

**THE THREE RIVERS LEARNING TRUST LIMITED**

(a company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**THE THREE RIVERS LEARNING TRUST LIMITED**  
**COMPANY INFORMATION**  
**Year ended 31 August 2014**

**Directors (Trustees)**

Dr. Roger Vaughan ^ >	Chairman, Member
Joe Evans^	Vice Chairman, Member
Sylvie Walker-Barras*>	Responsible officer, Member
Simon Taylor^ >	Chief Executive
Paul Carvin >	Member
Jane Greaves*	Resigned 25/09/14
Mark Robson^	
Alice Lane*	
Angela Saxton >	
Ros Richardson >	Member
Mark Tait	Appointed 26/09/13
Rev. Simon White^	Appointed 29/01/14
Robert Brown^	Appointed 29/01/14
Graham Davis^	Appointed 29/01/14
Dr. Susan Picton>	Appointed 29/01/14
Karen Barwick ^	Appointed 30/04/14
Andrew Batchelor^	Resigned 24/10/13

^ Members of the Finance and Facilities Committee

\* Members of the Audit Committee

>Members of the Education Committee

Company Secretary Mark Tait

Accounting officer Simon Taylor

**Senior Management Team:**

Simon Taylor, Executive Head Teacher, The Three Rivers Learning Trust Limited

Mark Tait, Business Director, The Three Rivers Learning Trust Limited

Mark Simpson, Head of School, The King Edward VI School

Clare Savage, Deputy Head Teacher, The King Edward VI School

Chris Tedder, Deputy Head Teacher, The King Edward VI School

Elizabeth Kinninment, Head of School, Newminster Middle School

Stephen Johnson, Head of School, Chantry Middle School

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

Company Registration Number 07838203 (England and Wales)

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

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**COMPANY INFORMATION**  
**Year ended 31 August 2014**

**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**

**Year ended 31 August 2014**

The directors present their report together with the financial statements for the charitable company for period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors report under company law.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The learning trust is a charitable company limited by guarantee (registered number 07838203) and an exempt charity. The learning trust became an exempt charity under the provisions of the Academies Act 2010. Particulars of the learning trust and its Directors are shown on the company information page.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

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

#### **Board of Directors**

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

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

#### **Recruitment and Training of Directors**

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

#### **Organisational Structure**

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

All directors are members of the full board and all company members are directors. In addition directors are members of committees who report to the full board. There are 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 learning trust leadership team managed by the executive head teacher. The executive head teacher, who is also a director, and the business director attend meetings of the board and finance and facilities sub-committee. The business director also attends the audit committee and the executive head teacher attends the education committee.

# **THE THREE RIVERS LEARNING TRUST LIMITED**

## **DIRECTORS' REPORT**

**Year ended 31 August 2014**

### **Connected Organisations including Related Party Transactions**

The Learning 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 are no related party transactions to report. The Learning Trust is a standalone organisation with no connected organisations.

### **Risk Management**

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

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

The key controls used by the learning trust include:

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

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

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

### **Statement on the system of internal financial control**

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

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

The learning trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance and Facilities Committee who report to the Board of Directors,
- Regular reviews by the Finance and Facilities Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes,

# **THE THREE RIVERS LEARNING TRUST LIMITED**

## **DIRECTORS' REPORT**

**Year ended 31 August 2014**

### **Statement on the system of internal financial control (continued)**

- 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.

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

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT**

#### **Charitable objects**

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

#### **Aims and intended impact**

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

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

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

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

#### **Our Purpose**

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

# **THE THREE RIVERS LEARNING TRUST LIMITED**

## **DIRECTORS' REPORT**

**Year ended 31 August 2014**

### **Our Purpose (continued)**

We want our young people to:

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

We aim to provide:

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

### **Objectives for the year**

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

### **Strategies to achieve the year's objectives**

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

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

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

### **1. The King Edward VI School:**

King Edward's was inspected by OfSTED in 2014 and achieved an "Outstanding" outcome overall. Achievement, Teaching and Learning, Behaviour and Safety and Leadership and Management were all individually graded "Outstanding".

### **Key Stage 4 Results 2014: Headlines**

The 2014 GCSE results were amongst the highest attainment levels in the history of the school, with 74% of the cohort achieving 5A\* - C grades including English and Maths (2012 – 78%; 2013 – 75%). This was also one of the highest attainment rates across state schools in the North East region. Outcomes for this cohort will again demonstrate very strong value added results.

### **2014 Summary Data**

The table below highlights the key performance measures in yellow:

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

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

# THE THREE RIVERS LEARNING TRUST LIMITED

## DIRECTORS' REPORT

Year ended 31 August 2014

### 2014 Summary Data Provisional (continued)

The data in brackets relates to the first examination entry, alongside the best entry data which is without brackets.

	No.	5+ A*-C	5+A*-C E&M	A*-C En	A*-C Ma	En 3LP	En 4LP	Ma 3LP	Ma 4LP	Ebacc
<b>All</b>	<b>330</b>	<b>79</b> <b>(78)</b>	<b>74</b> <b>(71)</b>	<b>81</b> <b>(79)</b>	<b>90</b> <b>(88)</b>	<b>84</b> <b>(81)</b>	<b>38</b> <b>(35)</b>	<b>85</b> <b>(83)</b>	<b>44</b> <b>(41)</b>	<b>34</b> <b>(34)</b>
Girls	156	83 (82)	81 (78)	88 (85)	90 (89)	90 (87)	48 (45)	89 (88)	44 (41)	42 (41)
Boys	174	75 (75)	68 (66)	75 (72)	90 (86)	78 (75)	30 (26)	81 (79)	44 (41)	27 (27)
<b>PUPIL PREMIUM</b>	<b>36</b>	<b>58</b> <b>(56)</b>	<b>50</b> <b>(44)</b>	<b>61</b> <b>(53)</b>	<b>78</b> <b>(78)</b>	<b>69</b> <b>(64)</b>	<b>19</b> <b>(17)</b>	<b>75</b> <b>(75)</b>	<b>19</b> <b>(19)</b>	<b>11</b> <b>(11)</b>
Non PP	294	82 (81)	77 (75)	83 (82)	92 (89)	85 (83)	41 (38)	86 (84)	47 (44)	37 (36)

### Key Stage 4 Data Comparison Provisional

	2013	2014
KS2 Average Points Score (APS) on entry	28.2 in line with national average	28.7 sig above the national average
5A*-C English & Maths	ALL- 75% B-68% G-82%	ALL- 74% (71%) B- 68% (66%) G- 81% (78%)
3 Levels of Progress Maths	87%	85% (83%)
3 Levels of Progress English	83%	84% (81%)
Capped APS	359	341.4 (340.8)
EBacc	30%	34% (34%)

### Value Added (Provisional)

VA predictions based on the total number in the subject cohort. Highlights in green are significantly + and demonstrate better than expected progress.

