly introduced Audit & Risk Committee.

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 control account/ bank reconciliations
- testing Teachers' and Local Government Pensions
- testing HR procedures, staff contracts etc
- testing budget monitoring/management accounts
- testing the academy's inventory (asset) list
- testing governance procedures
- testing VAT
- testing of contracts and procurement

On a quarterly basis, the internal auditor reports (via the Finance Director) 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 internal auditor;
- the work of the external auditor;
- the work of the Finance and Audit Committee
- 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 BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Approved by order of the board of trustees on 21 December 2018 and signed on its behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

THE BROOKE WESTON TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of The Brooke Weston Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees 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 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Dr A Campbell
Accounting Officer

21 December 2018

THE BROOKE WESTON TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of The Brooke Weston Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees 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 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 2017 to 2018;
- 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 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 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 21 December 2018 and signed on its behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

THE BROOKE WESTON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of The Brooke Weston Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

THE BROOKE WESTON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BROOKE WESTON TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE BROOKE WESTON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BROOKE WESTON TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Paul Tyler (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services

21 December 2018

Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

THE BROOKE WESTON TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BROOKE WESTON TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Brooke Weston Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Brooke Weston Trust and ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 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
- Communication with the accounting officer

THE BROOKE WESTON TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Dated: 21 December 2018

THE BROOKE WESTON TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000s	Restricted funds: General £'000s	Endowment Fixed asset £'000s	Funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Income and endowments from:							
Donations and capital grants	3	9	-	1,558	-	1,567	7,010
Charitable activities:							
- Funding for educational operations	4	1,753	39,703	-	-	41,456	41,802
- Funding for teaching school	27	113	117	-	-	230	160
Other trading activities	5	599	-	-	-	599	509
Total income and endowments		<u>2,474</u>	<u>39,820</u>	<u>1,558</u>	<u>-</u>	<u>43,852</u>	<u>49,481</u>
Expenditure on:							
Raising funds	6	292	-	13	-	305	359
Charitable activities:							
- Educational operations	8	3,504	41,233	2,609	-	47,346	46,076
- Teaching school	27	111	117	-	-	228	178
Total expenditure	6	<u>3,907</u>	<u>41,350</u>	<u>2,622</u>	<u>-</u>	<u>47,879</u>	<u>46,613</u>
Net gains on investments	13	76	-	-	-	76	92
Net income/ (expenditure)		(1,357)	(1,530)	(1,064)	-	(3,951)	2,960
Transfers between funds		-	(282)	282	-	-	-
Other recognised gains and losses							
Actuarial gains on defined benefit pension schemes	21	-	3,443	-	-	3,443	5,687
Net movement in funds		<u>(1,357)</u>	<u>1,631</u>	<u>(782)</u>	<u>-</u>	<u>(508)</u>	<u>8,647</u>
Reconciliation of funds							
Total funds brought forward		<u>3,804</u>	<u>(5,547)</u>	<u>133,701</u>	<u>48</u>	<u>132,006</u>	<u>123,359</u>
Total funds carried forward		<u>2,447</u>	<u>(3,916)</u>	<u>132,919</u>	<u>48</u>	<u>131,498</u>	<u>132,006</u>

THE BROOKE WESTON TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£'000s	£'000s	£'000s	£'000s
Fixed assets					
Tangible assets	12		132,312		133,059
Investments	13		1,485		1,409
			<u>133,797</u>		<u>134,468</u>
Current assets					
Stocks	14	41		10	
Debtors	15	1,116		2,887	
Cash at bank and in hand		6,209		6,454	
			<u>7,366</u>	<u>9,351</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(3,554)		(4,047)	
Net current assets			<u>3,812</u>	<u>5,304</u>	
Total assets less current liabilities			<u>137,609</u>	<u>139,772</u>	
Creditors: amounts falling due after more than one year	17		(624)	(695)	
Net assets excluding pension liability			<u>136,985</u>	<u>139,077</u>	
Defined benefit pension liability	21		(5,487)	(7,071)	
Net assets			<u>131,498</u>	<u>132,006</u>	
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			132,919		133,701
- Restricted income funds			1,571		1,524
- Pension reserve			(5,487)		(7,071)
- Endowment funds			48		48
Total restricted funds			<u>129,051</u>		<u>128,202</u>
Unrestricted income funds	19		<u>2,447</u>		<u>3,804</u>
Total funds			<u>131,498</u>		<u>132,006</u>

