

Company Number: 07838203

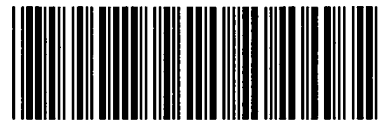
THE THREE RIVERS LEARNING TRUST LIMITED

(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 August 2015

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COMPANIES HOUSE

The Three Rivers Learning Trust Limited

COMPANY INFORMATION

Directors (Trustees)

Dr. Roger Vaughan ^ >	Member
Joe Evans^	Vice Chairman, Member
Sylvie Walker-Barras*>	Member
Simon Taylor^ >	Chief Executive
Paul Carvin >*	Chairman, Member
Jane Greaves	Resigned 25.09.14
Mark Robson^	
Alice Lane*	
Angela Saxton >	
Ros Richardson >	Member, Resigned as Director 23.06.15
Mark Tait	
Rev. Simon White^	
Robert Brown*	
Graeme Davis^	
Dr. Susan Picton>	
Karen Barwick >*	
Hilary Rimmer>	Appointed 27.11.14

^ 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

The Three Rivers Learning Trust Limited

COMPANY INFORMATION

Company Registration Number

07838203 (England and Wales)

Independent Auditor

RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT
LLP)
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Lloyds
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

The Three Rivers Learning Trust Limited

DIRECTORS REPORT

The directors, who are trustees for the purposes of Charity Law and directors for the purposes of the Companies Act, submit their annual report and audited accounts for the year ended 31 August 2015 and confirm that the latter comply with the requirements of the charitable company's memorandum and articles of association, Companies Act 2006, the Charities Statement of Recommended Practice (SORP) 2005 and the Academies: Accounts Direction 2015 issued by the Education Funding Agency.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Learning Trust was incorporated on 7 November 2011 and converted to Academy status on 1 December 2011 and its principal governing documents are the Memorandum and Articles of Association. The 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.

Members' Liabilities

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.

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, with the exception of Ros Richardson, who resigned as a director on 23 June 2015. 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.

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DIRECTORS REPORT

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

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

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

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 Learning 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.

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DIRECTORS REPORT

Our Purpose

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

We want our young people to:

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

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 enrichment 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.

KEY PERFORMANCE INDICATORS

The Executive 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 2015: Headlines

The 2015 GCSE results were amongst the highest attainment levels in the history of the school, with 73% of the cohort achieving 5A* - C grades including English and Maths. 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.

2015 Summary Data

The table over page shows the key performance measures:

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

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DIRECTORS REPORT

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.

2015 Summary Data (continued) Provisional

	No.	5+ A*-C	5+A*-C E&M	A*-C En	A*-C Ma	En 3LP	En 4LP	Ma 3LP	Ma 4LP	E- bacc
All	334	82%	73%	79%	87%	74%	29%	85%	48%	33%
Girls	176	86%	81%	86%	86%	81%	35%	86%	48%	37%
Boys	158	77%	65%	71%	87%	66%	22%	85%	47%	28%
PUPIL PREMIUM	29	45%	38%	59%	62%	66%	17%	69%	28%	17%
Non PP	305	85%	76%	81%	89%	75%	30%	87%	50%	34%

Key Stage 4 Data Comparison Provisional

	2014	2015
KS2 Average Points Score (APS) on entry	28.4 sig above the national average	28.5 sig above the national average
5A*-C English & Maths	ALL- 71% B- 65% G- 78%	73% 65% 81%
3 Levels of Progress Maths	84%	85%
3 Levels of Progress English	81%	74%
Capped APS	338.7	347.2
EBacc	35%	33%

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 (2014)	VA 2013	VA 2014	VA 2015
Capped Inc. E&M bonus	323	1015.3	1017.3	TBC
English	323	1003.5	1000.2	TBC
Maths	323	1003.8	1003.3	TBC
Sciences	287	1003	1002.1	TBC
Humanities	244	1001.5	1000.1	TBC
Languages	201	1001.1	1000.2	TBC

Post 16 Results Summary 2015: Headlines

- Attainment in terms of Average Points Score (APS) per student (804.8) is slightly lower than 2014 (843.5).
- Attainment for Average Points Score per entry has increased to 215.6 from 213.0 in 2014.
- % of A*, A and B grades (48.1%) is slightly lower than in 2014 (51.8).
- Overall VA scores at A level remain significantly positive.