	No. Students	VA 2013	VA 2014
Capped Inc. E&M bonus	323	1015.3	Not available
English	319	1003.5	1001.8
Maths	323	1003.8	1002.5
Sciences	218	1003	1004.4
Humanities	243	1001.5	1001.2
Languages	196	1001.1	1000.5



# THE THREE RIVERS LEARNING TRUST LIMITED

## DIRECTORS' REPORT

Year ended 31 August 2014

### Post 16 Results Summary: Headlines

- Prior attainment of Year 13 was slightly lower (44.8) compared to the 2013 cohort (45.8).
- Attainment in terms of APS per student (848.8) is similar to 2013 (848.5).
- % of A\*, A and B grades (51.8) is slightly higher than in 2013 (50.2).
- Girls attainment in terms of APS per entry, per student and % of A\*-B grades is higher than boys, although the prior attainment for girls is also higher.
- % of students attaining AAB in facilitating subjects (11) is higher than 2013 (9).
- Overall VA scores at A level are significantly positive (slightly higher than 2013).
- 2014/15 Value Added scores indicate that King Edwards will be in the top 5% of schools nationally.

### 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:

	2011	2012	2013	2014
Overall A* - E	98.8	99.5	98.9	98.2
A* - A	33.4	28.8	25.0	25.5
A* - B grades	60.9	56.2	50.2	51.8
U grades	1.2	0.5	1.1	1.8
Learner Achievement Tracker VA (A level)*	23.9	12.7	0.38	0.46
APS per student (Inc. General Studies)(AS+A2)	865	872	848.5	848.8
Level 3 APS per entry	221.3	219.6	216	213.6
Level 3 APS per entry (National)	216.2	212.8	212.7	Not available
Retention (Y12 to Y13)	85	84	87	88
3 A levels AAB in facilitating subjects		9	9	11

\* New methodology in 2013

#### Destinations: There were 220 students on roll in Year 13 2013-14.

Destination	Number	% Cohort
Firm Choice Uni (achieved grades required)	85	37
Firm Choice Uni (achieved less than offer)	41	19
Insurance Choice Uni (achieved grades/points required)	17	8
Insurance Choice Uni (achieved less than offer)	17	8
Clearing & placed	20	9
Clearing and unplaced August 21st	3	1
Reapply 2015	8	4
Newcastle College Art FND Year	8	4
Grant Thornton Finance scheme	1	0.5
Apprenticeships (Engineering Rolls Royce)	1	0.5
Uniform services	1	0.5
Seeking employment	14	6
Gap Year – travelling	2	1
Employment	2	1
Forces	1	0.5
Successful Russell Group applications/places taken	66	30 (of applications made to UCAS 36%)

# THE THREE RIVERS LEARNING TRUST LIMITED

## DIRECTORS' REPORT

Year ended 31 August 2014

### Destinations (continued)

- 22 firm places were with Newcastle University
- 12 firm places were with Northumbria University
- 7 insurance places were with Northumbria University
- 1 successful Cambridge application for Music (deferred entry to 2015)
- 6 successful Medical applications

### Year 13 Destination by University Course

Course	Number of Places
Business/Economics	19
ICT	13
Psychology	12
Nursing	9
Maths	9
Biomedical Science	8
Medicine	6
Civil Engineering	5
English	4
Law	4
Biology	4
Music	4
Geography	4
Mechanical Engineering	4

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

### The King Edward VI School: Admissions, Attendance and Behaviour

**Admissions.** The school is again heavily oversubscribed for 2014 / 15 in Years 9, 10 and 11. The Published Admit Number for these year groups is 320. The numbers in the Sixth Form are the largest ever.

	Boys	Girls	Total
Year 9	179	143	322
Year 10	165	164	329
Year 11	176	159	335
Year 12	146	129	275
Year 13	118	106	224
<b>Total</b>			<b>1485</b>

**Attendance.** In 2013/14 the absence rate was 4.6%, which is significantly better than the national average for 2013 (5.9%). The Persistent Absence rates, (classed as absence of 15% or more), in 2013/14 was 4.2% which is significantly better than the national average for 2013 (6.6%). These figures highlight a change in our Attendance Strategy with a stepped approach of intervention. Parents and Carers are supported to promote positive attendance with their children from the Year offices and the Student Support Area.

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

# THE THREE RIVERS LEARNING TRUST LIMITED

## DIRECTORS' REPORT

Year ended 31 August 2014

### Behaviour (continued)

Exclusions	2011/12	2012/2013	2013 / 14
Total	21	32	65
Total days	45	48 1/2	129
Total number of students	18	20	35

Internal Exclusions	2011/12	2012/2013	2013 / 14
Total	104	146	150
Total days	107,3 x ½ day	141, 10x1/2 day	153
Total number of students	54	59	52

### 2. Chantry Middle School: Headline Results 2014

Achievement at Chantry continues to improve and is now good with some outstanding features. In 2014 the school achieved results that are above the national and sometimes well above national expectations.

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

#### Headline Results 2014

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

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

PA KS1 APS	17.1	17.2	16.9	16.4
Outcomes Year 6	2011	2012	2013	2014
Eng/Ma L4+	89	89	84	79
Eng/Ma L5+	21	43	33	29
English L4+	92	95	Reading 92	97
			SPAG 72	88
			Writing 87	87
English L5+	29	52	Reading 54	58
			SPAG 40	55
			Writing 42	38
Eng APS	28.2	29.7	Reading 29.7 Writing 28.8	30.3 28.3
En 2 x levels	78	86	Reading 92 Writing 90	98 90
En 3 x levels			Reading 23 Writing 22	32 22
Maths L4+	92	92	92	88
Maths L5+	43	54	55	45
Maths APS	29.2	30.2	30.3	29.3
Maths 2 X levels	89	91	92	90
Maths 3 X levels			32	30

# THE THREE RIVERS LEARNING TRUST LIMITED

## DIRECTORS' REPORT

Year ended 31 August 2014

### Chantry Middle School: Outcomes at Year 8

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

	2011			2012			2013			2014		
	5+	6+	7+	5+	6+	7+	5+	6+	7+	5+	6+	7+
<b>Reading</b>	92	60	8	88	67	8	95	64	12	95	63	23
<b>Writing</b>	86	38	7	87	50	6	92	56	8	96	56	10
<b>Maths</b>	88	66	30	91	72	34	95	74	38	90	63	38

### Chantry Middle School: Progress from Year 4 to Year 8

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

Year 4 to Year 8	2008-12	2009-13	2010-2014
Reading	12.9	13.5	14.5
Writing	13.7	14.2	14.3
Maths	16.7	17.1	16.8

Year 5 Baseline to Year 8	2009-13	2010-2014
Reading	15.7	14.9
Writing	15.4	15.6
Maths	18.5	18.1

### Principal activities for the year

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

### Grant making and social investment policy

Where resources allow, the learning trust seeks to ensure that all pupils have equal access to the education on offer at the schools regardless of parental income. The directors recognise that equal opportunities should be an integral part of good practice within the workplace. The learning trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all pupils are fully valued.

