

Company Registration No. 07838203 (England and Wales)

THE THREE RIVERS LEARNING TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

THURSDAY



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COMPANIES HOUSE

THE THREE RIVERS LEARNING TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Directors (Trustees)

Dr R Vaughan (Member)
J Evans (Vice Chairman, Member)
S Walker-Barras (Member)
S Taylor (Chief Executive)
P Carvin (Chairman, Member)
M Robson (Resigned 27 November 2015)
A Lane
A Saxton (Resigned 28 October 2015)
M Tait
Rev. S White
R Brown
G Davis
Dr. S Picton
K Barwick
H Rimmer
A Lister (Appointed 3 December 2015)
P Allan (Appointed 20 October 2015)
M Dennis (Appointed 18 November 2015)
J Sampson (Appointed 4 February 2016)
R Richardson

Member only

Senior management team

- Executive Head Teacher, The Three Rivers Learning Trust Limited	S Taylor
- Business Director, The Three Rivers Learning Trust Limited	M Tait
- Head of School, The King Edward VI School	M Simpson
- Deputy Head Teacher, The King Edward VI School	C Savage
- Deputy Head Teacher, The King Edward VI School	C Tedder
- Head of School, Newminster Middle School	E Kinninment
- Head of School, Chantry Middle School	S Johnson

Company secretary

P Reeves

Company registration number

07838203 (England and Wales)

Registered office

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

Academies operated

King Edward VI
Newminster
Chantry

Location

Morpeth
Morpeth
Morpeth

Principal

M Simpson
E Kinninment
S Johnson

THE THREE RIVERS LEARNING TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Lloyds 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT

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 2016 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 FRS 102) and the Academies: Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

The multi academy trust operates academies for over 2,500 pupils aged 9-19 serving a catchment area defined by the Rivers Coquet, Font and Wansbeck.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a charitable company limited by guarantee (registered number 07838203) and an exempt charity. The 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.

The 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 Secretary of State for Education can direct the directors of the Trust in certain limited circumstances where the quality of education is deemed unsatisfactory.

Members' liability

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.

Method of recruitment and appointment or election 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.

Policies and procedures adopted for the induction 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 Trust and attend a briefing on the role and responsibilities of directors. During the year directors are offered training. The Trust has secured directors' and officers' insurance as set out in the notes to the accounts.

Organisational structure

The governance of the 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 but one of the company members are directors. In addition directors are members of committees who report to the full board. There are three permanent sub-committees of the board, education, finance and facilities and audit, and other committees are organised as required such as appeals or hearing bodies.

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 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 and the executive head teacher attends the education committee.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is set in line with the Trust's pay policy which is reviewed annually and reflects the national teachers pay and conditions guidance for teaching staff and leaders and the local authority guidance for other staff. Benchmarks such as the size of the school and complexity of the role are built into the processes detailed in the pay policy.

Performance management is used to determine pay progression for all posts across the Trust. A School Improvement Partner (SIP) advises the director's pay and performance committee in respect of the executive headteacher. This committee also receives recommendations from the executive headteacher for pay progression for all senior staff and teachers across the schools of the Trust. The pay policy is reviewed annually by the board of directors.

Related parties and co-operation with other organisations

The Trust has a policy in place for staff and directors to disclose and handle related party transactions in line with company and charity law and EFA guidance. There is one related party transaction to report.

R Brown is a director of the Trust and of Jump Up Limited, a branding and design company. Jump Up Limited have provided support with branding for the Trust. This support was supplied at cost, R Brown signed a declaration to this effect and supporting evidence was obtained from other companies to confirm the costs were significantly lower than normal market value.

The Trust is a standalone organisation with no connected organisations.

OBJECTIVES AND ACTIVITIES

Charitable objects

The Trust's 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 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 Trust offers education to students aged from nine to nineteen between years five and thirteen.

Aims and intended impact

The 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 nine to nineteen 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 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 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 Trust.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

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; and
- understand, appreciate and respect each other and the diverse world in which we live.

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; and
- 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 Trust produced a three year strategic plan and each school has a development plan. These plans form the basis for the review of achievement of the Trust's objectives.

The Three Rivers Learning Trust: 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 Trust seeks to ensure that all students 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 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 Trust is to support recruitment and retention of students and employees with disabilities.

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.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

The academic results for the schools are set out on pages 7 to 13. These results show very strong academic performance and attainment data for all cohorts which continue to be above the national average, across the three schools. Furthermore attendance data is above the national average for all three schools and fixed term exclusion numbers are very low. There have been no permanent exclusions at any of the schools for many years. The schools are currently graded by OfSTED as 'outstanding' (King Edward's), 'good' (Newminster) and 'requires improvement' (Chantry). The academic performance at Chantry in 2016 is improving and well above national average. Working with the local community continues to be strength of the Trust with many examples of the schools and their communities working together to the benefit of both.

Trust capital projects

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

- sports training shed refurbishment and tower block concrete repairs at Chantry Middle School; and
- new kitchen and windows at the King Edward VI School.

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

Financial review

Note 18 to the financial statements show the movement on restricted and unrestricted funds. Total funds of the charity amount to £16,189,520 but only £1,104,237 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 £5,240,000 are included in the restricted general fund.

Financial and risk management objectives and policies

The Trust's management of financial risks and consideration of principal risks and uncertainties is documented on pages 14 and 15.

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 school budget share income i.e. £534,000. This is retained within the Trust for unforeseen expenditure. Surplus balances are to assist the development and expansion of the Trust. 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 31 August 2016 the Trust's free reserves were £1,104,237 of unrestricted funds comprising of cash in the Trust's current assets.

Investment policy

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 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.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

Key performance indicators

The headteacher's 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:

The King Edward VI School was graded as '*outstanding*' by OfSTED in 2014. Academic results for The King Edward VI High School remained strong in 2016 at both Key Stage 4 and Key Stage 5.

Key Stage 4 Results 2016: Headlines

The 2016 GCSE results were amongst the highest attainment levels in the history of the school, with 80 % of students achieving an A* - C grade in the new basics measure of english and maths. A further 73% of the cohort achieving 5A* - C grades including english and maths. These outcomes are amongst the highest attainment rates across state schools in the North East region. Progress measures for the 2016 cohort are positive and above national averages.