Key Stage 5 Data Comparison

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

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A-Level Pass Rates:

	2012	2013	2014	2015 Prov.
Overall A* - E	99.5	98.9	98.2	98.2
A* - A	28.8	25.0	25.5	23.7
A* - B grades	56.2	50.2	51.8	48.1
U grades	0.5	1.1	1.8	1.8
Learner Achievement Tracker VA (A level)*	12.7	0.38	0.45	0.14
APS per student (Inc. General Studies)(AS+A2)	872	848.5	843.3	804.8
Level 3 APS per entry	219.6	216	213.0	215.6
Level 3 APS per entry (National)	212.8	212.7	211.2	213.4
Retention (Y12 to Y13)	84	87	88	86
3 A levels AAB in facilitating subjects	9	9	11	9

* New methodology in 2013

Year 13 Destinations for 2015

University	163
Employment	16
Gap Year	13
Apprenticeship	11
Foundation Art Diploma	8
FE College	6
Armed Forces	1

Confirmed Universities and Colleges for 2015 entry

Northumbria	26
Newcastle	12
Newcastle College	11
Leeds Beckett	7
Sheffield	7
Teesside	7
Lancaster	5
Manchester Met	5
Aberdeen	4
Cambridge	4
Durham	4
Edinburgh	4
Loughborough	4
Sunderland	4
Edinburgh Napier	3
Leeds College of Art	3
Sheffield Hallam	3
Cumbria	3
Oxford	1
Various Others	57

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Most Popular University Subjects for KEVI Students for 2015 entry

Course	Number of Places
Business / Economics	22
Social Sciences	19
Politics / History / Int Relations	16
Engineering	15
Sciences	13
Music / Performance	10
Graphics / Photography	10
Maths / Accounting	8
Health Professions inc Med / Vet	11
English	6
ICT	6
Architecture / Art / Design	5
Geography	5
Education	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 2015 / 16 in Years 10 and 11, although there are 2 vacant places in Year 9. 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	168	150	318
Year 10	143	177	320
Year 11	162	167	329
Year 12	126	144	270
Year 13	101	119	220
Total			1457

Attendance. In 2014/15 the absence rate was 4.9%, which is above with National average (5.1%). The persistent absence rate, (classed as absence of 15% or more) in 2014/15 was 5.18% which is better than the national average of 5.8%. Parents and carers are supported to promote positive attendance with their children from the Year offices and the Student Support Area.

Behaviour. School Self Evaluation assesses Behaviour and Safety as outstanding. Staff and students follow an Attitude to Learning framework to ensure consistency and high expectations are in place in lessons and around school. A traditional Year Leader / Form Tutor system ensures that any incidents of poor behaviour are picked up and resolved quickly. There have been no permanent exclusions in recent years and fixed term exclusions are supported by an internal base to deal with challenging behaviour and ensure that learning is not disrupted by exclusion.

Exclusions	2011/12	2012/2013	2013 / 14	2014 / 15
Total	21	32	65	50
Total days	45	48.5	129	79.5
Total number of students	18	20	35	37

Internal Exclusions	2011/12	2012/2013	2013 / 14	2014/15
Total	104	146	150	165

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Total days	107,3 x ½ day	141, 10x1/2 day	153	169.5
Total number of students	54	59	52	50

2. Chantry Middle School: Headline Results 2015

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 four years.

Headline Results 2015

Attainment at the end of Key Stage 2 has been consistently above national averages, although this dipped in 2015, due to the very weak prior attainment of the cohort.