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

### Chantry: Admissions, Attendance and Behaviour.

The Pupil Admit Number (PAN) for each year group is 128, therefore the school is full at 512. There are currently a small number of places available across the school, although Year 5 and Year 6 are full and we anticipate the school roll to grow in the next few years.

#### Admissions:

	2011	2012	2013	2014
Number on roll 2011 - 14	498	489	485	503

**THE THREE RIVERS LEARNING TRUST LIMITED**

**DIRECTORS' REPORT**

**Year ended 31 August 2014**

**2014: Current Number on role by Year Group**

	Boys	Girls	Total
Year 5	67	61	128
Year 6	60	73	133
Year 7	65	48	113
Year 8	68	61	129
Total	260	243	503

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

	Total Attendance	Total absence	20% absence	15% absence
2010/11	93.0%	7.0 %	3.8%	10.7%
2011/12	95.1%	4.9%	1.6%	3.4%
2012/13	95.4%	4.6%	0.4%	1.1%
2013/14	96.1%	3.9%	1.4%	3.4%

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

**3. Newminster Middle School: Headline Results 2014**

Newminster was inspected by OfSTED in 2014 and achieved a "Good" outcome overall. Achievement, Teaching and Learning and Leadership and Management were graded "Good", with Behaviour and Safety graded "Outstanding".

The school has consistently achieved results that are above the national and sometimes well above national expectations.

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

**THE THREE RIVERS LEARNING TRUST LIMITED**

**DIRECTORS' REPORT**

**Year ended 31 August 2014**

**Newminster - Outcomes at KS2**

<b>PA KS1 APS</b>	<b>17.9</b>	<b>17.6</b>	<b>17.1</b>	<b>17.7</b>
<b>Outcomes Yr 6</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Eng/Ma L4+</b>	86.9	88	83	86
<b>Eng/Ma L5+</b>	28.5	44	23	30
<b>English L4+</b>	90.8	96	Reading 89	90
			SPAG 70	79
			Writing 99	91
<b>English L5+</b>	41.5	55	Reading 45	56
			SPAG 41	56
			Writing 48	56
<b>En aps</b>	29.0	30.0	Reading 28.9	29.5
			Writing 29.9	30
<b>En 2 x levels</b>	80.5	Reading 87 Writing 90	Reading 81	82
			Writing 98	90
<b>En 3 x levels</b>			Reading 14.3	14
			Writing 36	35
<b>Maths L4+</b>	94.6	90.3	88	94
<b>Maths L5+</b>	43.1	58.1	45	53
<b>Ma aps</b>	29.3	30.1	29.4	30.1
<b>Ma 2 x levels</b>	84.4	81	75.4	83
<b>Ma 3 x levels</b>			21	23

**Newminster Middle School: Outcomes at Year 8**

	<b>2011</b>			<b>2012</b>			<b>2013</b>			<b>2014</b>		
	5+	6+	7+	5+	6+	7+	5+	6+	7+	5+	6+	7+
<b>Reading</b>	95	66	8	97	80	23	96	76	28	98	83	29
<b>Writing</b>	93	45	4	98	59	15	95	65	18	98	77	31
<b>Maths</b>	90	75	21	98	81	41	97	78	49	94	81	44

**Newminster Middle School: Progress from Year 4 to Year 8**

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

<b>Year 4 to Year 8</b>	<b>2008-12</b>	<b>2009-13</b>	<b>2010-2014</b>
<b>Reading</b>	14.4	14.4	15.4
<b>Writing</b>	14.3	14.7	16.4
<b>Maths</b>	16.8	17.7	17.1

<b>Year 5 Baseline to Year 8</b>	<b>2009-13</b>	<b>2010-2014</b>
<b>Reading</b>	13.8	16.1
<b>Writing</b>	15.2	16.1
<b>Maths</b>	17.5	16.5

# THE THREE RIVERS LEARNING TRUST LIMITED

## DIRECTORS' REPORT

Year ended 31 August 2014

### Progress from Year 4 to Year 8 (continued)

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

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

### Newminster: Admissions, Attendance and Behaviour.

Admissions	2011	2012	2013	2014
Number on roll	547	522	505	512

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

### 2014: Current Number on role by Year Group

	Boys	Girls	Total
Year 5	60	69	129
Year 6	47	80	127
Year 7	63	63	126
Year 8	50	80	130
Total	220	292	512

### Attendance: 2008-2009 to 2012-2014

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

Academic Year	Total Attendance	Total Absence	20% Absence	15% Absence
2010/11	94.8%	5.2%	1.83%	4.95%
2011/12	95.8%	4.2%	0.95%	2.10%
2012/13	95.15%	4.85%	1.56%	2.15%
2013/14	95.8%	4.2%	1.5%	3.31%

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

### Volunteers

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

## **THE THREE RIVERS LEARNING TRUST LIMITED**

### **DIRECTORS' REPORT**

**Year ended 31 August 2014**

#### **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.

#### **STRATEGIC REPORT**

##### **Operational performance of the schools**

The academic results for the schools are set out on pages 6 to 14. These results show an improving performance, continuing to be above the national average, across the three schools. All three schools fall into an "outstanding" or "good" Ofsted category. Ofsted confirmed these judgements in visits to the King Edward VI school and Newminster Middle School during this financial year. Working with the local community continues to be a strength of the learning trust with many examples of the schools and their communities working together to the benefit of both.

##### **Learning trust capital projects**

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

- Sports Training Shed refurbishment and tower block ventilation at Chantry Middle School
- New music block and refurbished maths block at Newminster Middle School
- New Advanced Study Centre, new and refurbished science classrooms at the King Edward VI School

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

#### **PRINCIPAL REVIEW AND RESULTS FOR THE YEAR**

Note 18 to the financial statements shows the movement on restricted and unrestricted funds. Total funds of the charity amount to £19,980,490 but only £580,340 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 £2,790,000 are included in the Restricted General Fund.