The accounts on pages 29 to 59 were approved by the trustees and authorised for issue on 21 December 2018 and are signed on their behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

Company Number 02400784

THE BROOKE WESTON TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000s	2017 £'000s	2017 £'000s
Cash flows from operating activities				
Net cash used in operating activities	22		(753)	(1,006)
Cash flows from investing activities				
Dividends, interest and rents from investments		7	7	
Capital grants from DfE and EFA		819	1,101	
Capital funding from sponsors and others		739	5,778	
Payments to acquire tangible fixed assets		(1,037)	(6,442)	
			528	444
Cash flows from financing activities				
Cash inflows from borrowings		69	611	
Repayment of long term loan		(89)	-	
			(20)	611
Change in cash and cash equivalents in the reporting period			(245)	49
Cash and cash equivalents at 1 September 2017			6,454	6,405
Cash and cash equivalents at 31 August 2018			6,209	6,454

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 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.

1.1 Basis of preparation

The accounts 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 2017 to 2018 issued by ESFA, 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 and incorporated in England and Wales. The address of the registered office is detailed in the legal and administrative information on page 1.

1.2 Going concern

The trustees 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 charitable 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 accounts 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 accounts.

1.3 Basis of consolidation

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.

1.4 Income

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

Grants

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

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

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the 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' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.6 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% of written down value or over the period of the lease
Computer equipment	33% of written down value
Fixtures, fittings & equipment	10% of written down value
Motor vehicles	33% of written down value

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 2018, maintenance of premises and equipment includes £798,111 (2017: £769,305) 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.

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

1.7 Liabilities

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

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.8 Leased assets

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

1.9 Investments

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

The academy trust also held 100% of the share capital in Corby Business Academy Trading Company Limited until it was dissolved via voluntary strike-off on 15 August 2017.

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

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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.

1.12 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.

1.13 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.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 21, 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 are recognised in the period to which they relate.

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

1.14 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.

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

Restricted pension reserve funds represent the academy trust's share of 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 educational activities of the academy trust.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Capital grants	-	1,558	1,558	6,995
Other donations	9	-	9	15
	<u>9</u>	<u>1,558</u>	<u>1,567</u>	<u>7,010</u>

The income from donations and capital grants was £1,567,000 (2017: £7,010,000) of which £9,000 was unrestricted (2017: £14,000), £- was restricted (2017: £1,000) and £1,558,000 was restricted fixed assets (2017: £6,995,000).

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	34,852	34,852	34,693
Start up grants	-	47	47	88
Other DfE group grants	-	2,343	2,343	2,427
	-	37,242	37,242	37,208
Other government grants				
Local authority grants	-	1,963	1,963	2,391
Other funding				
Teaching school income (excluding DFE grants)	113	-	113	103
Other incoming resources	1,753	615	2,368	2,260
	1,866	615	2,481	2,363
Total funding	1,866	39,820	41,686	41,962

The income from funding for educational operations was £41,686,000 (2017: £41,962,000) of which £1,866,000 was unrestricted (2017: £1,780,000) and £39,820,000 was restricted (2017: £40,182,000).

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Hire of facilities	254	-	254	298
BW Fitness memberships and other income	137	-	137	130
Other income	208	-	208	81
	599	-	599	509

The income from other trading activities was £599,000 (2017: £509,000) of which £599,000 was unrestricted (2017: £509,000).

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Expenditure

	Staff costs £'000s	Non Pay Expenditure Premises £'000s	Other £'000s	Total 2018 £'000s	Total 2017 £'000s
Expenditure on raising funds					
- Allocated support costs	258	17	30	305	359
Academy's educational operations					
- Direct costs	25,585	1,161	4,150	30,896	31,016
- Allocated support costs	8,191	4,396	3,863	16,450	15,060
Teaching school					
- Allocated support costs	148	-	80	228	178
	<u>34,182</u>	<u>5,574</u>	<u>8,123</u>	<u>47,879</u>	<u>46,613</u>

Net income/(expenditure) for the year includes:

	2018 £'000s	2017 £'000s
Fees payable to auditor for:		
- Audit	20	20
- Other services	4	4
- Internal audit	14	14
- Other assurance services	4	4
Operating lease rentals	180	163
Depreciation of tangible fixed assets	1,784	1,792
Net interest on defined benefit pension liability	200	249
	<u>2,386</u>	<u>2,346</u>

7 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 services;
- operations, procurement and compliance services;
- educational welfare support;
- HR and personnel;
- legal support;
- governor support and training;
- other services as arising.

