

THE THREE RIVERS LEARNING TRUST LIMITED

(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013



THE THREE RIVERS LEARNING TRUST LIMITED

COMPANY INFORMATION

Year ended 31 August 2013

Directors (Trustees)	Dr Roger Vaughan ^	Chairman, Member
	Joe Evans^	Vice Chairman
	Sylvie Walker-Barras*	Responsible officer, Member
	Simon Taylor^	Chief Executive
	Paul Carvin	Member, Appointed 21/12/12
	Jane Greaves*	Appointed 31/01/13
	Mark Robson^	
	Andrew Batchelor^	
	Alice Lane*	
	Angela Saxton	
	Ros Richardson	
	Mark Tait*^	Appointed 26/09/13
	David Weatherburn	Appointed 21/12/12
		Resigned 22/04/13

Philip Rolfe*	Resigned 27/06/13
Paul Lawrence^	Resigned 31/08/13

^ Members of the Finance and Facilities Committee

* Members of the Audit Committee

Company Secretary

Mark Tait

Accounting officer

Simon Taylor

Senior Management Team

Simon Taylor, Executive Head Teacher, The Three Rivers Learning Trust Limited
Mark Tait, Business Director, The Three Rivers Learning Trust Limited
Deborah Reeman, Head of School, The King Edward VI School
Mark Simpson, Deputy Head Teacher, The King Edward VI School
Jane Kennedy, Head of School, Newminster Middle School
Stephen Johnson, Head of School, Chantry Middle School

Principal and Registered Office

The Three Rivers Learning Trust Limited
The King Edward VI High School
Cottingwood Lane
Morpeth
Northumberland
NE61 1DN

Company Registration Number

07838203 (England and Wales)

Independent Auditor

Baker Tilly UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Lloyds TSB
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Solicitors

Watson Burton
1 St James Gate
Newcastle upon Tyne
NE99 1YQ

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT

Year ended 31 August 2013

The directors, who are trustees for the purposes of Charity Law and directors for the purposes of the Companies Act, submit their annual report and audited accounts for the year ended 31 August 2013 and confirm that the latter comply with the requirements of the charitable company's memorandum and articles of association, Companies Act 2006, the Charities Statement of Recommended Practice (SORP) 2005 and the Academies Accounts Direction 2013 issued by the Education Funding Agency

REFERENCE AND ADMINISTRATIVE INFORMATION

The learning trust is a charitable company limited by guarantee (registered number 7838203) and an exempt charity. The learning trust became an exempt charity under the provisions of the Academies Act 2010. Particulars of the learning trust and its Directors are shown on the company information page.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The learning trust was incorporated on 7 November 2011 and converted to Academy status on 1 December 2011 and its principal governing documents are the Memorandum and Articles of Association. The company does not have any share capital. Every member of the 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 and to pay such amounts as may be required not exceeding £10 for the debt and liabilities contracted before he/she ceases to be a member. The Secretary of State for Education can direct the directors of the learning trust in certain limited circumstances where the quality of education is deemed unsatisfactory.

Board of Directors

The company members may appoint up to 25 directors. Employees of the company must not exceed one third of the total directors. There shall be a minimum of 2 parent directors.

The names of the directors are given on the company information page.

Recruitment and Training of Directors

Directors are recruited based on the skills that they will bring to the board of directors or by a democratic process in the case of parent or staff directors. On appointment directors receive extensive information relating to the learning trust and attend a briefing on the role and responsibilities of directors. During the year directors are offered training. The learning trust has secured directors' and officers' insurance as set out in the notes to the accounts.

Organisational Structure

The governance of the learning trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education (DfE) dated 30 November 2011.

All directors are members of the full board and all company members are directors. In addition directors are members of committees who report to the full board. There are two permanent sub-committees of the board, Finance and Facilities and Audit, and other committees are organised as required such as appeals or hearing bodies. Each school has a committee which reports to the board. These committees have no decision-making powers and contain directors and other representatives from the schools' communities.

The membership of committees is shown on the company information page and the agreed specific remit for each committee is reviewed annually.

The day to day running of the school is delegated to the learning trust leadership team managed by the executive head teacher. The executive head teacher, who is also a director, and the business director attend meetings of the board and finance and facilities sub-committee. The business director also attends the audit committee.

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DIRECTORS' REPORT

Year ended 31 August 2013

Risk Management

The directors have assessed the major risks to which the learning trust is exposed, in particular those related to the operations and finances of the learning trust, and are satisfied that systems are in place to mitigate any exposure to major risks

The audit committee undertakes a formal review of the learning trust's risk management process on an annual basis

The key controls used by the learning trust include

- Formal agendas for all committee and board activity
- Terms of reference for the board and its committees
- Comprehensive strategic planning, budgeting and management reporting
- An established organisational structure and clear lines for reporting
- Formal written policies
- Scheme of delegation
- Vetting procedures as required by law for the protection of the vulnerable

The directors assess the principal risks that would seriously impact the learning trust to be any changes in the funding arrangements as a result of political decisions outside the control of the directors, changes in legislation, declining results and failure in safeguarding staff or students

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed

Statement on the system of internal financial control

The directors acknowledge their overall responsibility for ensuring that the learning trust has an effective and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the learning trust and enable them to ensure the financial statements comply with the relevant Companies Act. They also acknowledge responsibility for safeguarding the assets of the learning trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

- The learning trust is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or disposition,
- The proper records are maintained and financial information used within the learning trust or for publication is reliable,
- The learning trust complies with relevant laws and regulations

The learning 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 Finance and Facilities Committee who report to the Board of Directors,
- Regular reviews by the Finance and Facilities Committee of reports which indicate financial performance against 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

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Year ended 31 August 2013

Statement on the system of internal financial control (continued)

On 25th October 2012 an Audit Committee was established as a sub-committee of the main board of directors. The Committee's terms of reference were agreed on 26th November 2012. They include the review of the annual financial statements and the accounting policies of the learning trust, compliance with the Academies Accounts Direction and other applicable Financial Reporting Standards, internal controls including a review of the Responsible Officer reports and the planning, scope and conclusions of the external auditor's programme. Audit committee meetings are scheduled to be held 4 times each year.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

Charitable objects

The learning trust objective is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. There are three schools in the learning trust, The King Edward VI School, Newminster Middle School and Chantry Middle School, each designated as Academies within the meaning of the Education Act 2010. The learning trust offers education to students aged from nine to nineteen between years five and thirteen.

Aims and intended impact

The Three Rivers Learning Trust consists of Chantry and Newminster Middle Schools and The King Edward VI High School. The Trust also has an alliance agreement with Dr Thomlinson Middle School, Rothbury and we work jointly to ensure the excellence of the education we provide to over 2,500 students aged 9 – 19 in the area defined by the Rivers Coquet, Font and Wansbeck.

All three schools in the Trust have rich, respected and successful histories and will continue to be at the heart of our local and regional community. As a result of the autonomy granted by converting to a multi-academy trust in December 2011, we have an added drive to build upon our successes, whilst valuing our heritage, to ensure that all our students are well prepared to lead successful lives.

The Three Rivers Learning Trust is a unique and innovative, outward facing organisation open to learning from the best practice. Considered research and evaluation, at local, national and global levels, will inform our priorities and growth.

Our three schools have shared values and priorities. A single Board of Directors is responsible for the strategic direction and performance of The Three Rivers Learning Trust.

Our Purpose

Our purpose is to show each individual that they matter and will be valued for their contribution to the world in which they live. We provide learning and enriching experiences to inspire, motivate, stretch and meet the needs of all learners. We encourage a lifelong love of learning to enable all to develop the attitudes, skills and knowledge to become confident communicators, resilient and responsible citizens, willing to accept responsibility and demonstrate qualities of leadership.