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

PA KSI APS	17.2	16.9	16.4	15.4
Outcomes Year 6	2012	2013	2014	2015 Prov.
Eng/Ma L4+	89	84	79	70
Eng/Ma L5+	43	33	29	15
English L4+	95	Reading 92	97	87
		SPAG 72	88	69
		Writing 87	87	79
English L5+	52	Reading 54	58	51
		SPAG 40	55	46
		Writing 42	38	17
Eng APS	29.7	Reading 29.7 Writing 28.8	30.3 28.3	29.2 26.5
En 2 x levels	86	Reading 92 Writing 90	98 90	85 81
En 3 x levels		Reading 23 Writing 22	32 22	35 16
Maths L4+	92	92	88	82
Maths L5+	54	55	45	32
Maths APS	30.2	30.3	29.3	27.8
Maths 2 X levels	91	92	90	80
Maths 3 X levels		32	30	22

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

	2012			2013			2014			2015		
	5+	6+	7+	5+	6+	7+	5+	6+	7+	5+	6+	7+
Reading	88	67	8	95	64	12	95	63	23	96	79	18
Writing	87	50	6	92	56	8	96	56	10	93	64	12
Maths	91	72	34	95	74	38	90	63	38	91	74	37

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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	2009-13	2010-2014	2011-2015
Reading	13.5	14.5	13.9
Writing	14.2	14.3	14.0
Maths	17.1	16.8	15.6

Year 5 Baseline to Year 8	2009-13	2010-2014	2011-2015
Reading	15.7	14.9	15.2
Writing	15.4	15.6	15.7
Maths	18.5	18.1	17.0

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:

	2012	2013	2014	2015
Number on roll 2012 - 15	489	485	503	510

2015: Current Number on role by Year Group

	Boys	Girls	Total
Year 5	69	62	131
Year 6	65	65	130
Year 7	73	58	131
Year 8	48	70	118
Totals	255	255	510

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

	Total Attendance	Total absence	15% absence
2010/11	93.0%	7.0 %	10.7%
2011/12	95.1%	4.9%	3.4%
2012/13	95.0%	5%	5.4%
2013/14	96.1%	3.9%	3.8%
2014/15	96.1%	3.9%	2.6%

Behaviour: Students' attitudes to learning and conduct in lessons and around the school are outstanding. Chantry has high expectations of the way that students conduct themselves. The students themselves know what is expected of them and, because they fully respect teachers and their assistants, they respond more positively. Students enjoy very productive relationships with the adults who work with them and cooperate very well, whether they are in class or moving around the school. Behaviour towards, and respect for, other young people and adults, including freedom from bullying and harassment

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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 2015

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. In 2015 the outcomes were a further improvement on 2014 in almost all areas.

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

Newminster - Outcomes at Key Stage 2

PAKS17APS	17:6	17:1	17:7	17:7
Outcomes Yr 6	2012	2013	2014	2015
Eng/Ma L4+	88	83	86	91
Eng/Ma L5+	44	23	30	37
English L4+	96	Reading 89	90	97
		SPAG 70	79	80
		Writing 99	91	94
English L5+	55	Reading 45	56	60
		SPAG 41	56	59
		Writing 48	56	55
En aps	30.0	Reading 28.9 Writing 29.9	29.5 30	30.4 30
En 2 x levels	Reading 87 Writing 90	Reading 81 Writing 98	82 90	94 95
En 3 x levels		Reading 14.3 Writing 36	14 35	15 34
Maths L4+	90.3	88	94	97
Maths L5+	58.1	45	53	53
Ma aps	30.1	29.4	30.1	30.7
Ma 2 x levels	81	75.4	83	85
Ma 3 x levels		21	23	29

Newminster Middle School: Outcomes at Year 8

	2012			2013			2014			2015		
	5+	6+	7+	5+	6+	7+	5+	6+	7+	5+	6+	7+
Reading	97	80	23	96	76	28	98	83	29	100	83	17
Writing	98	59	15	95	65	18	98	77	31	100	65	18
Maths	98	81	41	97	78	49	94	81	44	95	86	39