The academy trust charges for these services on the following basis:

- flat percentage of income (4% of budgeted income);

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Central services

(Continued)

The amounts charged during the year were as follows:

	2018 £'000s	2017 £'000s
Beanfield Primary School	132	120
Brooke Weston Academy	257	270
Corby Business Academy	259	265
Corby Technical School	104	90
Compass Primary Academy	79	81
Gretton Primary School	24	25
Kettering Science Academy	225	240
Oakley Vale Primary School	62	65
Peckover Primary School	67	65
Thomas Clarkson Academy	320	315
	<u>1,529</u>	<u>1,536</u>

8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Direct costs - educational operations	1,124	29,772	30,896	31,016
Support costs - educational operations	2,380	14,070	16,450	15,060
Support costs - teaching school	228	-	228	178
	<u>3,732</u>	<u>43,842</u>	<u>47,574</u>	<u>46,254</u>

The expenditure on educational operations was £47,346,000 (2017: £46,076,000) of which £3,621,000 was unrestricted (2017: £2,660,000), £41,116,000 was restricted (2017: £40,866,000) and £2,609,000 was restricted fixed assets (2017: £2,550,000).

The expenditure on teaching school was £228,000 (2017: £178,000) of which £111,000 was unrestricted (2017: £121,000) and £117,000 was restricted (2017: £57,000).

	Teaching school £'000s	Educational operations £'000s	Total 2018 £'000s	Total 2017 £'000s
Analysis of support costs				
Support staff costs	148	8,191	8,339	7,353
Technology costs	-	1,028	1,028	1,679
Premises costs	-	4,256	4,256	3,425
Other support costs	80	2,859	2,939	2,643
Governance costs	-	116	116	138
	<u>228</u>	<u>16,450</u>	<u>16,678</u>	<u>15,238</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000s	2017 £'000s
Wages and salaries	25,023	24,485
Social security costs	2,444	2,282
Pension costs	5,605	5,027
Staff costs	33,072	31,794
Agency staff costs	909	1,164
Staff restructuring costs	201	45
Total staff expenditure	34,182	33,003

Staff restructuring costs comprise:

Redundancy payments	82	3
Severance payments	12	42
Other restructuring costs	107	-
	201	45

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,500 (2017: £41,812). Individually, the payments were: £1,500 made in April 2018, £4,000 made in September 2018 and £7,000 made in April 2018.

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2018 Number	2017 Number
Teachers	427	414
Administration and support	656	681
Management (including management within schools)	29	31
	1,112	1,126

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	13	15
£70,001 - £80,000	4	5
£80,001 - £90,000	5	4
£90,001 - £100,000	1	1
£100,001 - £110,000	1	2
£110,001 - £120,000	-	1
£120,001 - £130,000	2	-
£130,001 - £140,000	-	1
£140,001 - £150,000	-	1
£160,001 - £170,000	1	1
	=====	=====

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £821,567 (2017: £866,372). No trustees receive benefits/payments with the exception of the Chief Executive Officer whose remuneration is disclosed in note 10. See page 5 for details of the operations of the remuneration committee.

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer and other 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 services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Dr A Campbell (Chief Executive Officer):

- Remuneration £160,000 - £165,000 (2017: £160,000-£165,000)
- Employer's pension contributions £25,000 - £30,000 (2017: £20,000-£25,000)

During the year, travel and subsistence payments totalling £Nil (2017: £118) were reimbursed or paid directly to 0 trustees (2017: 1 trustees).

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

11 Trustees and officers insurance

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

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At 1 September 2017	140,416	8,635	6,857	182	156,090
Additions	758	203	76	-	1,037
At 31 August 2018	141,174	8,838	6,933	182	157,127
Depreciation					
At 1 September 2017	11,856	7,263	3,732	180	23,031
Charge for the year	1,174	289	320	1	1,784
At 31 August 2018	13,030	7,552	4,052	181	24,815
Net book value					
At 31 August 2018	128,144	1,286	2,881	1	132,312
At 31 August 2017	128,560	1,372	3,125	2	133,059

The net book value of land and buildings comprises:

	2018 £'000s	2017 £'000s
Freeholds	4,743	4,840
Long leaseholds (over 50 years)	123,401	123,720
	128,144	128,560