We want our young people to

- contribute positively and creatively now and in the future
- aspire to be the best they can be, and to achieve success and independence in their learning
- develop the skills, including team-work, enterprise and handling risk, to be successful beyond school
- make informed decisions about their future, for a healthy and safe lifestyle
- understand, appreciate and respect each other and the diverse world in which we live

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DIRECTORS' REPORT

Year ended 31 August 2013

Our Purpose (continued)

We aim to provide

- the highest quality teaching, learning and assessment
- a broad, balanced, stimulating and creative curriculum
- personal support and guidance for all students – especially as they make choices about their future
- a wide choice of enrichment activities that extend the development, challenge, enjoyment and international awareness beyond the curriculum
- a flexible and enabling learning environment, continuously improving

Objectives for the year

The objectives for the year were to focus on continued attainment of academic performance, broadening experience through extension activities and continuing to operate effectively and efficiently within budgets

Strategies to achieve the year's objectives

The learning trust produced a three year corporate plan and each school has a development plan. These plans form the basis for the review of achievement of the learning trust objectives.

The head teachers report on key performance indicators at board meetings, performance against these indicators is described below.

ACADEMIC RESULTS FOR THE KING EDWARD VI SCHOOL, NEWMINSTER MIDDLE SCHOOL AND CHANTRY MIDDLE SCHOOL

1. The King Edward VI School:

Key Stage 4 Results 2013: Headlines

The 2013 GCSE results were the second highest attainment levels in the history of the school, with 75% of the cohort achieving 5A* - C grades including English and Maths (2012 – 78%). This was the highest success rate across all Northumberland schools and one of the highest across the North East region. The prior attainment of this particular cohort was broadly average on intake and therefore outcomes will demonstrate greater value added compared to last year where prior attainment was significantly positive.

Attainment in both Maths and English is high and provisional value added scores in both subjects is significantly positive. For example, over 50% of the cohort made greater than expected (4 levels) of progress - higher than the 2012 cohort. The capped points score taken from the best 8 subject scores, is 358 (2012 – 361). The provisional overall VA is still significantly positive and higher than 2012.

30% of all grades are A*/A which is well above the national average of 21%.

Summary Data

The table below highlights the key performance measures in yellow.

- % 5 A*-C in English / Maths
- % 3 levels of progress (expected) English
- % 3 levels of progress (expected) Maths

It also includes the data by gender and information about disadvantaged students (Pupil Premium), as well as % figures for greater than expected progress in English and maths (4 levels) and the EBacc.

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Year ended 31 August 2013

Summary Data (continued)

	No.	5+ A*-C	5+A*-C E&M	A*-C En	A*-C Ma	En 3LP	En 4LP	Ma 3LP	Ma 4LP	Ebacc
All	328	85.4	74.7	79.0	84.5	82.9	50.3	87.5	51.8	26.8
Girls	159	91.8	82	84.9	84.9	87.4	60.4	85.5	56.6	30.8
Boys	169	76.9	67	70.4	84.0	76.3	40.8	89.3	47.3	23.1
PUPIL PREMIUM	38	65.8	44.7	52.6	60.5	63.2	28.9	68.4	31.6	10.5
Non PP	290	86.6	76.6	80.7	87.6	84.1	53.1	90.0	54.5	29.0

Key Stage 4 Data Comparison

	2013	2012
KS2 Average Points Score (APS) on entry	28.2 in line with national average	28.4 sig above the national average
5A*-C English & Maths	ALL- 75% B-67% G-82%	ALL- 78% sig+ B- 75% sig+ G- 80% sig+
3 Levels of Progress Maths	87%	83% sig+
3 Levels of Progress English	83%	85% sig+
Capped APS	358	361 sig+
EBacc	26.5%	21%

Value Added (Provisional)

VA predictions based on the total number in the subject cohort and on the 2012 data set. Highlights in green are significantly + and demonstrate very good progress.

	No. Students	VA 2013	VA 2012
Capped Inc E&M bonus	325	1005.0	1008
English	325	1003.7	1002.8
Maths	325	1006.1	1002.1
Sciences	271	1001.4	1004.2
Humanities	253	1000.5	1000.2
Languages	170	1000.9	1001

Post 16 Results Summary: Headlines

- Prior attainment of Year 13 is similar to 2012. Attainment in terms of APS per entry and per student are both slightly lower than 2012.
- Pass rate A*-E is 99% with 7 U grades. Pass rate in 2012 was 99.5%.
- % of A*, A and B grades is slightly lower than 2012.
- Girls attainment in terms of APS per entry, per student and % of A*-B grades is higher than boys (prior attainment is the same).
- % of students attaining AAB in facilitating subjects is higher than 2012.
- Overall VA scores at A level are significantly positive (slightly lower than 2012).
- 2012/13 Value Added indicates a score of +11.2, again placing King Edwards in at least the top 5% nationally.

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Year ended 31 August 2013

Key Stage 5 Data Comparison

Our curriculum at KS5 is wide with a highly academic focus, offering more than 30 A level courses. Our retention rate is high and destinations show that the curriculum is matched to the needs of our students.

A-Level Pass Rates

	2010	2011	2012	2013
Overall	98.5	98.8	99.5	98.9
A* - A	33.2	33.4	28.8	25.0
A* - B grades	58.3	60.9	56.2	50
U grades	1.5	1.2	0.5	1.1
Learner Achievement Tracker VA (A level)	6.77	23.9	12.7	11.2
APS per student (Inc General Studies)(AS+A2)	891	865	872	850
Level 3 APS per entry	220.9	221.3	219.6	216
Level 3 APS per entry (National)	214.4	216.2	212.8	212.7
Retention (Y12 to Y13)	84%	85%	84%	87%
3 A levels AAB in facilitating subjects			9%	10.8%

University Destinations 2013 (provisional)

	Number of students
Total students	203
UCAS applications	182
UCAS places taken	171
Firm offers accepted	139
Insurance offers accepted	23
Clearing offers accepted	9
Gap year (with place confirmed for 2014)	6
Deferred entry	3
Apprenticeship	4
Foundation Course	6 (Art Foundation Diploma)

Oxford	Human Sciences (1)
Cambridge	Natural Sciences (2)
	English (1)
Maastricht	European Studies (1)
Medicine	3 students
Dentistry	1 student
Veterinary Medicine	1 student
Science and Engineering	35 students
Art (Art and Design, Dance, Drama, Fine Art, History of Art and Music)	6 students (+ 6 students doing the Art Foundation Diploma)
Humanities (Business Studies, English, Geography, Geology, History)	26 students

Russell group Universities	42 students
Local Universities (including Newcastle College)	71 students

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Year ended 31 August 2013

University Destinations 2013 (continued)

The number of students applying to university is in line with previous years. Many students are being offered places even if they haven't reached the grade/points requirements. The type of student in clearing is more likely to be one that has not achieved ABB grades or above, as these are the places that the Government provide 'extra' funding for and have set the criteria of ABB minimum.

The King Edward VI School: Admissions, Attendance and Behaviour

Admissions. The school is again heavily oversubscribed for 2013 - 14 in Years 9, 10 and 11. The Published Admit Number for these year groups is 320. The learning Trust has also had another large return into the Sixth Form in both years 12 and 13.

	Boys	Girls	Total
Year 9	163	161	324
Year 10	158	167	325
Year 11	175	154	329
Year 12	119	129	248
Year 13	113	109	222
Total			1,448

Attendance. In 2012/13 the absence rate was 4.6%, which is significantly better than the national average for 2012 (5.7%). In 2011/12 the absence rate was 4.7%. Persistent Absence rates (classed as absence of 15% or more) in 2012/13 were 3.3%, which is significantly better than the national average for 2012 (6.9%). In 2011/2012 the rate was 5.0%. These figures highlight the change in our Attendance Strategy with a stepped approach of intervention. Parents and Carers are supported to promote positive attendance with their children from the Year offices and the Student Support Area.