2016 Summary Data

The table over page shows the new accountability measures:

- % 5 A*-C in english / maths;
- % A* - C in english literature / language;
- % A* - C in maths;
- % A* - C in english literature & language / maths;
- % achieving the EBACC;
- attainment 8 and progress 8 measures; and
- attainment 8 and progress 8 for english and for maths.

It also includes the data by gender and information about disadvantaged students (pupil premium).

	No.	5A*-C	5A*-C inc E&M	A*-C En/ El	A*-C Ma	A*-C En/ El & Ma	Ebacc	Att 8	P8	Eng Att 8	Eng P8	Ma Att 8	Ma P8
All	330	80.0%	73.3%	90.9%	83.6%	80.0%	27.9%	53.9	0.03	11.27	0.01	10.80	0.08
Girls	166	81.3%	72.9%	92.8%	79.5%	78.3%	30.7%	54.3	0.09	11.61	0.21	10.55	0.00
Boys	164	78.7%	73.8%	89.0%	87.8%	81.7%	25.0%	53.6	-0.04	10.95	-0.16	11.07	0.18
PP	41	61.0%	51.2%	75.6%	63.4%	63.4%	12.2%	42.6	-0.51	9.61	-0.36	8.44	-0.43
Non PP	289	82.7%	76.5%	93.1%	86.5%	82.4%	30.1%	55.6	0.10	11.52	0.07	11.15	0.16
Gap		21.7%	25.3%	17.5%	23.1%	18.9%	17.9%	13.0	0.61	1.91	0.43	2.71	0.59

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

Key Stage 4 Data Comparison Provisional

	2015	2016
KS2 APS on Entry	28.5	28.6
5A*-C	82%	80%
5A*-C incE&M	72%	73%
A*-C En	78%	87%
A*-C Ma	87%	84%
A*-C E&M	75%	77%
A*-C En/EI	-	91%
A*-C En/EI & Ma	-	80%
E3LP	74%	84%
M3LP	85%	78%
Ebacc Achieved	33%	28%
Att 8	54.63	53.95
Prog 8	0.26	0.03
Eng Att 8	11.04	11.28
Eng Prog 8	-0.02	0.02
Ma Att 8	11.26	10.81
Ma Prog 8	0.39	0.09

Post 16 results summary 2016: Headlines

- Attainment in terms of Average Points Score (APS) per student is higher (838.9) than in 2015 (801.8).
- Attainment for Average Points Score per entry is 32.4 C+ in line with 2015 32.3 C+.
- % of A*, A and B grades (53.4%) is slightly higher than in 2015 (48.1%).
- Overall VA scores at A level remain significantly positive.

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:

	2013	2014	2015	2016 Provi.
Overall A* - E	98.9	98.2	98.2	99.1
A* - A	25.0	25.5	23.7	27.4
A* - B grades	50.2	51.8	48.1	53.4
U grades	1.1	1.8	1.8	0.9
Learner Achievement Tracker VA (A level)	0.38	0.45	0.14	TBC
APS per student (Inc. General Studies) (AS+A2)	848.5	843.3	801.7	838.9
Level 3 APS per entry	216	213.0	216.8 New Pts: 32.3/C+	210.9 New Pts: 32.4/C+
Level 3 APS per entry (National)	212.7	211.2	211.9	TBC
Retention (Y12 to Y13)	87	88	86	88
2 A levels AAB in facilitating subjects	-	16	14	13.1

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

Year 13 Destinations for 2016

University	182
Employment	5
UCAS 2017	3
Apprenticeship	3
Foundation Art Diploma	3
Armed Forces	1
University Netherlands	1
Ill Health	1
Unknown at this stage	8

University details for 2016

Russell Group	43%
Medics (4)	100%
Dentist (1)	100%
Oxbridge (6)	100%

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

Admission: The school is again oversubscribed in Year 11 with a small number of places available in Years 9 and 10. The published admit number for these year groups is 320. The numbers in the sixth form remain large, with strong retention in Year 13.

	Boys	Girls	Total
Year 9	150	164	314
Year 10	166	151	317
Year 11	142	183	325
Year 12	107	128	235
Year 13	112	129	241
Total	677	755	1,432

Attendance. In 2015/16 the absence rate was 4.28%, which is above the national average 5.2%. The persistent absence rate, (classed as absence of 10% or more) in 2015/16 was 9.4% which is better than the national average of 13.6%. 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. There have been no permanent exclusions in recent years and fixed term exclusions are supported by an internal base to deal with challenging behaviour and ensure that learning is not disrupted by exclusion.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

Exclusions	2012/2013	2013 / 14	2014 / 15	2015 / 16
Total	32	65	50	56
Total days	48.5	129	79.5	96.5
Total number of students	20	35	37	34

Internal Exclusions	2012/2013	2013 / 14	2014/15	2015 / 16
Total	146	150	165	162
Total days	141, 10x1/2 day	153	169.5	166.5
Total number of students	59	52	50	67

2. Chantry Middle School: Headline Results 2016

Chantry Middle School was graded as 'requires improvement' by OfSTED in 2015. Attainment at Chantry is strong in 2016 and is now good across all areas when measures against national averages.

Headline Results 2016

Attainment at the end of Key Stage 2 has been consistently above national averages, although this dipped in 2015, due to the very weak prior attainment of the cohort. This has improved significantly in 2016 and is well above the national average for attainment in all areas.

The table below shows outcomes at the end of Key Stage 2 and summarises performance for 2015/16.

		National	Chantry
PA KS1 APS			16.65
RWM	Expected+	53%	68%
	High	5%	6%
Reading	Expected+	66%	77%
	High	19%	27%
	AvSS	103.0	105.3
	Progress	0	0.3
Maths	Expected+	70%	85%
	High	17%	15%
	AvSS	103	105.0
	Progress	0	0.6
Writing	Expected+	74%	82%
	Greater Depth	15%	13%
	Prog	0	-1.1
SPAG	Expected+	72%	82%
	High	23%	34%
	AvSS	104	106.7

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. Note the data in 2016 cannot be compared to previous years, due to the new national assessment framework.

Outcomes are above FFTD predictions based on Key Stage 2 data.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

	2014			2015			2016	
	5+	6+	7+	5+	6+	7+	Expected+	Greater Depth
Reading	95	63	23	96	79	18	71	31
Writing	96	56	10	93	64	12	71	28
Maths	90	63	38	91	74	37	84	42

Chantry: Admissions, attendance and behaviour.