13 Fixed asset investments

	HSBC investment portfolio £'000s
Market value	
At 1 September 2017	1,409
Change in value in the year	76
At 31 August 2018	1,485
Historical cost:	
At 31 August 2018	1,000
At 31 August 2017	1,000

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Fixed asset investments

(Continued)

The trustees' transferred £1million of cash reserves, a sum which was generated from trading company commercial activity, not taken from public funds, to an investment account in order to maximise the returns available. The total income received from these investments amounted to £75,935 during the current year (2017: £91,216). The academy trust's listed investments were valued by reference to market prices.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Corby CTC Trading Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Principal activities	Capital and reserves	Profit/(loss)	
	£'000s	for the year £'000s	
Corby CTC Trading Limited	hire of sports and business facilities	16	-
		16	-

Corby CTC Trading Limited ceased to trade on 31 March 2017 with all trading activities being transferred to the academy trust on that date.

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.

14 Stocks	2018	2017
	£'000s	£'000s
Catering, stationery and other supplies	41	10
	41	10
15 Debtors	2018	2017
	£'000s	£'000s
Trade debtors	96	102
VAT recoverable	365	1,080
Other debtors	15	125
Prepayments and accrued income	640	1,580
	1,116	2,887
	1,116	2,887

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Creditors: amounts falling due within one year	2018 £'000s	2017 £'000s
Government loans	92	41
Trade creditors	707	961
Amounts owed to group undertakings	-	49
Other taxation and social security	598	567
Other creditors	104	489
Accruals and deferred income	2,053	1,940
	<u>3,554</u>	<u>4,047</u>
	<u><u>3,554</u></u>	<u><u>4,047</u></u>
17 Creditors: amounts falling due after more than one year	2018 £'000s	2017 £'000s
Government loans	624	695
	<u>624</u>	<u>695</u>
	<u><u>624</u></u>	<u><u>695</u></u>
Analysis of loans		
Not wholly repayable within five years by instalments	253	369
Wholly repayable within five years	463	367
	<u>716</u>	<u>736</u>
Less: included in current liabilities	(92)	(41)
	<u>624</u>	<u>695</u>
Amounts included above	<u>624</u>	<u>695</u>
	<u><u>624</u></u>	<u><u>695</u></u>
Loan maturity		
Debt due in one year or less	92	41
Due in more than one year but not more than two years	92	81
Due in more than two years but not more than five years	279	245
Due in more than five years	253	369
	<u>716</u>	<u>736</u>
	<u><u>716</u></u>	<u><u>736</u></u>

Included within government loans are Salix loans totalling £569,778 (2017: £569,344), of which £74,265 (2017: £31,630) is due within one year and £495,513 (2017: £537,714) is due after one year. These Salix loans are interest free and repayable in half-yearly instalments over the remaining 6-10 years of the loans as at 31 August 2018.

Also included within government loans are loans from DfE/ESFA totalling £146,181 (2017: £166,403), of which £17,679 (2017: £8,987) is due within one year and £128,502 (2017: £157,416) is due after more than one year. These loans are part of a pilot scheme introduced by DfE/ESFA during the previous year aimed at providing finance to multi-academy trusts, primarily to fund capital improvements with the aim of reducing energy consumption. These loans are provided at an interest rate of 1.83% p.a. over nine years and are repayable in 36 equal instalments.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Deferred income	2018	2017
	£'000s	£'000s
Deferred income is included within:		
Creditors due within one year	381	294
	<u> </u>	<u> </u>
Deferred income at 1 September 2017	294	277
Released from previous years	(294)	(277)
Resources deferred in the year	381	294
	<u> </u>	<u> </u>
Deferred income at 31 August 2018	381	294
	<u> </u>	<u> </u>