Newminster Middle School: Progress from Year 4 to Year 8

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

Year 4 to Year 8	2009-13	2010-2014	2011-2015
Reading	14.4	15.4	14.4
Writing	14.7	16.4	14.8
Maths	17.7	17.1	16.8

Year 5 Baseline to Year 8	2009-13	2010-2014	2011-2015
Reading	13.8	16.1	18.3
Writing	15.2	16.1	17.7

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DIRECTORS REPORT

Maths	17.5	16.5	20.3
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Progress from Year 4 to Year 8 (continued)

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

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

Newminster: Admissions, Attendance and Behaviour.

Admissions	2012	2013	2014	2015
Number on roll	522	505	512	518

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.

2015: Current Number on role by Year Group

	Boys	Girls	Total
Year 5	69	59	128
Year 6	71	62	133
Year 7	80	50	130
Year 8	64	63	127
Totals	284	234	518

Attendance: 2011-2015

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

Academic Year	Total Attendance	Total Absence	15% Absence
2010/11	94.6%	5.4%	6.2%
2011/12	95.8%	4.2%	2.8%
2012/13	94.9%	5.1%	4.3%
2013/14	95.8%	4.2%	4.5%
2014 /15	96.1%	3.9%	1.36%

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

Principal activities for the year

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

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DIRECTORS REPORT

Grant making and social investment policy

Where resources allow, the Learning Trust seeks to ensure that all students have equal access to the education on offer at the schools regardless of parental income. The directors recognise that equal opportunities should be an integral part of good practice within the workplace. The 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.

Volunteers

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

Public benefit

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

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the schools

The academic results for the schools are set out on pages 5 to 12. 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 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 show the movement on restricted and unrestricted funds. Total funds of the charity amount to £18,840,002 but only £816,663 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 £2,710,000 are included in the Restricted General Fund.

Financial and risk management objectives and policies

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

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DIRECTORS REPORT

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 the school budget share income to ensure the continuing operation of the charity. The charity would not be able to continue operation in the current form in the event of a significant drop in grants.

As at the 31st August 2015 the Learning Trust's free reserves were £816,664 of unrestricted funds comprising of cash in the Learning Trust's current assets.

Going concern

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

Investment policy and objectives

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

Communication with employees

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

FUTURE PLANS

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

AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office for a further 3 years following a tender exercise during this financial year.

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.

The Directors Report is approved by order of the Board of Directors and the Strategic Report (included therein) is approved by order of the Board of Directors, in their capacity as the Directors, at its meeting on 17 December 2015 and signed on its behalf by:



Paul Carvin
Chair of Directors

The Three Rivers Learning Trust Limited

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

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

Director	Meetings attended	Out of possible
R Vaughan	10	11
J Evans	9	11
R Richardson	6	9
S Walker-Barras	11	11
S Taylor	11	11
A Saxton	7	11
M Robson	9	11
A Lane	10	11
P Carvin	10	11
M Tait	11	11
R Brown	5	11
G Davis	5	11
S Picton	11	11
S White	7	11
K Barwick	10	11
H Rimmer	8	11

Governance Self-Review

The annual review of governance includes a skills audit and gap analysis, director survey and training needs analysis. It is supported by an external consultant and draws upon resources from The Education Funding Agency and external leadership CPD organisations.

Resulting actions this year were -

- development of a business rhythm calendar to improve efficiency and communication
- school link directors were appointed to further develop insight and support for school performance
- Specific CPD was organised for chairman skills, understanding education policy, working and volunteering with young people and CEAIG
- annual Board and committee reports on each committee's work and progress
- Director one to ones with the chair to discuss individual performance.