The Pupil Admit Number (PAN) for each year group is 128, therefore the school is full at 512. The school is now oversubscribed in each year group and we anticipate that this will continue in the coming years.

Admissions:

	2013	2014	2015	2016
Number on roll 2013	485	503	510	527
16				

2016: Current number on role by year group

	Boys	Girls	Total
Year 5	61	72	133
Year 6	70	63	133
Year 7	67	64	131
Year 8	73	57	130
Totals	271	256	527

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

	Attendance	Total absence	15% absence	10% absence
2011/12	95.1%	4.9%	3.4%	
2012/13	95.0%	5%	5.4%	
2013/14	96.1%	3.9%	3.8%	
2014/15	96.1%	3.9%	2.6%	7.4%
2015/16	96.2%	3.8%	1.92%	7.68%

Behaviour: Students' 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.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

3. Newminster Middle School: Headline Results 2016

Newminster was inspected by OfSTED in 2014 and achieved a 'good' outcome overall. The school has consistently achieved results that are above national averages for attainment at Key Stage 2.

Newminster - Outcomes at Key Stage 2, 2015 / 16.

		National	Newminster
PA KS1 APS			18.02
RWM	Expected+	53%	72%
	High	5%	8%
Reading	Expected+	66%	80%
	High	19%	27%
	AvSS	103.0	105.4
	Progress	0	-1.6
Maths	Expected+	70%	80%
	High	17%	19%
	AvSS	103	104.6
	Progress	0	-2.1
Writing	Expected+	74%	84%
	Greater Depth	15%	14%
	Prog	0	-1.9
SPAG	Expected+	72%	82%
	High	23%	25%
	AvSS	104	105

Newminster Middle School: Outcomes at Year 8

	2014			2015			2016	
	5+	6+	7+	5+	6+	7+	Expected+	Greater Depth
Reading	98	83	29	100	83	17	72	30
Writing	98	77	31	100	65	18	66	22
Maths	94	81	44	95	86	39	74	26

Newminster: Admissions, Attendance and Behaviour.

Admissions	2013	2014	2015	2016
Number on roll	505	512	518	531

The school roll is heavily oversubscribed in 2016. The Pupil Admit Number (PAN) for each year group is 128, therefore the school is full at 512, but currently accommodates 531 students.

2015: Current Number on role by Year Group

	Boys	Girls	Total
Year 5	63	73	136
Year 6	69	59	128
Year 7	73	62	135
Year 8	81	51	132
Totals	286	245	531

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

Attendance: 2011-2015

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	15% Absence	10%
2011/12	95.8%	4.2%	2.8%	
2012/13	94.9%	5.1%	4.3%	
2013/14	95.8%	4.2%	4.5%	
2014 /15	96.1%	3.9%	1.36%	5.48%
2015/16	96.6%	3.4%	1.34%	3.83%

Behaviour: Students' 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.

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.

Plans for future periods

The future plans for the Trust are contained in the strategic plans referred to above. The Trust will continue to pursue opportunities to develop the schools as they arise. The Trust will research local, national and international education developments and initiatives to inform the adoption of creative solutions to support the Trust's 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.

The directors of the Trust are agreed to expand the trust, in the light of the government's white paper "Educational Excellence Everywhere". We have led discussions with local schools about the possible expansion, and a number of first schools are interested in moving this forward. It is likely that a fourth school will join within the next academic year. We have also expressed an interest in opening a free school within the Trust to support basic need and school improvement, and we have submitted an expression of interest in becoming a sponsor. The Trust has reviewed governance and leadership structures to support possible expansion.

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

Risk Management

The directors have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the 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; and
- vetting procedures as required by law for the protection of the vulnerable.

The directors assess the principal risks that would seriously impact the 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.

Risks that are closely reviewed are -

1	<u>School underperformance</u>
2	<u>Educational Change</u>
3	<u>Student Attendance</u>
4	<u>Trustees/directors without required expertise</u>
5	<u>Low staff morale, poor staff recruitment and poor staff retention</u>
6	<u>Inadequate response to Chantry Ofsted</u>
7	<u>Financial Risk of the impact an uncontrollable event will have on the charity e.g. recession, war, oil crisis</u>
8	<u>Risk that LGPS scheme is in significant deficit and employers contribution rate is unaffordable.</u>
9	<u>Insufficient/excess demand for Academy's services leaves it unsustainable</u>
10	<u>Physical Risk of the impact an uncontrollable event will have on the charity e.g. fire, flood, subsidence</u>
11	<u>Virus risk/corruption of data risk/cybercrime</u>
12	<u>IT systems out of date/no longer supported</u>
13	<u>Staff fatality/injury Fatality/injury to pupil/third party</u>
14	<u>Budget Deficit</u>
15	<u>Medical Needs</u>
16	<u>Payroll</u>

THE THREE RIVERS LEARNING TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)

likelihood	5 CERTAIN					
	4 VERY LIKELY		sixteen			
	3 LIKELY			fifteen	one seven three	
	2 POSSIBLE			five	two nine six eight eleven twelve	ten
	1 RARE				thirteen	
		1 INSIGNIFICANT	2 MINOR	3 MODERATE	4 MAJOR	5 EXTREME
impact						
Low Risk		< 3				
Moderate Risk		4 - 7				
Significant Risk		8 - 14				
High Risk		> 15				

Auditor

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

Statement as to disclosure of information to auditor

In so far as the directors are aware:

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

The directors' report is approved by order of the board of directors and the strategic report (included therein) is approved by the board of directors in their capacity as the directors at a meeting on 5/12/16 and signed on its behalf by:



P Carvin
Chairman

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT

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, S 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 10 times during the year. Attendance during the year at meetings of the board was as follows:

Directors	Meetings attended	Out of possible
Dr R Vaughan (Member)	10	10
J Evans (Vice Chairman, Member)	9	10
S Walker-Barras (Member)	10	10
S Taylor (Chief Executive)	10	10
P Carvin (Chairman, Member)	9	10
M Robson (Resigned 27 November 2015)	0	0
A Lane	10	10
A Saxton (Resigned 28 October 2015)	0	0
M Tait	10	10
Rev. S White	4	10
R Brown	8	10
G Davis	6	10
Dr. S Picton	8	10
K Barwick	7	10
H Rimmer	9	10
A Lister (Appointed 3 December 2015)	7	7
P Allan (Appointed 20 October 2015)	7	8
M Dennis (Appointed 18 November 2015)	8	8
J Sampson (Appointed 4 February 2016)	3	5

Governance self-review

The annual review of governance includes a skills audit and gap analysis, director survey and training needs analysis. It is supported by an external consultant and draws upon resources from the Education Funding Agency and external leadership CPD organisations. In addition a review of governance structures in light of planned expansion and potential sponsorship was carried out.