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 2018/19 academic year.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant (GAG)	1,524	34,852	(34,523)	(282)	1,571
Start up grants	-	47	(47)	-	-
Other DfE / ESFA grants	-	2,226	(2,226)	-	-
Other government grants	-	1,963	(1,963)	-	-
Teaching school	-	117	(117)	-	-
Other restricted funds	-	615	(615)	-	-
Pension reserve	(7,071)	-	(1,859)	3,443	(5,487)
	<u>(5,547)</u>	<u>39,820</u>	<u>(41,350)</u>	<u>3,161</u>	<u>(3,916)</u>
Restricted fixed asset funds					
DfE group capital grants	34,980	819	(1,635)	-	34,164
Capital expenditure from GAG	2,429	-	(86)	282	2,625
Other government grants	92,152	739	(804)	-	92,087
Private sector capital sponsorship	4,140	-	(97)	-	4,043
	<u>133,701</u>	<u>1,558</u>	<u>(2,622)</u>	<u>282</u>	<u>132,919</u>
Restricted endowment fund	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Total restricted funds	<u>128,202</u>	<u>41,378</u>	<u>(43,972)</u>	<u>3,443</u>	<u>129,051</u>
Unrestricted funds					
General funds	3,802	2,361	(3,796)	76	2,443
Teaching school	2	113	(111)	-	4
	<u>3,804</u>	<u>2,474</u>	<u>(3,907)</u>	<u>76</u>	<u>2,447</u>
Total funds	<u>132,006</u>	<u>43,852</u>	<u>(47,879)</u>	<u>3,519</u>	<u>131,498</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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 funds. Under the funding agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it should carry forward at 31 August 2018. During the year, a transfer of £281,745 was made from GAG funds to restricted fixed asset funds in respect of expenditure on capital projects funded from the academy trust's own funds.

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 assets and liabilities of the Local Government Pension Scheme.

Restricted endowment funds represent expendable resources to be applied to specific education activities.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2017 £'000s
Restricted general funds					
General Annual Grant (GAG)	725	34,693	(33,965)	71	1,524
Start up grants	-	88	(88)	-	-
Other DfE / ESFA grants	-	2,370	(2,370)	-	-
Other government grants	-	2,391	(2,391)	-	-
Teaching school	-	57	(57)	-	-
Other restricted funds	-	584	(584)	-	-
Pension reserve	(11,290)	-	(1,468)	5,687	(7,071)
	<u>(10,565)</u>	<u>40,183</u>	<u>(40,923)</u>	<u>5,758</u>	<u>(5,547)</u>
Restricted fixed asset funds					
DfE group capital grants	35,652	763	(1,435)	-	34,980
Capital expenditure from GAG	2,548	-	(48)	(71)	2,429
Other government grants	86,899	6,232	(979)	-	92,152
Private sector capital sponsorship	4,241	-	(101)	-	4,140
	<u>129,340</u>	<u>6,995</u>	<u>(2,563)</u>	<u>(71)</u>	<u>133,701</u>
Restricted endowment fund	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Total restricted funds	<u>118,823</u>	<u>47,178</u>	<u>(43,486)</u>	<u>5,687</u>	<u>128,202</u>
Unrestricted funds					
General funds	4,516	2,200	(3,006)	92	3,802
Teaching school	20	103	(121)	-	2
	<u>4,536</u>	<u>2,303</u>	<u>(3,127)</u>	<u>92</u>	<u>3,804</u>
Total funds	<u>123,359</u>	<u>49,481</u>	<u>(46,613)</u>	<u>5,779</u>	<u>132,006</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant (GAG)	725	69,545	(68,488)	(211)	1,571
Start up grants	-	135	(135)	-	-
Other DfE / ESFA grants	-	4,596	(4,596)	-	-
Other government grants	-	4,354	(4,354)	-	-
Teaching school	-	174	(174)	-	-
Other restricted funds	-	1,199	(1,199)	-	-
Pension reserve	(11,290)	-	(3,327)	9,130	(5,487)
	<u>(10,565)</u>	<u>80,003</u>	<u>(82,273)</u>	<u>8,919</u>	<u>(3,916)</u>
Restricted fixed asset funds					
DfE group capital grants	35,652	1,582	(3,070)	-	34,164
Capital expenditure from GAG	2,548	-	(134)	211	2,625
Other government grants	86,899	6,971	(1,783)	-	92,087
Private sector capital sponsorship	4,241	-	(198)	-	4,043
	<u>129,340</u>	<u>8,553</u>	<u>(5,185)</u>	<u>211</u>	<u>132,919</u>
Restricted endowment fund	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Total restricted funds	<u>118,823</u>	<u>88,556</u>	<u>(87,458)</u>	<u>9,130</u>	<u>129,051</u>
Unrestricted funds					
General funds	4,516	4,561	(6,802)	168	2,443
Teaching school	20	216	(232)	-	4
	<u>4,536</u>	<u>4,777</u>	<u>(7,034)</u>	<u>168</u>	<u>2,447</u>
Total funds	<u>123,359</u>	<u>93,333</u>	<u>(94,492)</u>	<u>9,298</u>	<u>131,498</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Total funds analysis by academy