Behaviour. School Self Evaluation assesses Behaviour and Safety as outstanding. Staff and students follow an Attitude to Learning framework to ensure consistency and high expectations are in place in lessons and around school. A traditional Year Leader / Form Tutor system ensures that any incidents of poor behaviour are picked up and resolved quickly. Fixed term exclusions from school have significantly reduced in recent years, and an internal base to deal with challenging behaviour ensures that learning is not disrupted by exclusion.

Exclusions	2010/11	2011/12	2012/2013
Total	44	21	32
Total days	87	45	48 1/2
Total number of students	23	18	20

Internal Exclusions	2010/11 (A2L introduced)	2011/12	2012/2013
Total	134	104	146
Total days	153	107,3 x 1/2 day	141, 10x1/2 day
Total number of students	83	54	59

2. Chantry Middle School: Headline Results 2013

Achievement at Chantry continues to improve and is now good with some outstanding features. In 2013 the school achieved results that are above the national and sometimes well above national expectations.

There are no significant issues in either school relating to the Narrowing the Gap agenda.

The data in the tables below summarises the performance over the last three years.

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DIRECTORS' REPORT

Year ended 31 August 2013

Headline Results 2013 (continued)

Attainment at the end of Key Stage 2 is consistently above national averages. The school demonstrates a three - year sustained improving trend at Key Stage 2 in key attainment indicators

- Overall APS is 29.8 (up from 27.5 in 2010)
- English Writing APS is 28.8 (based on teacher assessment)
- English Reading APS is 29.7
- Maths APS is 30.3 - sustained trend

The table below shows outcomes at the end of Key Stage 2 and summarises performance over the past three years

PA KS1 APS	16.8	17.1	17.2	16.9
Outcomes Year 6	2010	2011	2012	2013
Eng/Ma L4+	73	89	89	84
Eng/Ma L5+	20	21	43	33
English L4+	77	92	95	Reading 92 SPAG 72 Writing 87
English L5+	24	29	52	Reading 54 SPAG 40 Writing 42
Eng APS	27.0	28.2	29.7	Reading 30 Writing 29
En 2 x levels	Reading 80 Writing 68	78	86	Reading 92 Writing 90
En 3 x levels				Reading 23 Writing 22
Maths L4+	81	92	92	92
Maths L5+	34	43	54	56
Maths APS	27.9	29.2	30.2	30
Maths 2 X levels	74	89	91	92
Maths 3 X levels				32

Chantry Middle School Outcomes at Year 8

The table below shows percentage outcomes at the end of Year 8 and summarises performance across the past three years. Outcomes are above FFTD predictions based on Key Stage 2 data

	2010			2011			2012			2013		
	5+	6+	7+	5+	6+	7+	5+	6+	7+	5+	6+	7+
Reading	86	55	9	92	60	8	88	67	8	95	64	12
Writing	80	43	4	86	38	7	87	50	6	92	56	8
Maths	88	67	27	88	66	30	91	72	34	98	74	38
Science	93	69	8	98	65	5	98	76	6	100	99	78

THE THREE RIVERS LEARNING TRUST LIMITED

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Year ended 31 August 2013

Chantry Middle School: Progress from Year 4 to Year 8

Progress in Mathematics across the school is outstanding and progress in both reading and writing across the school is very good and close to outstanding

Year 4 to Year 8	2007-11	2008-12	2009-13
Reading	13.2	12.9	15.7
Writing	13	13.7	15.4
Maths	15.7	17	18.5

Chantry: Admissions, Attendance and Behaviour

Admissions

	2010	2011	2012	2013
Number on roll	500	498	489	485

The school roll has reduced since 2010 with one smaller year group disproportionately affecting the figures. The Pupil Admit Number for each year group is 128, therefore the school is full at 512. There are currently a small number of places available across the school, although Year 5 is full and we anticipate the school roll to grow in the next few years.

Attendance at Chantry is above national averages. Where it is persistent, it is improving as a result of active interventions.

	Total Attendance	Total absence	20% absence	15% absence
2008/9	90.9%	9.1%	5.0%	
2009/10	94.7%	5.3%	1.8%	
2010/11	93.0%	7.0%	3.8%	10.7%
2011/12	95.1%	4.9%	1.6%	3.4%
2012/13	95.4%	4.6%	0.4%	1.1%

Behaviour: Pupils' attitudes to learning and conduct in lessons and around the school are outstanding. Chantry has high expectations of the way that students conduct themselves. The students themselves know what is expected of them and, because they fully respect teachers and their assistants, they respond more positively. Students enjoy very productive relationships with the adults who work with them and cooperate very well, whether they are in class or moving around the school. Behaviour towards, and respect for, other young people and adults, including freedom from bullying and harassment that may include cyber-bullying and prejudice-based bullying is a real strength. Incidents relating to bullying or racism are almost non-existent and students have confidence that if they should occur then members of staff would deal with them confidently.

3. Newminster Middle School: Headline Results 2013

Achievement at Newminster is good with some outstanding features. The school has consistently achieved results that are above the national and sometimes well above national expectations.

There are no significant issues in either school relating to the Narrowing the Gap agenda.

The data in the tables below summarises the performance over the last three years.

THE THREE RIVERS LEARNING TRUST LIMITED

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Year ended 31 August 2013

Newminster - Outcomes at KS2

Attainment at the end of KS2 is consistently above national averages (RAISE 2012 p 35 Attainment Sig +) The school demonstrates a three-year sustained improving trend at KS2 in key attainment indicators

- Overall APS is 29.4 (Nat 28.3) SIG + 2012
- Reading APS is 28.9 (Nat 28.5)
- Writing APS is 29.9 (Nat 27.5) SIG + 2013
- Maths APS is 29.4 (Nat 28.4)
- Attainment is sig + in all categories except Maths L4+ (RAISE p 19) 2012
- APS for FSM pupils is above that of FSM pupils nationally in Maths, Reading Writing and SPAG
- APS for SEN pupils is above that of SEN pupils nationally in Reading, Writing and SPAG

PA KS1 APS	18.1	17.9	17.6	17.1 [Raise]
Outcomes Yr 6	2010	2011	2012	2013 (Invalidated data)
Eng/Ma L4+	90	86.9	88	83
Eng/Ma L5+	39	28.5	44	21
English L4+	96	90.8	96	Reading 89 SPAG 70.1
English L5+	61	41.5	55	Reading 45 SPAG 41
En aps	30.5	29.0	30.0	Reading 28.9 Writing 29.9
En 2 x levels	92	80.5	Reading 87 Writing 90	Reading 81/ Writing 98
En 3 x levels				Reading 14.3/ Writing 36
Maths L4+	92	94.6	90.3	88.2
Maths L5+	43.5	43.1	58.1	45
Ma aps	29.1	29.3	30.1	29.4
Ma 2 x levels	78	84.4	81	75.4
Ma 3 x levels				21

- Progress for SEN students from Year 4 to Year 6 is well above average in reading and writing (Narrowing the Gap report 2013)
- Progress for FSM students From Year 4 to Year 6 is above or well above Local Authority averages in reading, writing and maths (Narrowing the Gap report 2013)

Newminster Middle School: Outcomes at Year 8

Outcomes at the end of Year 8 are above the FFTD predictions based on KS2 data, apart from the L5+ writing, and are significantly higher than the Middle School Forum benchmarking data. Over the last three years, pupils' progress in reading, writing and maths is consistently well above national expectations (RAISE p 17, KEVI FFT analyses, national Middle School Forum data)

Newminster Middle School: Progress from Year 4 to Year 8

- Analysis of progress from the Year 4 first school data to the data on transfer to the High School shows that progress is much better than expected, good for English and outstanding for mathematics

Year 4 to Year 8	2007-11	2008-12	2009-13
Reading	12.99	14.36	14.4
Writing	12.63	14.44	14.7
Maths	15.53		

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Progress from Year 4 to Year 8 (continued)

12 points = expected 14 points = good progress 16 points = outstanding progress

Progress for SEN and Free School Meal students from Y4 to Y8 is above average in reading and writing and well above in mathematics

Newminster Admissions, Attendance and Behaviour.