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

Resulting actions this year were;

- development of improved articles of association, scheme of delegation and terms of reference which will be approved and implemented in 2016/17;
- further development of a business rhythm calendar to improve efficiency and communication;
- development of a director development plan to further improve board systems and director knowledge and skills;
- academy councils were approved for each school and will be introduced in 2016/17;
- specific CPD was organised for chairman skills, understanding education policy, the role of multi academy trusts;
- annual board and committee reports on each committee's work and progress, giving clear and straightforward assurance to the board; and
- director one to ones with the chair to discuss individual performance and contributions to the work of the Trust.

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:

Directors	Meetings attended	Out of possible
Dr R Vaughan (Member)	5	6
J Evans (Vice Chairman, Member)	6	6
S Walker-Barras (Member)	4	6
S Taylor (Chief Executive)	6	6
M Robson (Resigned 27 November 2015)	6	6
M Tait	6	6
Rev. S White	5	6
G Davis	6	6
A Lister (Appointed 3 December 2015)	4	4

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 internal reviewer reports and consider the planning, scope and conclusions of the external auditor's programme. Attendance at meetings in the year is as follows:.

Directors	Meetings attended	Out of possible
S Walker-Barras (Member)	4	4
P Carvin (Chairman, Member)	2	4
A Lane	2	4
M Tait	4	4
K Barwick	4	4

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

The education 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 Trust's education performance. Attendance at meetings in the year is as follows:

Director	Meetings attended	Out of possible
P Carvin	6	7
S Taylor	7	7
R Vaughan	6	7
S Walker-Barras	3	7
S Picton	3	7
M Tait	7	7
K Barwick	4	7
S White	7	7
R Brown	3	7
H Rimmer	7	7
J Sampson	2	3
P Allan	2	4
M Dennis	4	4

Review of value for money

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

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

The Trust's board, specifically the accounting officer, is responsible and accountable for ensuring that the Trust delivers good value in the use of public resources. They are guided by the principles laid out in the EFA Financial Handbook and other regulatory guidance.

The board and Trust staff ensured that the Trust obtained best value for money from all of its purchases by:

Efficiency - minimising the cost of resources.
Effectiveness - use of time efficiently.
Economy - extent of achievement.
Equity - ensuring fairness and equality at all times.

In addition to the above the Trust considered best value by:

Challenging - questioning the way services have been delivered.
Comparing - comparing the way services were obtained with other academies.
Consulting - consulting relevant stakeholders to ensure services were relevant to needs.
Competing - testing the market place to secure best price.

Consideration of these principles has helped to maximise the impact of Trust's spending on the raising of educational standards, as detailed within financial governance and oversight.

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

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 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 2016 and up to the date of approval of the annual report and financial statements.

Statement on the system of internal financial control

The directors acknowledge their overall responsibility for ensuring that the 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 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the 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 Trust or for publication is reliable; and
- the Trust complies with relevant laws and regulations.

The 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.

The audit committee's terms of reference includes the review of the annual financial statements and the accounting policies of the Trust, compliance with the Academies Accounts Direction and other applicable Financial Reporting Standards, internal controls including a review of the internal audit 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.

Capacity to handle risk

The board has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board.

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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; and
- 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. During the year the board reviewed the governance and internal assurance arrangements within the Trust. It was decided that an internal review function would better suit the needs of the Trust and as such the responsible officer role was removed.

During the year, RSM Risk Advisory Services LLP has provided the internal review services, performing specific work as agreed with audit committee.

The internal review work performed in the year did not highlight any high level areas of concern.

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 RSM Risk Advisory Services LLP;
- the work of the audit committee;
- the work of the external auditor; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Educational Outcomes 2015/16

Attainment (2015/16) across all three schools of the Trust is high and well above the national average at all leaving points - Year 8 for Chantry and Newminster and Years 11 and 13 for The King Edward VI School. In addition, the progress students make from their starting points is good for almost all cohorts of students. At both Chantry and Newminster Middle Schools, academic measures from Year 5 to Year 8 demonstrate better than expected outcomes. At The King Edward VI School, attainment and progress measures in the key subjects of english and maths remain very high against national measures. Progress across the EBacc and foundation subjects also demonstrate strong outcomes and are above national levels. Post 16 academic results remain strong and significantly positive for added value.

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

Targeted Improvement 2016 / 17:

- embed the national changes in curriculum and assessment at Key Stages 2 and 3;
- improving literacy and numeracy for all students across the Learning Trust and complete the roll out the Accelerated Reader programme across Years 5 and 9;
- intervention strategies to support the recovery of those students who are below nationally expected levels at Key Stage 2 to ensure they are "secondary ready" as soon as possible;
- develop assessment strategies across all subject areas. The development and refinement of assessment practices remains a major focus across the three schools this year, to provide high quality formative feedback, in line with best practice from educational research (EEF);
- review of post 16 curriculum and assessment in line with the changes to A level provision. A focus on developing independent learning skills within post 16 provision remains a priority;
- extend the offer of EPQ and work experience post 16;
- further review post 16 entry requirements, and the offer of AS provision for September 2017; and
- embed health and well-being programme to support staff and students across the Learning Trust and lead to improved outcomes for all.

Focus on individual students:

- focussed attainment and progress data for all cohorts; high, middle, low ability students; girls/boys; disadvantaged (pupil premium) students and DSEN students is very closely tracked and reported upon, with appropriate interventions deployed at a group/individual level;
- intervention groups at all key stages to support individuals who are currently below nationally expected levels;
- maintain high performance in english and maths at KS4;
- the use of funding to support under-performance at Year 7, and pupil premium funding enables these students to achieve well compared to national data;
- the Learning Trust has managed the differing needs of its pupils through the provision of quality teaching and learning to provide all individuals the maximum opportunity for growth and development; and
- teachers and students are further supported through an expert learning support team in each school, led by an assistant head / SEN co-ordinator.