## **THE THREE RIVERS LEARNING TRUST LIMITED**

### **DIRECTORS' REPORT**

**Year ended 31 August 2014**

#### **Financial and risk management objectives and policies**

The learning trust's management of financial risks is documented on page 4.

#### **Principal risks and uncertainties**

The learning trust's consideration of principal risks and uncertainties is documented on page 4.

#### **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 to ensure the continuing operation of the charity. The charity would not be able to continue operation in the current form in the event of a significant drop in grants.

As at the 31st August 2014 the learning trust's free reserves were £580,340 of unrestricted funds comprising of cash in the learning trust's current assets.

#### **Going concern**

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

#### **Investment policy and objectives**

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

#### **Communication with employees**

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

#### **PLANS FOR FUTURE PERIODS**

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

#### **AUDITOR**

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

**THE THREE RIVERS LEARNING TRUST LIMITED**


**DIRECTORS' REPORT**

**Year ended 31 August 2014**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

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

Approved by order of the Board of Directors at its meeting on 15 December 2014 and signed on its behalf by:



Dr R Vaughan  
Chair of Directors

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2014**

**Scope of responsibility**

As Directors, we acknowledge we have overall responsibility for ensuring that The Three Rivers Learning Trust Limited has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day-to-day responsibility to the Executive Head Teacher and Accounting Officer, Simon Taylor, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between The Three Rivers Learning Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

**Governance**

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

Director	Meetings attended	Out of possible
R Vaughan	12	13
J Evans	11	13
R Richardson	10	13
S Walker-Barras	13	13
S Taylor	13	13
A Saxton	11	13
M Robson	11	13
A Lane	12	13
A Batchelor (resigned 24/10/13)	0	4
P Carvin	12	13
J Greaves (resigned 25/09/14)	7	13
M Tait (appointed 26/09/13)	13	13
R Brown (appointed 29/01/14)	5	9
G Davis (appointed 29/01/14)	6	9
S Picton (appointed 29/01/14)	8	9
S White (appointed 29/01/14)	3	9
K Barwick (appointed 30/04/14)	5	5

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 (both by members and observers) in the year is as follows:

Director	Meetings attended	Out of possible
J Evans	6	6
R Vaughan	6	6
S Walker-Barras	6	6
S Taylor	6	6
M Robson	6	6
A Batchelor (resigned 24/10/13)	0	2
M Tait (appointed 26/09/13)	6	6
G Davis (appointed 29/01/14)	2	3
S White (appointed 29/01/14)	1	3
K Barwick (appointed 30/04/14)	1	1
R Brown (appointed 29/01/14)	1	1

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**Year ended 31 August 2014**

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

Director	Meetings attended	Out of possible
S Walker-Barras	4	4
A Lane	4	4
J Greaves (resigned 25/09/14)	3	4
M Tait (appointed 26/09/13)	4	4
S Taylor	1	1
J Evans	1	1
R Vaughan	1	1
M Robson	1	1
K Barwick (appointed 30/04/14)	1	1

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 Learning Trust's education performance. Attendance at meetings (both by members and observers) in the year is as follows:

Director	Meetings attended	Out of possible
P Carvin	4	5
S Taylor	5	5
R Vaughan	5	5
J Evans	1	2
R Richardson	3	5
S Walker-Barras	5	5
A Saxton	3	5
A Lane	0	3
S Picton	2	3
M Tait (appointed 26/09/13)	1	1
K Barwick (appointed 30/04/14)	1	1

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of learning trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Three Rivers Learning Trust Limited for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board has reviewed the key risks to which the learning trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the learning trust's significant risks that has been in place for the year ending 31 August 2014 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)

Year ended 31 August 2014

#### The risk and control framework

The learning trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board;
- regular reviews by the Finance and Facilities Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

During the year the Board reviewed the governance and internal assurance arrangements within the Academy. It was decided that an Internal Assurance function would better suit the needs of the Academy and as such the Responsible Officer role was removed.

During the year, Baker Tilly UK Audit LLP have provided the internal assurance services, performing specific work as agreed with Audit Committee.

The internal assurance 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 the internal assurance provider
- The work of the Audit Committee
- The work of the external auditor
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Directors on 15 December 2014 and signed on its behalf by:



Dr R Vaughan  
Chair



Simon Taylor  
Accounting Officer

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

**Year ended 31 August 2014**

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

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

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



**Simon Taylor**  
**Accounting Officer**

15 December 2015

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**Year ended 31 August 2014**

The Directors (who act as trustees for charitable activities of The Three Rivers Learning Trust Limited and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report (incorporating the Strategic Report) and the financial statements in accordance with the Academies 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 Charitable Company and of its incoming resources and application of resources, including its income and, expenditure, for that period. In preparing these financial statements, the Directors are required to:

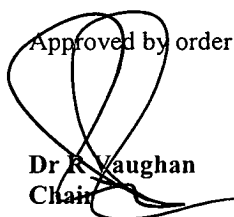
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the Board of Directors on 15 December 2014 and signed on its behalf by:

  
Dr R. Vaughan  
Chair

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

We have audited the financial statements of The Three Rivers Learnings Trust Limited for the year ended 31 August 2014 on pages 24 to 48. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 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 22, the directors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

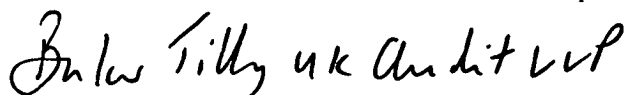
### **Opinion on other requirement of the Companies Act 2006**

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.