The Three Rivers Learning Trust Limited

GOVERNANCE STATEMENT

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

Director	Meetings attended	Out of possible
J Evans	6	6
R Vaughan	6	6
S Walker-Barras	5	6
S Taylor	6	6
M Robson	5	6
M Tait	5	6
G Davis	4	6
S White	2	6

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

Director	Meetings attended	Out of possible
S Walker-Barras	4	4
A Lane	4	4
M Tait	4	4
P Carvin	1	3
K Barwick	3	3

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 in the year is as follows:

Director	Meetings attended	Out of possible
P Carvin	5	5
S Taylor	5	5
R Vaughan	5	5
R Richardson	2	4
S Walker-Barras	5	5
A Saxton	4	5
S Picton	2	5
M Tait	1	1
K Barwick	3	5
S White	1	1
R Brown	1	1
H Rimmer	4	4

Value for Money Statement

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

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

The Learning Trust Board, specifically the Accounting Officer, is responsible and accountable for ensuring that the Learning Trust delivers good value in the use of public resources. They are guided by the principles laid out in the EFA Financial Handbook and other regulatory guidance.

The Three Rivers Learning Trust Limited

GOVERNANCE STATEMENT

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

Efficiency: Minimising the cost of resources

Effectiveness: Use of time efficiently

Economy: Extent of achievement

Equity: Ensuring fairness and equality at all times

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

Challenging: Questioning the way services have been delivered

Comparing: Comparing the way services were obtained with other Academies

Consulting: Consulting relevant stakeholders to ensure services were relevant to needs

Competing: Testing the market place to secure best price

Consideration of these principles has helped to maximise the impact of Learning Trust spending on the raising of educational standards.

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 2015 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 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

The Three Rivers Learning Trust Limited

GOVERNANCE STATEMENT

The Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. During the year the Board reviewed the governance and internal assurance arrangements within the Learning Trust. 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 Risk Advisory Services LLP has 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 Baker Tilly Risk Advisory Services LLP
- The work of the Audit Committee
- The work of the external auditor
- The work of the executive managers within the Learning Trust who have responsibility for the development and maintenance of the internal control framework

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

Statement on the system of internal financial control

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

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

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance and Facilities Committee who report to the Board of Directors,
- Regular reviews by the Finance and Facilities Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes,
- Setting targets to measure financial and other performance,
- Clearly defined purchasing (asset purchase or capital investment) guidelines,
- Delegation of authority and segregation of duties,
- Identification and management of risks.

The Audit Committee's terms of reference includes 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 internal audit reports and the planning, scope and conclusions of the external auditor's programme. Audit Committee meetings are scheduled to be held 4 times each year.

The Three Rivers Learning Trust Limited

GOVERNANCE STATEMENT

Educational Outcomes 2014 / 15

Attainment (2014 -15) across all three schools of the Learning Trust is high and well above the national average at all leaving points - Year 8 for Chantry and Newminster and Years 11 and 13 for King Edward VI. In addition, the progress students make from their starting points is either good or outstanding for almost all cohorts of students. At Newminster Key Stage 2 attainment is well above the national average. However, at Chantry attainment fell below the national average at Key Stage 2 in 2015, although the prior attainment of this year group is very weak and they have achieved progress measures in line with expectations. At both Chantry and Newminster Middle Schools, academic measures from year 5 to year 8 demonstrate better than expected outcomes. At The King Edward VI School, progress measures in the key subjects of English and Maths remain very high against national measures. Progress across the EBacc and foundation subjects also demonstrate strong outcomes and are well above national levels. Post 16 academic results were significantly positive for added value.