Admissions	2010	2011	2012	2013
Number on roll	550	547	522	505

The school roll is reducing following two years of significant oversubscription that was not sustainable or desirable due to lack of space The Pupil Admit Number for each year group is 128, therefore the school is full at 512 There are currently a small number of places available across the school

Attendance: 2008-2009 to 2012-2013

At Newminster the attendance is above national averages Where it is persistent, it is improving as a result of active interventions

Academic Year	Total Attendance	Total Absence	20% Absence	15% Absence
2008-2009	95 15%	4 85%	2 37%	4 93%
2009-2010	94 15%	5 05%	1 62%	4 33%
2010-2011	94 8%	5 2%	1 83%	4 95%
2011-2012	95 8%	4 2%	0 95%	2 10%
2012-2013	95 15%	4 85%	1 56%	2 15%

Behaviour: Pupils' attitudes to learning and conduct in lessons and around the school are outstanding Newminster has high expectations of the way that students conduct themselves The students themselves know what is expected of them and, because they fully respect teachers and their assistants, they respond more positively Students enjoy very productive relationships with the adults who work with them and cooperate very well, whether they are in class or moving around the school Behaviour towards, and respect for, other young people and adults, including freedom from bullying and harassment that may include cyber-bullying and prejudice-based bullying is a real strength Incidents relating to bullying or racism are almost non-existent and students have confidence that if they should occur then members of staff would deal with them confidently

Principal activities for the year

The principal activity for the year has been the provision of primary and secondary education at the school sites

Grant making and social investment policy

Where resources allow, the learning trust seeks to ensure that all pupils have equal access to the education on offer at the schools regardless of parental income The directors recognise that equal opportunities should be an integral part of good practice within the workplace The learning 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 pupils are fully valued

The policy of the learning trust is to support recruitment and retention of students and employees with disabilities

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DIRECTORS' REPORT

Year ended 31 August 2013

Volunteers

The schools have active parent associations that contribute time and resources through fundraising for the schools

Public benefit

The directors confirm, that to the best of their knowledge and belief, they have complied with section 4 of the Charities Act 2006 in respect of having due regard to public benefit guidance published by the Charity Commission

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the schools

The academic results for the schools are set out on pages 4 to 11. These results show an improving performance, continuing to be above the national average, across the three schools. All three schools fall into an "outstanding" or "good" Ofsted category. Working with the local community continues to be a strength of the learning trust with many examples of the schools and their communities working together to the benefit of both.

Learning trust capital projects

Successful funding applications through the Education Funding Agency have enabled the following projects to be continued or started:

- Kitchen refurbishment, conference suite, boiler, roof and window replacement programme at Chantry Middle School
- Boiler, pipework and electrical switchgear, lighting replacement at Newminster Middle School
- Kitchen refurbishment and classroom extension at Newminster Middle School
- Boiler, gas supply pipework and water tank replacement at The King Edward VI School
- Refurbishment of the West Cottingwood building on The King Edward VI School site
- Roof replacement programme at The King Edward VI School

The learning trust is also funding an extension to the sixth form at the King Edward VI School from in year surpluses and reserves.

In addition to the major capital works described above, a programme of repairs and upgrading of the learning trust facilities has continued through the year. This has included classroom refurbishments, safety improvements and upgrade of ICT facilities.

PRINCIPAL REVIEW AND RESULTS FOR THE YEAR

Note 18 to the financial statements shows the movement on restricted and unrestricted funds. Total funds of the charity amount to £19,586,507 but only £889,432 of this is freely available because the balance is invested in fixed assets or has a restriction for other purposes. The directors have assessed the level of available free reserves and are confident that there are sufficient levels of reserves to meet current operating needs. Liabilities in relation to the Local Government Pension Scheme amounting to £3,130,000 are included in the Restricted General Fund.

Financial and risk management objectives and policies

The learning trust's management of financial risks and consideration of principal risks and uncertainties is documented on page 2.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT

Year ended 31 August 2013

Reserves policy

The directors have reviewed the requirement for free reserves, which are those unrestricted funds not invested in fixed assets, designated for specific purpose or otherwise committed. The directors consider that, since operational finance is available, free reserves should be 5% of annual income to ensure the continuing operation of the charity. The charity would not be able to continue operation in the current form in the event of a significant drop in grants.

As at the 31st August 2013 the learning trust's free reserves were £776,576 of unrestricted funds comprising of cash in the learning trust's current assets.

Going concern

The funding agreement provides for a period of seven years notice for any intention to withdraw from the current funding arrangements. The directors consider this is sufficient notice to be able to have reasonable surety of continuing income from central government to enable the accounts to be prepared on a going concern basis.

Investment policy and objectives

The directors aim to maximise the total investment return within the objective of maximising income. All free funds are invested in cash deposits at market rates.

Communication with employees

The learning trust ensures that employees are regularly consulted and informed of its activities by means of regular staff meetings, email and events, including consultation within the development planning process.

FUTURE PLANS

The future plans for the learning trust are contained in the corporate plans referred to above. The learning trust will continue to pursue opportunities to develop the schools as they arise. The learning trust will research local, national and international education developments and initiatives to inform the adoption of creative solutions to support the learning trusts' students, staff and activities. The schools will remain rooted in their local communities including the Morpeth and Rothbury Schools' Partnership, to reflect the areas they serve.

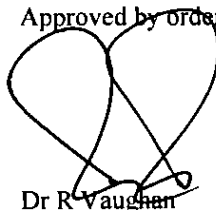
AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Board of Directors at its meeting on 17 December 2013 and signed on its behalf by



Dr R Vaughan
Chair of Directors

THE THREE RIVERS LEARNING TRUST LIMITED
GOVERNANCE STATEMENT
Year ended 31 August 2013

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Three Rivers Learning Trust Limited 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 has delegated the day-to-day responsibility to the Executive Head Teacher and Accounting Officer, Simon Taylor, 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 Three Rivers Learning Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Governance

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

Director	Meetings attended	Out of possible
A Batchelor	8	11
P Carvin	6	7
J Evans	8	11
J Greaves	6	7
A Lane	10	11
P Lawrence	11	11
R Richardson	10	11
M Robson	10	11
P Rolfe	7	11
A Saxton	7	11
S Taylor	11	11
R Vaughan	11	11
S Walker-Barras	10	11
D Weatherburn	2	4

The Finance and Facilities committee is a sub-committee of the main board. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of fulfilling its responsibility for sound management of the Learning Trust's finances, staffing, health and safety and resources, including proper planning, achieving value for money, monitoring and probity. Attendance at meetings in the year is as follows:

Director	Meetings attended	Out of possible
A Batchelor	6	8
J Evans	8	8
P Lawrence	7	8
M Robson	6	8
S Taylor	8	8
R Vaughan	8	8
S Walker-Barras (RO - none member of F&F)	8	8

THE THREE RIVERS LEARNING TRUST LIMITED
GOVERNANCE STATEMENT (CONTINUED)

Year ended 31 August 2013

The Audit Committee is a sub-committee of the main board. Its purposes is to review the annual financial statements and accounting policies of the learning trust, consider internal controls including a review of the Responsible Officer reports and consider the planning, scope and conclusions of the external auditor's programme. Attendance at meetings in the year is as follows

Director	Meetings attended	Out of possible
S Walker-Barras	3	3
A Lane	3	3
P Rolfe	1	2
J Greaves	1	1

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 learning trust's 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 Three Rivers Learning Trust Limited for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board has reviewed the key risks to which the learning trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the learning trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

The learning 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,
- regular reviews by the Finance and Facilities 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 has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the directors have appointed Sylvie Walker-Barras, a director, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the learning trust's financial systems. On an agreed basis, the RO reports to the Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities. The Responsible Officer reported no areas of concern in the year to 31 August 2013.