### **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 (Senior Statutory Auditor)

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

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD





**THE THREE RIVERS LEARNING TRUST LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

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

for the year ended 31 August 2014

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
Income from generated funds						
- Voluntary income	4	14,965	865,306	50,000	930,271	2,788,335
- Activities for generating funds	5	1,156,255	-	-	1,156,255	1,093,082
Investment income	6	3,958	-	-	3,958	5,102
Income from charitable activities						
- Academy's educational operations	2	-	10,738,816	-	10,738,816	10,765,906
<b>Total incoming resources</b>		<u>1,175,178</u>	<u>11,604,122</u>	<u>50,000</u>	<u>12,829,300</u>	<u>14,652,425</u>
<b>Resources expended</b>						
Costs of Generating Funds						
- Costs of activities for generating funds	8	873,295	-	-	873,295	876,879
Charitable activities						
- Academy's educational operations	9	-	11,398,699	468,795	11,867,494	13,346,802
Governance costs	10	-	34,528	-	34,528	42,046
<b>Total resources expended</b>		<u>873,295</u>	<u>11,433,227</u>	<u>468,795</u>	<u>12,775,317</u>	<u>14,265,727</u>
<b>Net incoming/(outgoing) resources before transfers</b>		301,883	170,895	(418,795)	53,983	386,698
Gross transfers between funds	18	(610,975)	-	610,975	-	-
<b>Net (outgoing)/incoming for the year</b>		(309,092)	170,895	192,180	53,983	<b>386,698</b>
<b>Other recognised gains &amp; losses</b>						
Actuarial gain on defined benefit pension scheme	17	-	340,000	-	340,000	-
<b>Net movement in funds</b>		<u>(309,092)</u>	<u>510,895</u>	<u>192,180</u>	<u>393,983</u>	<u>386,698</u>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward 1 September 2014</b>		<u>889,432</u>	<u>(2,287,173)</u>	<u>20,984,248</u>	<u>19,586,507</u>	<u>19,199,809</u>
<b>Total fund balances carried forward at 31 August 2014</b>		<u>580,340</u>	<u>(1,776,278)</u>	<u>21,176,428</u>	<u>19,980,490</u>	<u>19,586,507</u>

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

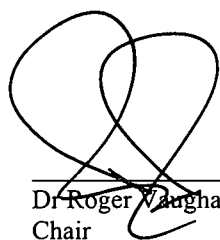
**THE THREE RIVERS LEARNING TRUST LIMITED (Company Number: 07838203)**

**BALANCE SHEET**

**at 31 August 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Fixed assets</b>			
Tangible assets	12	21,176,428	20,886,298
<b>Current assets</b>			
Stock	13	2,370	8,415
Debtors	14	745,132	973,517
Cash at bank and in hand		2,448,019	1,911,453
		3,195,521	2,893,385
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	(1,597,074)	(1,035,445)
<b>Net current assets</b>		1,598,447	1,857,940
<b>Total assets less current liabilities (excluding pension liability)</b>		22,774,875	22,744,238
Creditors Amounts falling due after more than one year	16	(4,385)	(27,731)
<b>Pension scheme liability</b>	17	(2,790,000)	(3,130,000)
<b>Net assets including pension liability</b>		19,980,490	19,586,507
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>			
Restricted Fixed Asset fund	18	21,176,428	20,984,248
Restricted General fund	18	1,013,722	842,827
Pension fund	17	(2,790,000)	(3,130,000)
<b>Total restricted funds</b>	18	19,400,150	18,697,075
<b>General fund</b>			
Unrestricted fund	18	580,340	889,432
<b>Total funds</b>	18	19,980,490	19,586,507

The financial statements on pages 24 to 48 were approved by the Directors and authorised for issue on 15 December 2014 and signed on their behalf by:



Dr Roger Vaughan  
Chair

**THE THREE RIVERS LEARNING TRUST LIMITED**

**CASHFLOW STATEMENT**

**for the year ended 31 August 2014**

	Note	2014 £	2013 £
<b>Net cash inflow/(outflow) from operating activities</b>	26	<u>1,223,908</u>	<u>(564,327)</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		<u>3,958</u>	<u>5,102</u>
<b>Capital income/(expenditure)</b>			
Capital grants from DfE		-	25,061
Other capital grants		50,000	-
Purchase of tangible fixed assets		<u>(741,300)</u>	<u>(117,566)</u>
		<u>(691,300)</u>	<u>(92,505)</u>
<b>Net increase/(decrease) in cash</b>		<u>536,566</u>	<u>(651,730)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the period		<u>536,566</u>	<u>(651,730)</u>
Net funds at 1 September 2013		<u>1,911,453</u>	<u>2,563,183</u>
Net funds at 31 August 2014		<u>2,448,019</u>	<u>1,911,453</u>
	<b>At 1 September 2013 £</b>	<b>Cash Flows £</b>	<b>At 31 August 2014 £</b>
Cash at bank and in hand	<u>1,911,453</u>	<u>536,566</u>	<u>2,448,019</u>

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2014**

**1 ACCOUNTING POLICIES**

**Basis of Preparation**

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

**Going Concern**

After reviewing financial and other information available, the Directors consider that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Incoming resources**

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

**Grants receivable**

Grants income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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.

**Donations**

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

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2014**

**1 ACCOUNTING POLICIES (continued)**

**Other income**

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

**Interest receivable**

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

**Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**Fund accounting**

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

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

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

**Tangible fixed assets**

Tangible fixed assets are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

**THE THREE RIVERS LEARNING TRUST LIMITED**  
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**1 ACCOUNTING POLICIES (continued)**

**Tangible fixed assets (continued)**

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

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

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

**Leased assets**

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

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

**Taxation**

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

**Stock**

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

**Pensions benefits**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

**1 ACCOUNTING POLICIES (continued)**

**Pensions benefits (continued)**

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

**Agency arrangements**

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

**2 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	Restricted fixed assets fund £	2014 Total £	2013 Total £
<b>DfE/EFA REVENUE GRANTS</b>					
General annual grant (GAG) (note 3)	-	10,237,918	-	10,237,918	10,337,356
	-	10,237,918	-	10,237,918	10,337,356
<b>OTHER GOVERNMENT GRANTS</b>					
Pupil premium	-	263,460	-	263,460	179,904
Other Government Funding	-	237,438	-	237,438	248,646
	-	500,898	-	500,898	428,550
	-	10,738,816	-	10,738,816	10,765,906

**3 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4 VOLUNTARY INCOME**

	Unrestricted funds £	Restricted funds £	Restricted fixed assets fund £	2014 Total £	2013 Total £
EFA capital grant	-	865,306	-	865,306	2,776,914
Donations	14,965	-	-	14,965	11,421
Other capital income	-	-	50,000	50,000	-
	<u>14,965</u>	<u>865,306</u>	<u>50,000</u>	<u>930,271</u>	<u>2,788,335</u>

**5 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Catering income	435,246	-	435,246	406,398
School fund income	433,614	-	433,614	390,910
Sale of goods and services	3,748	-	3,748	9,942
Consultancy income	167,775	-	167,775	154,267
Lettings income	13,051	-	13,051	13,596
Educational activities income	7,405	-	7,405	7,105
Music tuition income	40,655	-	40,655	36,749
Adult education	12,418	-	12,418	22,920
Examination fees and expenses	22,920	-	22,920	18,895
Other income	19,423	-	19,423	32,300
	<u>1,156,255</u>	<u>-</u>	<u>1,156,255</u>	<u>1,093,082</u>