Collaboration:

- the trust has engaged with other educational providers and establishments to share best practice and drive standards;
- the executive head teacher is a designated National Leader of Education (NLE) and supports the local authority through the role of school adviser;
- The Three Rivers Teaching School Alliance was designated from September 2015, and will undertake the training of more than 30 teachers, as well as providing direct school to school support regionally; and
- the executive headteacher and Teaching School Alliance has supported Prudhoe High School to move from Special Measures (October 2013) to Good (September 2016).

New Initiatives:

The Trust has made the necessary changes to accommodate additional activities within its budget provision. These include the refurbishment and new build of sports facilities and kitchens to enhance student learning and achievement. The Trust has invested considerable sums to improve buildings and maintenance including new heating, ventilation, roofing and windows, all of which have contributed to the improvement of working environments for students, staff and the wider community using our facilities.

Quantifying Improvements:

Effectiveness of the Trust's strategies and the quality of provision and outcomes for students, along with current planning and priorities for 2016 – 19 can be found in the following documents, available from the Trust:-

- Raise Online (unvalidated) 2016
- LV3 Post 16 Tracker
- OfSTED Governor Dashboard
- Three Rivers Learning Trust Strategic Plan 2016 - 19
- Individual School Improvement Plans 2016 - 17
- OfSTED reports for Newminster Middle School (January 2014) and The King Edward VI High School (May 2014) and Chantry Middle School (October 2016). The HMI monitoring report for Chantry (May 2016) is also available on the OfSTED website.

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

Financial Governance and Oversight

Sound systems of financial control are in place and include regular internal audits, clearly defined segregation of duties and internal check and approved finance policy.

Directors have challenged decisions within the Trust on the cost and effectiveness of spending proposals in order to achieve value for money.

Better purchasing.

Fitness for purpose:

Contracts and services are competitively priced, continually reviewed, appraised and renegotiated to provide best value and value for money. The quality of goods and services meet the needs of the Trust as they are measured against alternative providers. These include reprographics procurement, ICT refresh, service level agreements etc. Year-end audits, thematic audit reviews and audit committee scrutiny regularly provide external verification that procurement processes are fit for purpose. A specific procurement audit confirmed high standards.

Benchmarking:

The Trust has benchmarked its income and expenditure against similar academies to identify areas of potential savings. This has resulted in focusing on some contracts such as supply insurance, general insurance, associate staff costs and catering costs.

Options appraisal:

The Trust has explored various options to assist decision making prior to purchasing goods and services. Cost benefit analysis exercises have been undertaken to identify alternative costs and benefits over the longer term. In addition external professionals have been employed for high value specific projects such as the new windows and kitchen. Consideration has been given to operational leasing and Salix funding as methods of financing projects. Appropriate tendering techniques have been employed to gain maximum benefit.

Economies of scale:

The Trust has taken opportunities to work collaboratively with others to reduce and share administration and procurement costs by developing one associate staff team across the three schools within the Trust. This includes the creation of central financial services, information communication technology, human resources, facility management including premises, grounds and catering. Further improvements include the centralisation of administrative services across the Trust.

Better income generation:

The Trust has been successful in generating additional revenue to support school improvement i.e. academy capital bids. Other grants and sponsorships have been received to fund additional enrichment activities and opportunities for students. The Trust is embarking on the submission of further government funding i.e. Big Lottery Grants to maximise income generation by taking opportunities to explore and generate additional revenue streams i.e. cycle storage for students and local community use accessing premises.

Good practice:

Examples of the Trust achieving value for money this year include:

- improved student, staff and community facilities including the rebuild of the King Edward's kitchen, windows and improvements to working environments i.e. heating and ventilation. These projects have contributed to enhanced teaching and learning opportunities, achievement of targets and excellent examination results;
- the centralisation of catering services has enhanced the provision and quality of improved nutritional meals at better value;
- the continued provision of summer schools and holiday student exam revision classes have improved student performance and attainment;
- the Trust continues to network with academies and other educational providers by working together and sharing individual skills, expertise, best practice and learning experiences; and
- the Trust offers apprenticeship opportunities to young adults ranging from a variety of skills and attributes i.e. finance, catering, site management, and administration. The finance apprentice is working jointly with the Trust's external accounting professional service to gain further skills, qualifications and learning experiences.

THE THREE RIVERS LEARNING TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

Future improvements:

- the Trust is developing its relationships with local schools in anticipation of their requirement for support in meeting the government's aim of every school becoming an academy. Following the year end one local first school has registered an interest with the DfE to convert to academy status and to join the Trust in 2017;
- the Trust is considering other opportunities such as becoming an academy sponsor to enable it to support schools in difficulty.

Reviewing controls and managing risks

Directors effectively manage cash by generating short term investments to maximise interest within reputable banks. Weekly bank reconciliations are completed to ensure all monies are accounted for and cash flow is adequately maintained. Directors received bi-monthly management accounts and cash flow forecasts which are challenged and scrutinised to report and examine current spending and projected balances.

Budgetary control and monitoring is efficient and effective:

- account holders receive monthly budget reports to check and monitor their transactions and available funds;
- line managers and senior leaders receive monthly management accounts and summary budget reports. Balances are rigorously checked and challenged;
- regular budget review meetings are held with the finance team, budget holder and line manager. Any potential overspend is investigated and remedial action implemented.

Insurance has been used cost-effectively to manage risks. The Trust has an asset register which is annually updated to ensure all additions and disposals are recorded and appropriately depreciated. The Trust has a risk register which is periodically reviewed by directors to ensure all risks are controls and minimised.

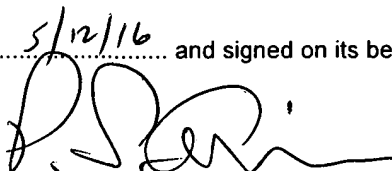
Lessons learned

The Trust has learned from its strategies and decisions in order to make the budget go further by working with other schools and academies to share best practice and benefit from economies of scale. The implementation of the audit committee has enhanced the internal audit function by challenging and examining more non-financial functions within the Trust.

Approved by order of the board of directors on 5/12/16 and signed on its behalf by:



S Taylor
Accounting Officer



P Carvin
Chairman, Member

THE THREE RIVERS LEARNING TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Three Rivers Learning Trust Limited I have considered my responsibility to notify the multi academy trust board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



S Taylor
Accounting Officer

5/12/16

THE THREE RIVERS LEARNING TRUST LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare 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 Three Rivers Learning Trust Limited 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 that grants received from the DfE/EFA 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 on5/12/16..... and signed on its behalf by:



P Carvin
Chairman

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

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of The Three Rivers Learning Trust Limited for the year ended 31 August 2016 set out on pages 28 to 49. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 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 25, the directors, who also act as trustees for the charitable activities of The Three Rivers Learning Trust Limited, 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/auditscopeukprivate>

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 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 and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

YEAR ENDED 31 AUGUST 2016

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.