	2018	2017
	£'000s	£'000s
Fund balances at 31 August 2018 were allocated as follows:		
Beanfield Primary School	1,127	1,044
Brooke Weston Academy	3,698	3,637
Corby Business Academy	788	920
Corby Technical School	(681)	(383)
Compass Primary Academy	(187)	25
Gretton Primary School	117	208
Kettering Science Academy	(543)	(461)
Oakley Vale Primary School	758	752
Peckover Primary School	344	361
Thomas Clarkson Academy	(623)	(858)
Central services	(732)	131
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	4,066	5,376
Restricted fixed asset fund	132,919	133,701
Pension reserve	(5,487)	(7,071)
	<hr/>	<hr/>
Total funds	131,498	132,006
	<hr/> <hr/>	<hr/> <hr/>

Corby Technical School is carrying a cumulative deficit of £681,000. This deficit arose as a direct result of the establishment of the new school and its extension, including contributions towards the construction of the new buildings and the purchase of computer equipment and other fixtures and fittings. Through further investment this highly respected school has recently doubled in size. The demand for places remains strong and future figures indicate a surplus by the end of the five year financial plan.

Compass Primary School is carrying a cumulative deficit of £187,000. This deficit arose as a result of the completion of the nursery at the school. This building is now fully functioning and is providing a valuable service to the local community.

Kettering Science Academy is carrying a cumulative deficit of £543,000. This deficit arose as a result of targeted investment aimed at improving educational standards within the school. Whilst the running costs of the school show a break-even position for 2018, there was significant investment into the IT infrastructure of the school during the year. The Trust continues to invest in the school in its' drive to improve standards.

Thomas Clarkson Academy is carrying a cumulative deficit of £623,000. This deficit also arose as a result of investment in improving educational standards. There was an in-year surplus for both 2017 and 2018 and this position is likely to continue in the future.

Central Services are carrying a cumulative deficit of £732,000. This deficit also arose as a result of investment in improving educational standards (£680k) and from investment into future energy saving initiatives funded through the MAT Pilot Loan scheme (£110k).

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Beanfield Primary School	2,185	641	69	815	3,710
Brooke Weston Academy	4,103	1,805	107	2,288	8,303
Corby Business Academy	4,166	1,509	142	1,711	7,528
Corby Technical School	1,636	568	92	729	3,025
Compass Primary Academy	1,361	143	3	645	2,152
Gretton Primary School	462	104	9	171	746
Kettering Science Academy	3,611	1,386	146	1,504	6,647
Oakley Vale Primary School	982	292	34	482	1,790
Peckover Primary School	1,140	350	25	409	1,924
Thomas Clarkson Academy	5,033	1,108	118	2,355	8,614
Central services	906	691	15	44	1,656
	<u>25,585</u>	<u>8,597</u>	<u>760</u>	<u>11,153</u>	<u>46,095</u>

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Endowment Funds	Total 2018
	£'000s	General £'000s	Fixed asset £'000s	£'000s	£'000s
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	-	-	132,312	-	132,312
Fixed asset investments	1,485	-	-	-	1,485
Current assets	962	5,749	607	48	7,366
Creditors falling due within one year	-	(3,554)	-	-	(3,554)
Creditors falling due after one year	-	(624)	-	-	(624)
Defined benefit pension liability	-	(5,487)	-	-	(5,487)
	<u>2,447</u>	<u>(3,916)</u>	<u>132,919</u>	<u>48</u>	<u>131,498</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000s	Restricted funds: General Fixed asset £'000s £'000s		Endowment Funds £'000s	Total 2017 £'000s
Fund balances at 31 August 2017 are represented by:					
Tangible fixed assets	-	-	133,059	-	133,059
Fixed asset investments	1,409	-	-	-	1,409
Current assets	2,395	6,266	642	48	9,351
Creditors falling due within one year	-	(4,047)	-	-	(4,047)
Creditors falling due after one year	-	(695)	-	-	(695)
Defined benefit pension liability	-	(7,071)	-	-	(7,071)
	3,804	(5,547)	133,701	48	132,006
	3,804	(5,547)	133,701	48	132,006

21 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 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 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £23,543 (2017: £478,424) were payable to the schemes at 31 August 2018 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' 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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 9 June 2014.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

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)
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 the TPS in the period amounted to £2,440,600 (2017: £2,500,000).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 15.4% to 23.0% 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.