**6 INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Bank interest	3,958	-	3,958	5,102
	<u>3,958</u>	<u>-</u>	<u>3,958</u>	<u>5,102</u>



**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7 RESOURCES EXPENDED**

	Staff Costs £	Premises Costs £	Other £	Total 2014 £	Total 2013 £
Cost of activities for generating funds	178,828	-	694,467	873,295	876,879
Academy's Educational Operations					
Direct costs	7,387,252	467,712	865,373	8,720,337	8,972,046
Allocated support costs	1,091,851	1,760,892	294,414	3,147,157	4,374,756
Governance costs including allocated support costs	-	-	34,528	34,528	42,046
	<u>8,657,931</u>	<u>2,228,604</u>	<u>1,888,782</u>	<u>12,775,317</u>	<u>14,265,727</u>

Net incoming resources for the period is stated after deducting:

	2014 £	2013 £
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- audit	25,000	26,100
- other services	9,528	15,946
Operating lease costs:		
Plant and machinery	34,277	40,642
Other	15,554	6,398

**8 COST OF GENERATING FUNDS**

	Unrestricted Funds £	Restricted General Funds £	2014 £	2013 £
Catering	438,624	-	438,624	464,835
School fund expenditure	434,671	-	434,671	412,044
	<u>873,295</u>	<u>-</u>	<u>873,295</u>	<u>876,879</u>

**THE THREE RIVERS LEARNING TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 August 2014**

**9 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2014	2013
	£	£	£	£	£
<b>Direct costs</b>					
Teaching and educational support staff costs	-	7,387,252	-	7,387,252	7,512,386
Depreciation	-	-	467,712	467,712	449,891
Educational supplies	-	593,119	-	593,119	677,040
Examination fees	-	217,645	-	217,645	245,915
Staff development	-	54,609	-	54,609	86,814
<b>Total direct costs</b>	-	8,252,625	467,712	8,720,337	8,972,046
<b>Allocated support costs</b>					
<b>Personnel Costs</b>					
Support staff costs (including pension credit of £110,000 (2013: £170,000))	-	1,091,851	-	1,091,851	984,323
Recruitment and support	-	40,327	-	40,327	39,984
	-	1,132,178	-	1,132,178	1,024,307
<b>Establishment Expenses</b>					
Maintenance of premises & equipment	-	1,398,004	-	1,398,004	2,639,463
Rent & rates	-	80,762	-	80,762	75,819
Light & heat	-	210,361	-	210,361	233,625
Insurance	-	71,765	-	71,765	90,813
	-	1,760,892	-	1,760,892	3,039,720
<b>General Expenses</b>					
Cleaning	-	19,456	-	19,456	21,663
Bank charges	-	7,391	-	7,391	5,438
FRS 17 finance costs	-	110,000	-	110,000	120,000
Loss on disposal of fixed assets	-	-	1,083	1,083	-
Other support costs	-	116,157	-	116,157	163,628
	-	253,004	1,083	254,087	310,729
<b>Total allocated support costs</b>	-	3,146,074	1,083	3,147,157	4,374,756
<b>Total direct and support costs</b>		11,398,699	468,795	11,867,494	13,346,802

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**10 GOVERNANCE COSTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration		
Audit of financial statements	25,000	26,100
Other audit costs	9,528	15,946
	<u>34,528</u>	<u>42,046</u>

**11 STAFF COSTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Staff costs during the period were:		
Wages and salaries	6,997,399	7,093,809
Social security costs	504,677	521,141
Pension costs	1,017,917	1,022,015
	<u>8,519,993</u>	<u>8,636,965</u>
Supply teacher costs	137,938	13,391
Staff restructuring costs	-	91,397
	<u>8,657,931</u>	<u>8,741,753</u>

**Staff severance payments**

Redundancy costs of £nil (2013:£91,397) include £nil (2013:£56,284) paid to a director of the learning trust.

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2014 was as follows:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Teachers	152	164
Administration and support	213	216
Management	6	7
	<u>371</u>	<u>387</u>

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2014 expressed as full time equivalents was as follows:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Teachers	128	132
Administration and support	101	103
Management	6	7
	<u>235</u>	<u>242</u>

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11 STAFF COSTS (continued)**

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

	2014 No.	2013 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	2
£100,001 - £110,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £35,600 (2013: £46,728).

**DIRECTORS' REMUNERATION AND EXPENSES**

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

The value of the Accounting Officer's remuneration was £107,500 (2013: £97,614). The Accounting Officer is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £15,157 (2013: £13,763).

The value of the staff directors' remuneration (excluding the Accounting Officer) was £139,056 (2013: £178,852). The staff directors are accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £24,095 (2013: £25,112).

During the year ended 31 August 2014, travel and subsistence expenses totalling £456 (2013: £nil) were reimbursed to the Directors.

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

**DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,048.

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

**THE THREE RIVERS LEARNING TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 August 2014**

**12 TANGIBLE FIXED ASSETS**

	<b>Land £</b>	<b>Leasehold buildings £</b>	<b>Athletics Track £</b>	<b>Motor vehicles £</b>	<b>Furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>							
At 1 September 2013	5,740,000	14,664,969	920,000	27,250	92,434	196,447	21,641,100
Additions	-	758,925	-	-	-	-	758,925
Disposals	-	-	-	(13,000)	-	-	(13,000)
At 31 August 2014	<u>5,740,000</u>	<u>15,423,894</u>	<u>920,000</u>	<u>14,250</u>	<u>92,434</u>	<u>196,447</u>	<u>22,387,025</u>
<b>Depreciation</b>							
At 1 September 2013	-	551,265	80,500	12,571	52,987	57,479	754,802
Charge in year	-	323,262	46,000	7,183	30,278	60,989	467,712
Depreciation on disposal	-	-	-	(11,917)	-	-	(11,917)
At 31 August 2014	<u>-</u>	<u>874,527</u>	<u>126,500</u>	<u>7,837</u>	<u>83,265</u>	<u>118,468</u>	<u>1,210,597</u>
<b>Net book value</b>							
At 31 August 2014	<u>5,740,000</u>	<u>14,549,367</u>	<u>793,500</u>	<u>6,413</u>	<u>9,169</u>	<u>77,979</u>	<u>21,176,428</u>
At 31 August 2012	<u>5,740,000</u>	<u>14,113,704</u>	<u>839,500</u>	<u>14,679</u>	<u>39,447</u>	<u>138,968</u>	<u>20,886,298</u>

Included within the net book value of £21,176,428 is £11,750 (2013 - £17,538) 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 £5,788 (2013 - £nil).