Claire Leece BA (Hons) ACA CA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Dated: 6/12/16

THE THREE RIVERS LEARNING TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2016	Total 2015
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	3,804	586,523	-	590,327	73,170
Charitable activities:						
- Funding for educational operations	3	-	11,661,033	-	11,661,033	10,569,221
Other trading activities	4	1,323,710	-	-	1,323,710	1,258,469
Investments	5	5,011	-	-	5,011	2,775
Total income and endowments		1,332,525	12,247,556	-	13,580,081	11,903,635
Expenditure on:						
Raising funds	6	969,954	56,209	-	1,026,163	937,039
Charitable activities:						
- Educational operations	7	-	12,377,344	397,056	12,774,400	12,297,084
Total expenditure	6	969,954	12,433,553	397,056	13,800,563	13,234,123
Net income/(expenditure)		362,571	(185,997)	(397,056)	(220,482)	(1,330,488)
Transfers between funds		(74,997)	85,997	(11,000)	-	-
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	24	-	(2,430,000)	-	(2,430,000)	190,000
Net movement in funds		287,574	(2,530,000)	(408,056)	(2,650,482)	(1,140,488)
Reconciliation of funds						
Total funds brought forward		816,663	(2,710,000)	20,733,339	18,840,002	19,980,490
Total funds carried forward		1,104,237	(5,240,000)	20,325,283	16,189,520	18,840,002

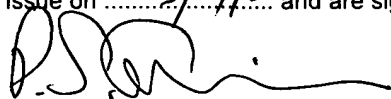
THE THREE RIVERS LEARNING TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	20,392,629	20,800,685
Current assets			
Stocks	12	1,050	2,155
Debtors	13	238,530	152,335
Cash at bank and in hand		3,475,244	2,247,315
		<u>3,714,824</u>	<u>2,401,805</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(2,612,465)	(1,593,560)
Net current assets		<u>1,102,359</u>	<u>808,245</u>
Total assets less current liabilities		<u>21,494,988</u>	<u>21,608,930</u>
Creditors: amounts falling due after more than one year	15	(65,468)	(58,928)
Net assets excluding pension liability		<u>21,429,520</u>	<u>21,550,002</u>
Defined benefit pension liability	24	(5,240,000)	(2,710,000)
Net assets		<u>16,189,520</u>	<u>18,840,002</u>
Funds of the multi academy trust:			
Restricted funds	18		
- Restricted fixed asset funds		20,325,283	20,733,339
- Pension reserve		(5,240,000)	(2,710,000)
Total restricted funds		<u>15,085,283</u>	<u>18,023,339</u>
Unrestricted income funds	18	<u>1,104,237</u>	<u>816,663</u>
Total funds		<u>16,189,520</u>	<u>18,840,002</u>

The financial statements set out on pages 28 to 49 were approved by the board of directors and authorised for issue on 5/12/16 and are signed on its behalf by:



P Carvin
Chairman

THE THREE RIVERS LEARNING TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	22		1,220,763		(199,094)
Cash flows from investing activities					
Interest received		5,011		2,775	
Payments to acquire tangible fixed assets		-		(67,346)	
			5,011		(64,571)
Cash flows from financing activities					
New Salix loan		10,749		67,346	
Repayment of Salix loan		(4,209)		-	
Capital element of hire purchase and finance leases		(4,385)		(4,385)	
			2,155		62,961
Change in cash and cash equivalents in the reporting period			1,227,929		(200,704)
Cash and cash equivalents at beginning of the year			2,247,315		2,448,019
Cash and cash equivalents at end of the year			3,475,244		2,247,315

THE THREE RIVERS LEARNING TRUST LIMITED

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

1 Accounting policies

The Three Rivers Learning Trust Limited is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the directors' report.

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

Basis of preparation

The financial statements of the multi academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Three Rivers Learning Trust Limited meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

These financial statements are the first financial statements of The Three Rivers Learning Trust Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of The Three Rivers Learning Trust Limited for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

The financial statements are presented in sterling which is also the financial currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest £1.

Going concern

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

Income

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

Grants

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

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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

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

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.

Sponsorship income

Sponsorship income provided to the multi academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the multi academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land	Not depreciated
Leasehold buildings	50 years straight line
Building improvements	10 years straight line
Athletics track	20 years straight line
Furniture and equipment	20% - 33% straight line
Motor vehicles	20% - 33% 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.

Liabilities

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

Leased assets

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

Stock

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

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Taxation

The multi academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the multi academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi academy trust 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 and the Department for Education.

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

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Financial instruments

The academy trust has chosen to adopt section 11 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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 the 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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	586,523	586,523	68,021
Other donations	3,804	-	3,804	5,149
	<u>3,804</u>	<u>586,523</u>	<u>590,327</u>	<u>73,170</u>

The income from donations and capital grants was £590,327 (2015: £73,170) of which £3,804 was unrestricted (2015: £5,149) and £586,523 was restricted (2015: £68,021).

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	10,992,413	10,992,413	10,073,037
Other DfE / EFA grants	-	340,182	340,182	311,912
	-	11,332,595	11,332,595	10,384,949
Other government grants				
Local authority grants	-	233,649	233,649	184,272
Teaching school income	-	94,789	94,789	-
	-	328,438	328,438	184,272
Total funding	-	11,661,033	11,661,033	10,569,221

The income from funding for educational operations was £11,661,033 (2015: £10,569,221) of which £11,661,033 was restricted (2015: £10,569,221).

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Lettings income	19,499	-	19,499	18,049
Catering income	487,574	-	487,574	439,653
Music tuition	112	-	112	36,057
School fund income	553,544	-	553,544	493,658
Other income	262,981	-	262,981	271,052
	1,323,710	-	1,323,710	1,258,469

The income from other trading activities was £1,323,710 (2015: £1,258,469) of which £1,323,710 was unrestricted (2015: £1,258,469).

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	5,011	-	5,011	2,775

The income from funding for investment income was £5,011 (2015: £2,775) of which £5,011 was unrestricted (2015: £2,775).