THE THREE RIVERS LEARNING TRUST LIMITED
GOVERNANCE STATEMENT (CONTINUED)
Year ended 31 August 2013

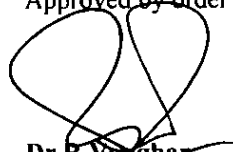
Review of effectiveness

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


- The work of the Responsible Officer
- The work of the Audit Committee
- The work of the external auditor
- The work of the executive managers within the learning trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Facilities Committee and a plan to ensure continuous improvement of the system is in place

Approved by order of the members of the Board on 17 December 2013 and signed on its behalf by



Dr R Vaughan
Chair



Simon Taylor
Accounting Officer

THE THREE RIVERS LEARNING TRUST LIMITED
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

Year ended 31 August 2013

As Accounting Officer of The Three Rivers Learning Trust Limited I have considered my responsibility to notify the learning trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the learning trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

I confirm that I and the learning trust Board of Directors are able to identify any material irregular or improper use of funds by the learning trust, or material non-compliance with the terms and conditions of funding under the learning trust's funding agreement and the Academies Financial Handbook

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date



Simon Taylor
Accounting Officer

17 December 2013

THE THREE RIVERS LEARNING TRUST LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year ended 31 August 2013

The Directors (who act as trustees for charitable activities of The Three Rivers Learning Trust Limited and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 17 December 2013 and signed on its behalf by


Dr R. Vaughan
Chair

REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF THE THREE RIVERS LEARNING TRUST LIMITED

We have audited the financial statements of the Three Rivers Learning Trust Limited for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 18, the directors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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 Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF
THE THREE RIVERS LEARNING TRUST LIMITED**

Matters on which we are required to report by exception

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

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

Baker Tilly UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

1 St James Gate

Newcastle upon Tyne

NE1 4AD

17 December 2013

THE THREE RIVERS LEARNING TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account and statement of total recognised gains and losses)

for the year ended 31 August 2013

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2013	Total 7 November 2011 to 31 August 2012
	Note	£	£	£	£	£
Incoming resources						
Income from generated funds						
- Voluntary income	4	11,421	2,751,853	25,061	2,788,335	99,487
- Voluntary income - transfer on conversion	28	-	-	-	-	19,447,750
- Activities for generating funds	5	1,093,082	-	-	1,093,082	643,668
Investment income	6	5,102	-	-	5,102	1,395
Income from charitable activities						
- Academy's educational operations	2	-	10,765,906	-	10,765,906	8,193,152
Total incoming resources		<u>1,109,605</u>	<u>13,517,759</u>	<u>25,061</u>	<u>14,652,425</u>	<u>28,385,452</u>
Resources expended						
Costs of Generating Funds						
- Costs of activities for generating funds	8	876,879	-	-	876,879	569,611
Charitable activities						
- Academy's educational operations	9	-	12,896,911	449,891	13,346,802	8,136,152
Governance costs	10	-	42,046	-	42,046	19,880
Total resources expended		<u>876,879</u>	<u>12,938,957</u>	<u>449,891</u>	<u>14,265,727</u>	<u>8,725,643</u>
Net incoming/(outgoing) resources before other recognised gains and losses and transfers		<u>232,726</u>	<u>578,802</u>	<u>(424,830)</u>	<u>386,698</u>	<u>19,659,809</u>
Gross transfers between funds	18	(62,377)	125,099	(62,722)	-	-
Net incoming / (outgoing) resources for the year		<u>170,349</u>	<u>703,901</u>	<u>(487,552)</u>	<u>386,698</u>	<u>19,659,809</u>
Other recognised gains & losses						
Actuarial loss on defined benefit pension scheme	17	-	-	-	-	(460,000)
Net movement in funds		<u>170,349</u>	<u>703,901</u>	<u>(487,552)</u>	<u>386,698</u>	<u>19,199,809</u>
Reconciliation of funds						
Total funds brought forward		719,083	(2,991,074)	21,471,800	19,199,809	-
Total funds carried forward at 31 August 2013		<u>889,432</u>	<u>(2,287,173)</u>	<u>20,984,248</u>	<u>19,586,507</u>	<u>19,199,809</u>

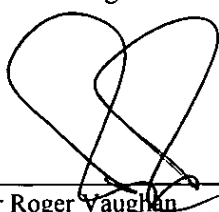
All of the Academy's activities are derived from continuing operations during the above two financial periods

THE THREE RIVERS LEARNING TRUST LIMITED (Company Number: 07838203)

**BALANCE SHEET
at 31 August 2013**

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	12	<u>20,886,298</u>	<u>21,218,623</u>
Current assets			
Stock	13	8,415	12,015
Debtors	14	973,517	140,400
Cash at bank and in hand		<u>1,911,453</u>	<u>2,563,183</u>
		<u>2,893,385</u>	<u>2,715,598</u>
Creditors			
Amounts falling due within one year	15	<u>(1,035,445)</u>	<u>(1,484,412)</u>
Net current assets		<u>1,857,940</u>	<u>1,231,186</u>
Total assets less current liabilities (excluding pension liability)		<u>22,744,238</u>	<u>22,449,809</u>
Creditors Amounts falling due after more than one year	16	<u>(27,731)</u>	<u>(70,000)</u>
Pension scheme liability	17	<u>(3,130,000)</u>	<u>(3,180,000)</u>
Net assets including pension liability		<u><u>19,586,507</u></u>	<u><u>19,199,809</u></u>
Funds of the Academy:			
Restricted fund			
Restricted Fixed Asset fund	18	20,984,248	21,471,800
Restricted General fund	18	842,827	188,926
Pension fund	17	<u>(3,130,000)</u>	<u>(3,180,000)</u>
Total restricted funds	18	<u>18,697,075</u>	<u>18,480,726</u>
General fund			
Unrestricted fund	19	<u>889,432</u>	<u>719,083</u>
Total funds	19	<u><u>19,586,507</u></u>	<u><u>19,199,809</u></u>

The financial statements on pages 21 to 46 were approved by the Directors and authorised for issue on 17 December 2013 and signed on their behalf by



 Dr Roger Vaughan
 Chair

THE THREE RIVERS LEARNING TRUST LIMITED
CASHFLOW STATEMENT
for the year ended 31 August 2013

	Note	2013 £	2012 £
Net cash (outflow)/inflow from operating activities	26a	<u>(564,327)</u>	<u>2,200,940</u>
Returns on investments and servicing of finance			
Interest received		<u>5,102</u>	<u>1,395</u>
Capital income/(expenditure)			
Capital grants from DfE		25,061	54,255
Capital grants received from Council on conversion		-	253,177
Other capital grants		-	40,000
Purchase of tangible fixed assets		<u>(117,566)</u>	<u>(197,360)</u>
		<u>(92,505)</u>	<u>150,072</u>
Cash balance transferred on conversion	26b	<u>-</u>	<u>210,776</u>
Net (decrease)/increase in cash		<u>(651,730)</u>	<u>2,563,183</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period		<u>(651,730)</u>	<u>2,563,183</u>
Net funds at 1 September 2012		<u>2,563,183</u>	<u>-</u>
Net funds at 31 August 2013		<u>1,911,453</u>	<u>2,563,183</u>

	At 1 September 2012 £	Cash Flows £	Other £	At 31 August 2013 £
Cash at bank and in hand	<u>2,563,183</u>	<u>(651,730)</u>	<u>-</u>	<u>1,911,453</u>

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an Academy

The conversion from the state maintained schools to an Academy, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and was accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school The Three Rivers Learning Trust Limited to an Academy were valued at their fair value being a reasonable estimate of the current market value that the directors would expect to pay in an open market for an equivalent item. Their fair value was in accordance with the accounting policies set out for The Three Rivers Learning Trust Limited. The amounts were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general funds. Further details of the transaction are set out in note 28.