**13 STOCK**

	<b>At 31 August 2014 £</b>	<b>At 31 August 2013 £</b>
Catering & uniform	2,370	8,415
	<u>2,370</u>	<u>8,415</u>

**14 DEBTORS**

	<b>At 31 August 2014 £</b>	<b>At 31 August 2013 £</b>
Trade debtors	31,506	15,373
Prepayments	642,269	859,697
VAT debtor	67,575	98,447
Other debtors	3,782	-
	<u>745,132</u>	<u>973,517</u>

**THE THREE RIVERS LEARNING TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 August 2014**

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

	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,133,799	626,599
Accruals and deferred income	439,929	385,500
Obligations under hire purchase agreements	5,846	5,846
Other creditors (note 16)	17,500	17,500
	<u>1,597,074</u>	<u>1,035,445</u>
	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
	<b>£</b>	<b>£</b>
<b>Accruals and deferred income comprises:</b>		
<b>Deferred income at 1 September 2014</b>	23,798	291 614
Resources deferred in the year	22,831	23,798
Amounts released from previous year	(23,798)	(291,614)
	<u>22,831</u>	<u>23,798</u>
<b>Deferred income at 31 August 2014</b>	22,831	23,798
Accruals	417,098	361,702
	<u>439,929</u>	<u>385,500</u>
<b>Total accruals and deferred income</b>	<u>439,929</u>	<u>385,500</u>

Deferred income of £22,831 relates to rates rebate income received in advance of entitlement.

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16 CREDITORS: AMOUNTS FALLING DUE WITHIN MORE THAN ONE YEAR**

	At 31 August 2014	At 31 August 2013
	£	£
Other creditors	-	17,500
Obligations under hire purchase agreements	4,385	10,231
	<hr/> 4,385	<hr/> 27,731

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

**17 PENSIONS AND SIMILAR OBLIGATIONS**

The Academy 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 defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £75,634 were payable to the schemes at 31 August 2014 and are included within creditors.

**Teachers' Pension Scheme**

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement scheme valuations had been suspended since the last valuation in 2004.

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**17 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

Valuation of the Teachers' Pensions Scheme (continued)

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

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

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

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer contribution rate of 16.4% from September 2015 and an employer cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £687,917 (2013: £722,261).

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

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



**THE THREE RIVERS LEARNING TRUST LIMITED**  
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**17 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August was £520,000 of which employer's contributions totalled £440,000 and employees' contribution totalled £80,000.

Principal actuarial assumptions

	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.6%	4.7%
Rate of increase for pensions in payment	2.1%	2.8%
Discount rate	3.7%	4.5%
Inflation (CPI)	2.1%	2.8%

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

	<b>2014</b>	<b>2013</b>
Retiring today:		
Males	22.9	22.5
Females	25.4	24.7
Retiring in 20 years:		
Males	25.1	24.3
Females	27.7	26.6

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**17 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

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

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
Equities	7.5%	1,671,400	7.9%	1,044,240
Property	6.8%	107,360	7.4%	65,360
Government bonds	2.9%	412,360	3.4%	226,480
Corporate bonds	3.3%	226,920	4.1%	148,960
Cash	1.1%	-	0.9%	18,240
Other	7.5%	21,960	7.9%	16,720
<b>TOTAL MARKET VALUE OF ASSETS</b>		<b>2,440,000</b>		<b>1,520,000</b>
Present value of scheme liabilities				
- Funded		(5,230,000)		(4,650,000)
<b>DEFICIT IN THE SCHEME</b>		<b>(2,790,000)</b>		<b>(3,130,000)</b>

The actual return on scheme assets was a gain of £400,000 (2013:£140,000).

The Three Rivers Learning Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to general higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2014.

Amounts recognised in the statement of financial activities	2014 £	2013 £
Current service cost (net of employer contributions)	(110,000)	(180,000)
Past service costs	-	10,000
	<hr/>	<hr/>
Total operating charge	(110,000)	(170,000)
	<hr/>	<hr/>
Analysis of pension finance cost/(income)		
Expected return on pension scheme assets	(110,000)	(60,000)
Interest on pension liabilities	220,000	180,000
	<hr/>	<hr/>
Pension finance costs	110,000	120,000
	<hr/>	<hr/>

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2014

**17 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

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

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £460,000 (2013: £800,000).

Movements in the present value of defined benefit obligations were as follows:	<b>2014</b> £	<b>2013</b> £
Opening fair value	4,650,000	4,000,000
Current service cost	330,000	310,000
Interest cost	220,000	180,000
Employee contributions	80,000	80,000
Net benefits paid out	-	(10,000)
Actuarial (gain)/loss	(50,000)	80,000
Past service cost	-	10,000
	<hr/>	<hr/>
At 31 August	5,230,000	4,650,000
	<hr/>	<hr/>
Movements in the fair value of Academy's share of scheme assets:		
Opening fair value	1,520,000	820,000
Expected return on assets	110,000	60,000
Actuarial gain	290,000	80,000
Employer contributions	440,000	490,000
Employee contributions	80,000	80,000
Net benefits paid out	-	(10,000)
	<hr/>	<hr/>
At 31 August	2,440,000	1,520,000
	<hr/>	<hr/>

Employer contributions for the year ended 31 August 2015 as imposed by the LGPS are expected to be £330,000:

- o 16.3% of pensionable pay
- o additional contributions to fund the scheme deficit of £118,000 (2013: £134,000)

**THE THREE RIVERS LEARNING TRUST LIMITED**  
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**17 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

The history of experience adjustments is as follows:

	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(5,230,000)	(4,650,000)	(4,000,000)
Fair value of share of scheme assets	2,440,000	1,520,000	820,000
	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(2,790,000)	(3,130,000)	(3,180,000)
	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme assets	11.9%	5.3%	1.2%
Amount	290,000	80,000	10,000
Experience adjustments on scheme liabilities:	-2.3%	0.0%	0.0%
Amount	(120,000)	£nil	£nil