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	1,026,163	1,026,163	937,039
Academy's educational operations					
- Direct costs	8,464,846	397,056	969,428	9,831,330	9,205,266
- Allocated support costs	1,009,012	1,576,452	357,606	2,943,070	3,091,818
Total expenditure	9,473,858	1,973,508	2,353,197	13,800,563	13,234,123

The expenditure on raising funds was £1,026,163 (2015: £937,039) of which £969,954 was unrestricted (2015: £845,301) and £56,209 was restricted (2015: £91,738).

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor		
- Audit	13,250	20,045
- Other services	6,650	5,000
Operating lease rentals	51,017	41,440
Net interest on defined benefit pension liability	100,000	90,000
Depreciation of tangible fixed assets	397,056	443,089

Central services

The multi academy trust has provided the following central services to its academies during the year:

- Human resources;
- Financial services;
- Legal and accountancy services

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

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

The amounts charged during the year were as follows:

	Total £
King Edward VI	153,970
Newminster	65,915
Chantry	65,306
	285,191

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	2016 £	2015 £
All from restricted funds:		
Direct costs - educational operations	9,831,330	9,205,266
Support costs - educational operations	2,943,070	3,091,818
	<u>12,774,400</u>	<u>12,297,084</u>

The expenditure on educational operations was £12,774,400 (2015: £12,297,084) of which £12,377,344 was restricted (2015: £11,853,995) and £397,056 was restricted fixed assets (2015: £443,089).

	2016 £	2015 £
Analysis of support costs		
Support staff costs	1,009,012	1,142,514
Premises costs	1,576,452	1,608,082
Other support costs	326,132	316,177
Governance costs	31,474	25,045
	<u>2,943,070</u>	<u>3,091,818</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	7,428,071	7,233,068
Social security costs	600,627	527,293
Other pension costs	1,244,799	1,100,204
	<u>9,273,497</u>	<u>8,860,565</u>
Total staff costs	9,273,497	8,860,565
Supply staff costs	139,912	141,866
Staff development and other staff costs	60,449	59,726
	<u>9,473,858</u>	<u>9,062,157</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	156	158
Administration and support	224	218
Management	7	6
	<u>387</u>	<u>382</u>

THE THREE RIVERS LEARNING TRUST LIMITED

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

8 Staff costs (Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	3	1
£70,001 - £80,000	1	1
£110,001 - £120,000	1	1
	<u> </u>	<u> </u>

The above employees participated in the Teachers' Pension Scheme.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-contractual severance payment of £14,002.

Key management personnel

The key management personnel of the multi academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the multi academy trust was £645,668 (2015: £574,853).

9 Directors' remuneration and expenses

One or more of the directors has been paid remuneration or has received other benefits from an employment with the multi academy trust. The principal and other staff directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as directors.

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

The value of the Accounting Officer's remuneration was £114,762 (2015: £111,100). The Accounting Office is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £18,913 (2015: £15,665).

The value of the total staff director's remuneration (excluding the Accounting Officer) was £162,906 (2015: £167,012). The staff directors are accruing retirement benefits under the Teacher's Pension Scheme and contributions paid in the year amounted to £22,950 (2015: £21,815).

During the year ended 31 August 2016, travel and subsistence expenses totalling £1,081 (2015: £1,634) were reimbursed to the Directors.

10 Directors and officers insurance

In accordance with normal commercial practice, the multi academy trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,495 (2015: £1,055). The cost of this insurance is included in the total insurance cost.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land	Leasehold buildings	Athletics track	Furniture and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	5,740,000	15,491,240	920,000	288,881	14,250	22,454,371
Disposals	(11,000)	-	-	(5,500)	(5,000)	(21,500)
At 31 August 2016	5,729,000	15,491,240	920,000	283,381	9,250	22,432,871
Depreciation						
At 1 September 2015	-	1,199,609	172,500	270,890	10,687	1,653,686
On disposals	-	-	-	(5,500)	(5,000)	(10,500)
Charge for the year	-	331,375	46,000	16,581	3,100	397,056
At 31 August 2016	-	1,530,984	218,500	281,971	8,787	2,040,242
Net book value						
At 31 August 2016	5,729,000	13,960,256	701,500	1,410	463	20,392,629
At 31 August 2015	5,740,000	14,291,631	747,500	17,991	3,563	20,800,685

Finance leases and hire purchase contracts

Included within the net book value of £20,392,629 is £nil (2015: £5,846) 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 £5,846 (2015: £5,904).

12 Stocks	2016 £	2015 £
Catering and uniforms	1,050	2,155
	<u>1,050</u>	<u>2,155</u>
13 Debtors	2016 £	2015 £
Trade debtors	12,118	8,084
Other debtors	133,637	65,000
Prepayments and accrued income	92,775	79,251
	<u>238,530</u>	<u>152,335</u>

THE THREE RIVERS LEARNING TRUST LIMITED

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

14 Creditors: amounts falling due within one year	2016	2015
	£	£
Other loans	8,418	8,418
Net obligations under finance lease and hire purchase contracts	-	4,385
Trade creditors	2,223,835	1,179,095
Accruals and deferred income	380,212	401,662
	<u>2,612,465</u>	<u>1,593,560</u>
15 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Other loans	<u>65,468</u>	<u>58,928</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments:	73,886	67,346
Less: included in current liabilities	<u>(8,418)</u>	<u>(8,418)</u>
Amounts included above	<u>65,468</u>	<u>58,928</u>
Loan maturity		
Debt due in one year or less	8,418	8,418
Due in more than one year but not more than two years	8,418	8,418
Due in more than two years but not more than five years	25,254	25,254
Due in more than five years	<u>31,796</u>	<u>25,256</u>
	<u>73,886</u>	<u>67,346</u>

Other loans relates to Salix funding which is being repaid in twice yearly instalments.