Going Concern

After reviewing financial and other information available, the Directors consider that the Academy 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. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

Grants income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

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

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

1 ACCOUNTING POLICIES (continued)

Other income

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits

Resources expended

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

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

Charitable activities are costs incurred on the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency (EFA) and Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the EFA, Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Tangible fixed assets

Tangible fixed assets 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

On conversion the schools' tangible fixed assets were transferred at nil consideration to The Three Rivers Learning Trust Limited. The assets were included at the fair value being an estimate of the open market value. The tangible fixed assets were capitalised on the balance sheet with the related donation recognised as voluntary income (see note 28).

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

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

Land	N/A
Leasehold buildings	50 years straight line
Buildings improvements	10 years straight line
Athletics track	20 years straight line
Furniture and equipment	33% - 20% pa straight line
ICT computer equipment	33% - 20% pa straight line
Motor vehicles	33% - 20% pa straight line

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.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Pensions benefits

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

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

1 ACCOUNTING POLICIES (continued)

Pensions benefits (continued)

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

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

2 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Restricted fixed assets fund £	2013 Total £	2012 Total £
DfE/EFA REVENUE GRANTS					
General annual grant (GAG) (note 3)	-	10,337,356	-	10,337,356	7,967,347
	-	10,337,356	-	10,337,356	7,967,347
OTHER GOVERNMENT GRANTS					
Pupil premium	-	179,904	-	179,904	48,779
Other Government Funding		248,646		248,646	177,026
	-	428,550	-	428,550	225,805
	-	10,765,906	-	10,765,906	8,193,152

3 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2013.

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

4 VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Restricted fixed assets fund £	2013 Total £	2012 Total £
EFA capital grant	-	2,751,853	25,061	2,776,914	54,255
Donations	11,421	-	-	11,421	5,232
Other capital income	-	-	-	-	40,000
	<u>11,421</u>	<u>2,751,853</u>	<u>25,061</u>	<u>2,788,335</u>	<u>99,487</u>

5 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	2013 Total £	2012 Total £
Catering income	406,398	-	406,398	257,381
School fund income	390,910	-	390,910	235,240
Sale of goods and services	9,942	-	9,942	5,232
Consultancy income	154,267	-	154,267	67,490
Lettings income	13,596	-	13,596	10,444
Educational activities income	7,105	-	7,105	17,697
Music tuition income	36,749	-	36,749	23,937
Adult education	22,920	-	22,920	-
Examination fees and expenses	18,895	-	18,895	10,791
Other income	32,300	-	32,300	15,456
	<u>1,093,082</u>	<u>-</u>	<u>1,093,082</u>	<u>643,668</u>

6 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2013 Total £	2012 Total £
Bank interest	5,102	-	5,102	1,395
	<u>5,102</u>	<u>-</u>	<u>5,102</u>	<u>1,395</u>

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

7 RESOURCES EXPENDED

	Staff Costs £	Premises Costs £	Other £	Total 2013 £	Total 2012 £
Cost of activities for generating funds	245,044	-	631,835	876,879	569,611
Academy's Educational Operations					
Direct costs	7,512,386	449,891	1,009,769	8,972,046	6,558,769
Allocated support costs	984,323	3,039,720	350,713	4,374,756	1,577,383
Governance costs including allocated support costs	-	-	42,046	42,046	19,880
	<u>8,741,753</u>	<u>3,489,611</u>	<u>2,034,363</u>	<u>14,265,727</u>	<u>8,725,643</u>

Net incoming resources for the period is stated after deducting

Fees payable to Baker Tilly UK Audit LLP and its associates for

- audit

- other services

Operating lease costs - other

2013
£

2012
£

15,946

9,380

47,040

40,530

8 COST OF GENERATING FUNDS

	Unrestricted Funds £	Restricted General Funds £	2013 £	2012 £
Catering	464,835	-	464,835	257,381
School fund expenditure	412,044	-	412,044	312,230
	<u>876,879</u>	<u>-</u>	<u>876,879</u>	<u>569,611</u>

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

9 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2013	2012
	£	£	£	£	£
Direct costs					
Teaching and educational support staff costs	-	7,512,386	-	7,512,386	5,517,326
Depreciation	-	-	449,891	449,891	304,911
Educational supplies	-	677,040	-	677,040	565,882
Examination fees	-	245,915	-	245,915	148,178
Staff development	-	86,814	-	86,814	22,472
Total direct costs	-	8,522,155	449,891	8,972,046	6,558,769
Allocated support costs					
Personnel Costs					
Support staff costs (including pension credit of £170,000 (2012 £150,000))	-	984,323	-	984,323	793,109
Recruitment and support	-	39,984	-	39,984	31,242
	-	1,024,307	-	1,024,307	824,351
Establishment Expenses					
Maintenance of premises & equipment	-	2,639,463	-	2,639,463	294,042
Rent & rates	-	75,819	-	75,819	24,540
Light & heat	-	233,625	-	233,625	151,050
Insurance	-	90,813	-	90,813	71,951
	-	3,039,720	-	3,039,720	541,583
General Expenses					
Cleaning	-	21,663	-	21,663	19,712
Bank charges	-	5,438	-	5,438	3,188
FRS 17 finance costs	-	120,000	-	120,000	100,000
Other support costs	-	163,628	-	163,628	88,549
	-	310,729	-	310,729	211,449
Total allocated support costs	-	4,374,756	-	4,374,756	1,577,383
Total costs	-	12,896,911	449,891	13,346,802	8,136,152

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

10 GOVERNANCE COSTS

	2013 £	2012 £
Audit fees	26,100	10,500
Accountancy fees	15,946	9,380
	<u>42,046</u>	<u>19,880</u>

11 STAFF COSTS

	2013 £	2012 £
Staff costs during the period were		
Wages and salaries	7,093,809	5,254,012
Social security costs	521,141	386,555
Pension costs	1,022,015	719,865
	<u>8,636,965</u>	<u>6,360,432</u>
Supply teacher costs	13,391	28,634
Redundancy costs	91,397	-
	<u>8,741,753</u>	<u>6,389,066</u>

Redundancy costs of £91,397 include £56,284 paid to a director of the learning trust

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2013 was as follows

	2013 No	2012 No.
Teachers	164	165
Administration and support	216	210
Management	7	7
	<u>387</u>	<u>382</u>

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2013 expressed as full time equivalents was as follows

	2013 No.	2012 No.
Teachers	132	133
Administration and support	103	103
Management	7	7
	<u>242</u>	<u>243</u>

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

11 STAFF COSTS (continued)

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

	2013 No.	2012 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	2	2
	<u>2</u>	<u>2</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £46,728 (2012 £34,285)

DIRECTORS' REMUNERATION AND EXPENSES

The Accounting Officer (who is also the Executive Head Teacher) and staff directors only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff and not in respect of their services as Directors. Other Directors did not receive any payments from the Academy in respect of their role as Directors.

The value of the Accounting Officer's remuneration was £97,614 (2012 95,212). The Accounting Officer is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £13,763 (2012 £13,825).