Total contributions made	2018	2017
	£'000s	£'000s
Employer's contributions	1,302	1,251
Employees' contributions	428	402
	<hr/>	<hr/>
Total contributions	1,730	1,653
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.3	2.4
Commutation of pension to lump sums - Pre-April 2008	25 to 50	25 to 50
Commutation of pension to lump sums - Post-April 2008	63 to 75	63 to 75
	<hr/> <hr/>	<hr/> <hr/>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

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

	2018	2017
	Years	Years
Retiring today		
- Males	22.1	22.1
- Females	24.2	24.2
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.1	26.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018	2017
	£'000	£'000
Discount rate + 0.1%	775	731
Discount rate - 0.1%	(775)	(731)
Mortality assumption + 1 year	1,145	1,099
Mortality assumption - 1 year	(1,145)	(1,099)
CPI rate + 0.1%	661	607
CPI rate - 0.1%	(661)	(607)

The academy trust's share of the assets in the scheme

	2018	2017
	Fair value	Fair value
	£'000s	£'000s
Equities	17,288	15,199
Bonds	3,343	3,189
Property	1,819	1,430
Other assets	695	612
Total market value of assets	23,145	20,430

The actual return on scheme assets was £1,202,000 (2017: £1,687,000).

Amount recognised in the Statement of Financial Activities

	2018	2017
	£'000s	£'000s
Current service cost	2,961	2,470
Interest income	(528)	(372)
Interest cost	728	621
Total operating charge	3,161	2,719

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2018 £'000s	2017 £'000s
At 1 September 2017	27,501	28,583
Current service cost	2,961	2,470
Interest cost	728	621
Employee contributions	428	402
Actuarial gain	(2,769)	(4,372)
Benefits paid	(217)	(203)
At 31 August 2018	<u>28,632</u>	<u>27,501</u>
Changes in the fair value of the academy trust's share of scheme assets	2018 £'000s	2017 £'000s
At 1 September 2017	20,430	17,293
Interest income	528	372
Actuarial gain	674	1,315
Employer contributions	1,302	1,251
Employee contributions	428	402
Benefits paid	(217)	(203)
At 31 August 2018	<u>23,145</u>	<u>20,430</u>
22 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2018 £'000s	2017 £'000s
Net (expenditure)/income for the reporting period	(3,951)	2,960
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(1,558)	(6,995)
Net gains/losses on investments	(76)	(92)
Rents receivable	(7)	(7)
Defined benefit pension costs less contributions payable	1,659	1,219
Defined benefit pension net finance cost	200	249
Depreciation of tangible fixed assets	1,784	1,792
(Increase) in stocks	(31)	-
Decrease/(increase) in debtors	1,771	(263)
(Decrease)/increase in creditors	(544)	131
Net cash used in operating activities	<u>(753)</u>	<u>(1,006)</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Contingent liabilities

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

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

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

24 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000s	2017 £'000s
Amounts due within one year	155	174
Amounts due in two and five years	103	207
	<u>258</u>	<u>381</u>

Thomas Clarkson Academy joined the trust on 1 June 2012. Its main school buildings were financed under a 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 2017, £798,111 (2017: £769,305) of costs relating to this has been recognised in expenditure.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 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 academy trust has 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. The following related party transaction took place in the period of account.

Expenditure related party transactions

The following related party transactions were carried out with the academy trust's wholly owned subsidiary, Corby CTC trading Limited:

- At 31 August 2018, debtors included £13,233 (2017: £48,774 creditor) due to the subsidiary.

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

- During the year, the Brooke Weston Trust was charged £Nil (2017: £14,106) in respect of leadership development courses.
- At 31 August 2018, debtors included £Nil (2017: £720) due from Inspiring Leaders Limited.
- The trust made the purchases at arm's 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 ESFA's Academies Financial Handbook.

26 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.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Teaching school trading account	2018		2017	
	£'000s	£'000s	£'000s	£'000s
Direct income				
Government grants		117		57
Other income		113		103
		<u>230</u>		<u>160</u>
		230		160
Other costs				
Support staff costs	148		114	
Other support costs	80		64	
	<u>228</u>		<u>178</u>	
Total expenditure		(228)		(178)
Surplus/(deficit) from all sources		2		(18)
Teaching school balances at 1 September 2017		2		20
Teaching school balances at 31 August 2018		<u>4</u>		<u>2</u>