16 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	<u>94,310</u>	<u>244,087</u>
Deferred income at 1 September 2015	244,087	22,831
Released from previous years	<u>(244,087)</u>	<u>(22,831)</u>
Amounts deferred in the year	<u>94,310</u>	<u>244,087</u>
Deferred income at 31 August 2016	<u>94,310</u>	<u>244,087</u>

At the balance sheet date the academy trust was holding funds received in advance in relation to rates relief, teaching school, NSS bursary and teacher subject income.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,620,999	2,320,399
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	(2,583,623)	(1,408,401)

18 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	10,992,413	(11,078,410)	85,997	-
Other DfE / EFA grants	-	340,182	(340,182)	-	-
Other government grants	-	328,438	(328,438)	-	-
Other restricted funds	-	586,523	(586,523)	-	-
Funds excluding pensions	-	12,247,556	(12,333,553)	85,997	-
Pension reserve	(2,710,000)	-	(100,000)	(2,430,000)	(5,240,000)
	(2,710,000)	12,247,556	(12,433,553)	(2,344,003)	(5,240,000)
Restricted fixed asset funds					
DfE / EFA capital grants	48,736	-	(933)	-	47,803
Transfer on conversion	19,637,911	-	(376,078)	-	19,261,833
Capital expenditure from GAG	85,665	-	(1,641)	(11,000)	73,024
Capital grants from council on conversion	116,830	-	(2,237)	-	114,593
Other capital income	28,663	-	(549)	-	28,114
Capital expenditure from unrestricted funds	45,960	-	(880)	-	45,080
Sixth form	769,574	-	(14,738)	-	754,836
	20,733,339	-	(397,056)	(11,000)	20,325,283
Total restricted funds	18,023,339	12,247,556	(12,830,609)	(2,355,003)	15,085,283
Unrestricted funds					
General funds	816,663	1,332,525	(969,954)	(74,997)	1,104,237
Total funds	18,840,002	13,580,081	(13,800,563)	(2,430,000)	16,189,520

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds (Continued)

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

General Annual Grant - General Annual Grant must be used for the normal running of the Academy. The funding agreement does not include a limit on the GAG available to carry forward.

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

Transfer on conversion - 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 - capital funding was transferred on conversion from the previous school budget share.

Capital maintenance income - devolved capital funding and academy capital maintenance funding has been received from the DfE for utilisation on building improvements and refurbishments.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
King Edward VI	766,882
Newminster	250,791
Chantry	86,564
	<hr/>
Total before fixed assets fund and pension reserve	1,104,237
Restricted fixed asset fund	20,325,283
Pension reserve	(5,240,000)
	<hr/>
Total funds	16,189,520
	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
King Edward VI	5,287,476	627,739	693,115	1,710,416	8,318,746
Newminster	1,526,285	213,349	134,387	500,960	2,374,981
Chantry	1,590,636	228,373	141,926	648,845	2,609,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,404,397	1,069,461	969,428	2,860,221	13,303,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	20,392,629	20,392,629
Current assets	3,714,824	-	-	3,714,824
Creditors falling due within one year	(2,604,047)	-	(8,418)	(2,612,465)
Creditors falling due after one year	(6,540)	-	(58,928)	(65,468)
Defined benefit pension liability	-	(5,240,000)	-	(5,240,000)
	<u>1,104,237</u>	<u>(5,240,000)</u>	<u>20,325,283</u>	<u>16,189,520</u>

20 Capital commitments

	2016 £	2015 £
Expenditure contracted for but not provided in the financial statements	-	38,307

21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	32,912	38,274
Amounts due between one and five years	35,112	40,091
	<u>68,024</u>	<u>78,365</u>

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Reconciliation of net expenditure to net cash flows from operating activities

	2016 £	2015 £
Net expenditure for the reporting period	(209,482)	(1,330,488)
Adjusted for:		
Interest receivable	(5,011)	(2,775)
Defined benefit pension scheme cost less contributions payable	-	20,000
Defined benefit pension scheme finance cost/(income)	100,000	90,000
Depreciation of tangible fixed assets	397,056	443,089
(Increase)/decrease in stocks	1,105	215
(Increase)/decrease in debtors	(86,195)	592,797
Increase/(decrease) in creditors	1,023,290	(11,932)
Net cash provided by operating activities	1,220,763	(199,094)

23 Members' liability

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

24 Pensions and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £854,799 (2015: £730,114).

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.3% for employers and 5.5-9.9% for employees.

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

Total contributions made	2016 £	2015 £
Employer's contributions	390,000	350,000
Employees' contributions	110,000	90,000
Total contributions	500,000	440,000

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2016 by a qualified independent actuary.

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.5
Rate of increase for pensions in payment	1.9	2.0
Discount rate	2	3.8
Inflation assumption (CPI)	1.9	2.0

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

	2016 Years	2015 Years
Retiring today		
- Males	23.1	23.0
- Females	25.6	25.5
Retiring in 20 years		
- Males	25.3	25.2
- Females	28	27.8

The multi academy trust's share of the assets in the scheme	2016 Fair value £	2015 Fair value £
Equities	2,631,000	1,912,000
Bonds	758,000	506,000
	325,000	265,000
	-	9,000
Property	164,000	140,000
Other assets	132,000	78,000
Total fair value of assets	4,010,000	2,910,000
Actual return on scheme assets - gain/(loss)	620,000	(40,000)

Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost	390,000	370,000
Net interest cost	100,000	90,000

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2016 £
Obligations at 1 September 2015	5,620,000
Current service cost	390,000
Interest cost	220,000
Employee contributions	110,000
Actuarial loss	2,930,000
Benefits paid	(20,000)
At 31 August 2016	9,250,000

Changes in the fair value of the multi academy trust's share of scheme assets	2016 £
Assets at 1 September 2015	2,910,000
Interest income	120,000
Return on plan assets (excluding net interest on the net defined pension liability)	500,000
Employer contributions	390,000
Employee contributions	110,000
Benefits paid	(20,000)
At 31 August 2016	4,010,000

25 Related party transactions

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. The following related party transaction took place in the period of account.

R Brown is a director of the Trust and of Jump Up Limited, a branding and design company. Jump Up Limited have provided support with branding for the Trust. This support was supplied at cost, R Brown signed a declaration to this effect and supporting evidence was obtained from other companies to confirm the costs were significantly lower than normal market value.

26 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 £9,342 and disbursed £9,342.

THE THREE RIVERS LEARNING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

27 Reconciliations on adoption of FRS 102

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

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	19,980,490	18,840,002
	<u> </u>	<u> </u>

Reconciliation of net loss for the previous financial period

	Notes	2015 £
Net expenditure as reported under previous UK GAAP		(1,260,488)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	(A)	(70,000)
Net expenditure reported under FRS 102		<u>(1,330,488)</u>

Notes to reconciliations on adoption of FRS 102

(A) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £70,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.