The value of the staff directors' remuneration was £178,852 (2012 £134,852 (for 9 months to August 2012)). The staff directors are accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £25,112 (2012 £18,375 (for 9 months to August 2012)).

During the year ended 31 August 2013, travel and subsistence expenses totalling £nil (2012 £nil) were reimbursed to the Directors.

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

DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £4,850 (2012 £3,338).

The cost of this insurance is included in the total insurance cost.

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

12 TANGIBLE FIXED ASSETS

	Land £	Leasehold buildings £	Athletics Track £	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost							
At 1 September 2012	5,740,000	14,564,941	920,000	27,250	92,434	178,909	21,523,534
Additions	-	100,028	-	-	-	17,538	117,566
At 31 August 2013	<u>5,740,000</u>	<u>14,664,969</u>	<u>920,000</u>	<u>27,250</u>	<u>92,434</u>	<u>196,447</u>	<u>21,641,100</u>
Depreciation							
At 1 September 2012	-	221,923	34,500	5,387	22,709	20,392	304,911
Charge in year	-	329,342	46,000	7,184	30,278	37,087	449,891
At 31 August 2013	<u>-</u>	<u>551,265</u>	<u>80,500</u>	<u>12,571</u>	<u>52,987</u>	<u>57,479</u>	<u>754,802</u>
Net book value							
At 31 August 2013	<u>5,740,000</u>	<u>14,113,704</u>	<u>839,500</u>	<u>14,679</u>	<u>39,447</u>	<u>138,968</u>	<u>20,886,298</u>
At 31 August 2012	<u>5,740,000</u>	<u>14,343,018</u>	<u>885,500</u>	<u>21,863</u>	<u>69,725</u>	<u>158,517</u>	<u>21,218,623</u>

Included within the net book value of £20,886,298 is £17,538 (2012 - £nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2012 - £nil).

13 STOCK

	At 31 August 2013 £	At 31 August 2012 £
Catering & uniform	8,415	12,015
	<u>8,415</u>	<u>12,015</u>

14 DEBTORS

	At 31 August 2013 £	At 31 August 2012 £
Trade debtors	15,373	18,284
Prepayments	859,697	60,404
VAT debtor	98,447	61,712
	<u>973,517</u>	<u>140,400</u>

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 August 2013	At 31 August 2012
	£	£
Trade creditors	626,599	728,038
Accruals and deferred income	385,500	466,838
Other taxation and social security	-	160,956
Obligations under hire purchase agreements	5,846	-
Other creditors	17,500	128,580
	<u>1,035,445</u>	<u>1,484,412</u>

	At 31 August 2013	At 31 August 2012
	£	£
Accruals and deferred income comprises:		
Deferred income at 1 September 2012	291 614	-
Resources deferred in the year	23,798	291,614
Amounts released from previous year	(291,614)	-
	<u>23,798</u>	<u>291,614</u>
Deferred income at 31 August 2013	23,798	291,614
Accruals	<u>361,702</u>	<u>175,224</u>
Total accruals and deferred income	<u>385,500</u>	<u>466,838</u>

Deferred income of £23,798 relates to insurance rebate income received in advance of entitlement

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

16 CREDITORS: AMOUNTS FALLING DUE WITHIN MORE THAN ONE YEAR

	At 31 August 2013	At 31 August 2012
	£	£
Other creditors	17,500	70,000
Obligations under hire purchase agreements	10,231	-
	<u>27,731</u>	<u>70,000</u>

Chantry Middle School agreed financial support of £70,000 with Northumberland County Council in August 2011 to fund essential roof repairs. The commercial transfer agreement to allocate assets and liabilities from the maintained schools to the learning trust included this arrangement which was approved by the Department for Education.

17 PENSIONS AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northumberland County Council. Both are defined-benefit schemes.

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

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

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.

Contributions amounting to £25,925 (2012: £85,815) were payable to the scheme at 31 August 2013 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

17 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

The pension costs paid to TPS in the year amounted to £722,261 (2012: £530,327).

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

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

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

17 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August was £570,000 (2012 £410,000), of which employer's contributions totalled £490,000 and employees' contribution totalled £80,000. The rates imposed by the LGPS for future periods are 26% but a tri-annual review is due to be completed for April 2014.

Principal actuarial assumptions

	2013	2012
	%	%
Rate of increase in salaries	4.7%	4.7%
Rate of increase for pensions in payment	2.8%	2.2%
Discount rate	4.5%	4.2%
Inflation (CPI)	2.8%	2.2%

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

	2013	2012
Retiring today		
Males	22.5	22.4
Females	24.7	24.5
Retiring in 20 years		
Males	24.3	24.2
Females	26.6	26.5

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

17 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2013	Fair value at 31 August 2013	Expected return at 31 August 2012	Fair value at 31 August 2012
Equities	7.9%	1,044,240	7.5%	560,880
Property	7.4%	65,360	7.0%	41,000
Government bonds	3.4%	226,480	2.5%	113,160
Corporate bonds	4.1%	148,960	3.2%	92,660
Cash	0.9%	18,240	1.3%	6,560
Other	7.9%	16,720	7.5%	5,740
TOTAL MARKET VALUE OF ASSETS		1,520,000		820,000
Present value of scheme liabilities				
- Funded		(4,650,000)		(4,000,000)
DEFICIT IN THE SCHEME		(3,130,000)		(3,180,000)

The actual return on scheme assets was a gain of £140,000 (2012 £30,000)

The Three Rivers Learning Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2013.

Amounts recognised in the statement of financial activities	2013 £	2012 £
Current service cost (net of employer contributions)	(180,000)	(150,000)
Past service costs	10,000	-
Total operating charge	(170,000)	(150,000)
Analysis of pension finance cost/(income)		
Expected return on pension scheme assets	(60,000)	(20,000)
Interest on pension liabilities	180,000	120,000
Pension finance costs	120,000	100,000

THE THREE RIVERS LEARNING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

17 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the SOFA

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £460,000

Movements in the present value of defined benefit obligations were as follows	2013 £	2012 £
Opening fair value	4,000,000	-
Transfer on conversion (note 28)	-	3,150,000
Current service cost	310,000	200,000
Interest cost	180,000	120,000
Employee contributions	80,000	60,000
Net benefits paid out	(10,000)	-
Actuarial loss	80,000	470,000
Past service cost	10,000	-
	<hr/>	<hr/>
At 31 August	4,650,000	4 000,000
	<hr/>	<hr/>
Movements in the fair value of Academy's share of scheme assets		
Opening fair value	820,000	-
Transfer on conversion (note 28)	-	380,000
Expected return on assets	60,000	20,000
Actuarial gain	80,000	10,000
Employer contributions	490,000	350,000
Employee contributions	80,000	60,000
Net benefits paid out	(10,000)	-
	<hr/>	<hr/>
At 31 August	1,520,000	820,000
	<hr/>	<hr/>

Employer contributions for the year ended 31 August 2014 as imposed by the LGPS are expected to be

- 26% of pensionable pay
- additional contributions to fund the scheme deficit of £134,000 (2012 £134,000)

A tri-annual review is due to be completed for April 2014

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

17 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The history of experience adjustments is as follows

	2013	2012
	£	£
Present value of defined benefit obligations	(4,650,000)	(4,000,000)
Fair value of share of scheme assets	1,520,000	820,000
	<hr/>	<hr/>
Deficit in the scheme	(3,130,000)	(3,180,000)
	<hr/>	<hr/>
Experience adjustments on share of scheme assets		
Amount	5.3% £80,000	1.2% £10,000
Experience adjustments on scheme liabilities		
Amount	0.0% £nil	0.0% £nil