**THE THREE RIVERS LEARNING TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 August 2014**

**18 FUNDS**

	<b>Balance at 1 September 2013 £</b>	<b>Incoming resources £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2014 £</b>
<b>Restricted General Fund</b>					
General Annual Grant (GAG)	163,591	10,237,918	(10,047,385)	41,800	395,924
Pension reserve	(3,130,000)	-	-	340,000	(2,790,000)
	<u>(2,966,409)</u>	<u>10,237,918</u>	<u>(10,047,385)</u>	<u>381,800</u>	<u>(2,394,076)</u>
Pupil Premium funding	-	263,460	(263,460)	-	-
Other income	-	237,438	(237,438)	-	-
Capital maintenance income					
King Edward VI	164,289	569,650	(337,783)	(20,000)	376,156
Newminster	482,483	12,691	(499,944)	(12,800)	(17,570)
Chantry	32,464	282,965	(47,217)	(9,000)	259,212
	<u>(2,287,173)</u>	<u>11,604,122</u>	<u>(11,433,227)</u>	<u>340,000</u>	<u>(1,776,278)</u>
<b>Restricted Fixed Asset Fund</b>					
Tangible fixed asset transfer from Council					
King Edward VI	13,228,541	-	(315,807)	-	12,912,734
Newminster	2,746,928	-	(45,866)	-	2,701,062
Chantry	4,502,756	-	(74,300)	-	4,428,456
Capital grants received from Council on conversion	126,708	-	(4,939)	-	121,769
DfE capital grants	55,985	-	(3,081)	-	52,904
Capital expenditure from GAG	94,787	-	(4,954)		89,833
Other capital income	36,186	-	(3,355)	-	32,831
Capital expenditure from unrestricted funds	58,214	-	(6,128)	-	52,086
Sixth Form	134,143	50,000	(10,365)	610,975	784,753
	<u>20,984,248</u>	<u>50,000</u>	<u>(468,795)</u>	<u>610,975</u>	<u>21,176,428</u>
<b>Restricted Fixed Asset Funds</b>	<u>20,984,248</u>	<u>50,000</u>	<u>(468,795)</u>	<u>610,975</u>	<u>21,176,428</u>
<b>Total Restricted funds</b>	<u>18,697,075</u>	<u>11,654,122</u>	<u>(11,902,022)</u>	<u>950,975</u>	<u>19,400,150</u>
<b>Total Unrestricted funds</b>	<u>889,432</u>	<u>1,175,178</u>	<u>(873,295)</u>	<u>(610,975)</u>	<u>580,340</u>
<b>Total Funds</b>	<u>19,586,507</u>	<u>12,829,300</u>	<u>(12,775,317)</u>	<u>340,000</u>	<u>19,980,490</u>

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**18 FUNDS (continued)**

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

**General Annual Grant**

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

**Pension deficit**

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

**Tangible fixed asset transfer**

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.

**Capital expenditure from unrestricted funds**

This gross transfer from the unrestricted fund to the restricted fixed asset fund represents the total capital expenditure from reserves during the period to fund the Sixth Form capital works.

**Sixth Form**

A Sixth Form block has been built during the period funded by brought forward unrestricted reserves and grant income received in the year. The costs have been capitalised and the depreciation charge will reduce the fund over the life of the assets.

**18a ANALYSIS OF ACADEMIES BY FUND BALANCE**

	<b>Total 2014 £</b>
King Edward VI	1,037,635
Newminster	207,771
Chantry	348,656
<b>Total before fixed assets and pension reserve</b>	<b>1,594,062</b>
Restricted fixed asset fund	21,176,428
Pension reserve	(2,790,000)
<b>Total</b>	<b>19,980,490</b>

**THE THREE RIVERS LEARNING TRUST LIMITED**  
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**18b ANALYSIS OF ACADEMIES BY COST**

	Teaching and Educational Support Staff Costs	Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation and LGPS liability movement)	Total 2014
	£	£	£	£	£
King Edward VI	4,741,918	835,180	355,300	1,594,092	7,526,490
Newminster	1,344,445	287,098	119,202	928,391	2,679,136
Chantry	1,300,889	258,401	118,617	424,072	2,101,979
<b>Total</b>	<b>7,387,252</b>	<b>1,380,679</b>	<b>593,119</b>	<b>2,946,555</b>	<b>12,307,605</b>

Support staff costs include £178,828 of catering staff costs included within Cost of Generating Funds.

**18c CENTRAL SERVICES**

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

- Human resources
- Financial Services
- Legal and accountancy services

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

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

The actual amounts charged during the year were as follows:

	Total 2014 £
King Edward VI	167,612
Newminster	55,341
Chantry	55,162
<b>Total</b>	<b>278,115</b>

**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2014 £	Total 2013 £
Tangible fixed assets	-	-	21,176,428	21,176,428	20,886,298
Current assets	580,340	2,615,181	-	3,195,521	2,893,385
Current liabilities	-	(1,597,074)	-	(1,597,074)	(1,035,445)
Non current liabilities	-	(4,385)	-	(4,385)	(27,731)
Pension liability	-	(2,790,000)	-	(2,790,000)	(3,130,000)
<b>Total net assets</b>	<b>580,340</b>	<b>(1,776,278)</b>	<b>21,176,428</b>	<b>19,980,490</b>	<b>19,586,507</b>

**THE THREE RIVERS LEARNING TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**20 CAPITAL COMMITMENTS**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Contracted for but not provided for in the financial statements	673,058	1,208,686
	<u>673,058</u>	<u>1,208,686</u>

**21 OPERATING LEASES**

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

	<b>2014 £</b>	<b>2013 £</b>
Other:		
Expiring within one year	649	38,247
Expiring within two and five years inclusive	29,539	23,685
	<u>30,188</u>	<u>61,932</u>

**22 ULTIMATE CONTROLLING PARTY**

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

**23 RELATED PARTY 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.

There are no related party transactions to report.

**24 CONTINGENT LIABILITIES**

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

**25 MEMBERS LIABILITY**

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



**THE THREE RIVERS LEARNING TRUST LIMITED**  
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**26 RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net surplus	53,983	386,698
Depreciation	467,712	449,891
Loss on disposal of fixed assets	1,083	-
Interest receivable	(3,958)	(5,102)
FRS 17 – Staff costs	(110,000)	(170,000)
FRS 17 – Finance costs	110,000	120,000
Movement in stock	6,045	3,600
Movement in debtors	228,384	(833,117)
Movement in creditors	526,505	(491,236)
Repayment of hire purchase	(5,846)	
Capital grants from DfE	(50,000)	(25,061)
	<u>1,223,908</u>	<u>(564,327)</u>

**27 AGENCY ARRANGEMENTS**

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £36,131 (2013: £10,420) and disbursed £36,530 (2013: £9,899). The Academy Trust retained no beneficial interest in individual transactions such that a loss of £399 (2013: gain of £521) has been recognised in expenditure in the statement of financial activities.