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

18 FUNDS

	Balance at 1 September 2012 £	Incoming resources £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2013 £
Restricted General Fund					
General Annual Grant (GAG)	188,926	10 337,356	(10,362,691)	-	163,591
Pension reserve	(3,180,000)	-	50,000	-	(3,130,000)
	<u>(2,991,074)</u>	<u>10,337,356</u>	<u>(10,312,691)</u>	<u>-</u>	<u>(2,966,409)</u>
Pupil Premium funding	-	179,904	(179,904)	-	-
Other income	-	248,646	(249,745)	1,099	-
Capital maintenance income					
King Edward VI	-	1,223,258	(1,058,969)	-	164,289
Newminster	-	1,001,695	(519,212)	-	482,483
Chantry	-	526,900	(494,436)	-	32,464
Projects funded by capital grants b/fwd	-	-	(124,000)	124,000	-
	<u>(2,991,074)</u>	<u>13,517,759</u>	<u>(12,938,957)</u>	<u>125,099</u>	<u>(2,287,173)</u>
Restricted Fixed Asset Fund					
Tangible fixed asset transfer from Council					
King Edward VI	13,658,972	-	(314,446)	-	13,344,526
Newminster	2,792,597	-	(45,669)	-	2,746,928
Chantry	4,576,736	-	(73,980)	-	4,502,756
Capital grants received from Council on conversion	253,177	-	(2,469)	(124,000)	126,708
DfE capital grants	52,150	25,061	(3,068)	-	74,143
Capital expenditure from GAG	99,720	-	(4,933)	-	94,787
Other capital income	38,448	-	(2,262)	-	36,186
Capital expenditure from unrestricted funds	-	-	(3,064)	61,278	58,214
	<u>21,471,800</u>	<u>25,061</u>	<u>(449,891)</u>	<u>(62,722)</u>	<u>20,984,248</u>
Restricted Fixed Asset Funds	<u>21,471,800</u>	<u>25,061</u>	<u>(449,891)</u>	<u>(62,722)</u>	<u>20,984,248</u>
Total Restricted funds	<u>18,480,726</u>	<u>13,542,820</u>	<u>(13,388,848)</u>	<u>-</u>	<u>18,697,075</u>
Total Unrestricted funds	<u>719,083</u>	<u>1,109,605</u>	<u>(876,879)</u>	<u>(62,377)</u>	<u>889,432</u>
Total Funds	<u>19,199,809</u>	<u>14,652,425</u>	<u>(14,265,727)</u>	<u>-</u>	<u>19,586,507</u>

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

18 FUNDS (continued)

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

General Annual Grant

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2013

Pension deficit

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds

Tangible fixed asset transfer

See note 28. This balance is the leasehold main school premises being depreciated over the life of the lease and the estimated value of other fixed assets on conversion being depreciated over their remaining life

Capital grants on conversion

See note 28. Capital funding was transferred on conversion from the previous school budget share

DfE Capital

Devolved capital funding has been received from the DfE for utilisation on building improvements and refurbishments

Capital expenditure from GAG

This gross transfer from the restricted general fund to the restricted fixed asset fund during the prior period represents the total capital expenditure from the GAG during that period. Depreciation is being charged to the fund over the life of the related assets

18a ANALYSIS OF ACADEMIES BY FUND BALANCE

	Total 2013 £
King Edward VI	1,015,040
Newminster	685,040
Chantry	32,179
Total before fixed assets and pension reserve	1,732,259
Restricted fixed asset fund	20,984,248
Pension reserve	(3,130,000)
Total	19,586,507

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

18b ANALYSIS OF ACADEMIES BY COST

	Teaching and Educational Support Staff Costs	Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation and LGPS liability movement)	Total 2013
	£	£	£	£	£
King Edward VI	4,743,331	719,318	423,972	2,543,547	8,430,168
Newminster	1,447,802	244,094	127,256	981,836	2,800,988
Chantry	1,321,253	265,954	125,812	921,661	2,634,680
Total	7,512,386	1,229,366	677,040	4,447,044	13,865,836

Support staff costs include £245,043 of catering staff costs included within Cost of Generating Funds

18c CENTRAL SERVICES

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

- Human resources
- Financial Services
- Legal and accountancy services

The Trust charges for these services via a combination of the following basis

- Pro-rating costs by pupil per school
- Full cost allocation where services can be attributed directly by school

The actual amounts charged during the year were as follows

	Total 2013 £
King Edward VI	449,996
Newminster	123,396
Chantry	118,975
Total	692,367

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2013 £	Total 2012 £
Tangible fixed assets	-	-	20,886,298	20,886,298	21,218,623
Current assets	889,432	1,906,003	97,950	2,893,385	2,715,598
Current liabilities	-	(1,035,445)	-	(1,035,445)	(1,484,412)
Non current liabilities	-	(27,731)	-	(27,731)	(70,000)
Pension liability	-	(3,130,000)	-	(3,130,000)	(3,180,000)
Total net assets	889,432	(2,287,173)	20,984,248	19,586,507	19,199,809

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

20 CAPITAL COMMITMENTS

	Total 2013 £	Total 2012 £
Contracted for but not provided for in the financial statements	1,208,686	694,709
	<u>1,208,686</u>	<u>694 709</u>

21 OPERATING LEASES

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

	2013 £	2012 £
Other		
Expiring within one year	38,247	-
Expiring within two and five years inclusive	23,685	40,530
	<u>61,932</u>	<u>40,530</u>

22 ULTIMATE CONTROLLING PARTY

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members

23 RELATED PARTY TRANSCATIONS

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

24 CONTINGENT LIABILITIES

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

25 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 member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for debts and liabilities contracted before he/she ceases to be a member.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

26a RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Net surplus	386,698	19,659,809
Cash impact of transfer on conversion	-	(210,776)
Depreciation	449,891	304,911
Interest receivable	(5,102)	(1,395)
FRS 17 – Transfer of opening liability	-	2,770,000
FRS 17 – Staff costs	(170,000)	(150,000)
FRS 17 – Finance costs	120,000	100,000
Movement in stock	3,600	(12,015)
Movement in debtors	(833,117)	(140,400)
Movement in creditors	(491,236)	1,554,412
Transfer of fixed assets from Council	-	(21,326,174)
Capital grants received from Council on conversion	-	(253,177)
Other capital maintenance income	-	(40,000)
Capital grants from DfE	(25,061)	(54,255)
	<u>(564,327)</u>	<u>2,200,940</u>

26b CASH TRANSFERRED ON CONVERSION TO AN ACADEMY

Cash balance transferred on conversion	<u>-</u>	<u>210,776</u>
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27 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £10,420 (2012 £25,447) and disbursed £9,899 (2012 £24,175). The Academy Trust retained a beneficial interest in individual transactions such that £521 (2012 £1,272) has been recognised in income and expenditure in the statement of financial activities.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

28 CONVERSION TO ACADEMY TRUST

On 1 December 2011 The Three Rivers Learning Trust Limited converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Three Rivers Learning Trust Limited from the Council for £nil consideration

The transfer was accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The tangible fixed assets were transferred at market value, as determined by an independent valuation company, Storeys SSP.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Voluntary income analysis

	TOTAL	Unrestricted	Restricted	Restricted
	£	Funds	General	Fixed Asset
		£	Fund	Funds
			£	£
Tangible fixed assets	21,326,174	-	-	21,326,174
School funds	210,776	210,776	-	-
School budget surplus from Northumberland County Council				
- Revenue	427,623	427,623	-	-
- Capital	253,177	-	-	253,177
LGPS pension deficit from Northumberland County Council	(2,770,000)	-	(2,770,000)	-
Net assets	<u>19,447,750</u>	<u>638,399</u>	<u>(2,770,000)</u>	<u>21,579,351</u>

The above net assets include £210,776 that was transferred as cash.