Targeted Improvement 2015 / 16:

- Implementation of the national changes in curriculum and assessment at Key Stages 2 and 3
- Improving Literacy and Numeracy for all students across the Learning Trust and to roll out the Accelerated Reader programme across Years 6 and 7
- Intervention strategies to support the recovery of those students who are below nationally expected levels at Key Stage 2 to ensure they are "secondary ready" as soon as possible
- Develop Key Stage 3 assessment strategies across all subject areas. The development and refinement of assessment practices remains a major focus across the three schools this year, to provide high quality formative feedback, in line with best practice from educational research (EEF)
- Review of Post 16 curriculum and assessment in line with the changes to A level provision. A focus on developing independent learning skills within Post 16 provision remains a priority
- Introduce a dedicated enrichment afternoon for Year 12 to support EPQ, General Studies and work experience
- Review Post 16 entry requirements for September 2016
- Develop a Health and Well-being programme to support staff and students across the Learning Trust and lead to improved outcomes for all

Focus on Individual Students:

- Attainment and progress data (2014 / 15) for all cohorts; High, Middle, Low ability students; girls / boys; disadvantaged (Pupil Premium) students and DSEN students is very closely tracked and reported upon, with appropriate interventions deployed at a group / individual level
- Intervention groups at all Key Stages to support individuals who are currently below nationally expected levels
- Improve the GCSE performance of boys' against girls', especially in English
- The use of funding to support under-performance at Year 7, and Pupil Premium funding enables these students to achieve well compared to national data
- The Learning Trust has managed the differing needs of its pupils through the provision of quality teaching and learning to provide all individuals the maximum opportunity for growth and development.
- Teachers and students are further supported through an expert Learning Support Team in each school, led by an Assistant Head / SEN Co-ordinator

Collaboration:

- The Trust has engaged with other educational providers and establishments to share best practice and drive standards
- The Executive Head Teacher is a designated National Leader of Education (NLE) and supports the Local Authority through the role of School Adviser
- The Three Rivers Teaching School Alliance was designated from September 2015, and will undertake the training of more than 30 teachers, as well as providing direct School to School support regionally

New Initiatives:

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

The Three Rivers Learning Trust Limited

GOVERNANCE STATEMENT

Quantifying Improvements:

Effectiveness of the Learning Trust's strategies and the quality of provision and outcomes for students, along with current planning and priorities for 2015 – 18 can be found in the following documents, available from the Learning Trust:-

- Raise Online (unvalidated) 2015
- LV3 Post 16 Tracker
- OfSTED Governor Dashboard
- Three Rivers Learning Trust Strategic Plan 2015 - 18
- Individual School Improvement Plans 2015 - 16
- OfSTED reports for Newminster Middle School (January 2014) and The King Edward VI High School (May 2014)

Financial Governance and Oversight

Sound systems of financial control are in place and include regular internal audits, clearly defined Segregation of Duties and Internal Check and approved Finance Policy.

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

Better Purchasing

Fitness for Purpose:

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

Benchmarking:

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

Options Appraisal:

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

Economies of Scale:

The Learning Trust has taken opportunities to work collaboratively with others to reduce and share administration and procurement costs by developing one associate staff team across the three schools within the Learning Trust. This includes the creation of central Financial Services, Information Communication Technology, Human Resources, Facility Management including Premises, Grounds and Catering. Further improvements include the centralisation of Administrative services across the Learning Trust.

Better Income Generation:

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

The Three Rivers Learning Trust Limited

GOVERNANCE STATEMENT

Good Practice:

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

- Improved student, staff and community facilities including the rebuild of the Advanced Study Centre, refurbishment of Science Laboratories, and improvements to working environments i.e. heating and ventilation. These projects have contributed to enhanced teaching and learning opportunities, achievement of targets and excellent examination results.
- The centralisation of Catering services has enhanced the provision and quality of improved nutritional meals at better value.
- The continued provision of Summer Schools and holiday student exam revision classes have improved student performance and attainment.
- The Learning Trust continues to network with Academies and other educational providers by working together and sharing individual skills, expertise, best practice and learning experiences.
- The Learning Trust offers Apprenticeship opportunities to young adults ranging from a variety of skills and attributes i.e. Finance, Catering, Site Management, and Administration. The Finance Apprentice is working jointly with the Learning Trust's external Accounting professional service to gain further skills, qualifications and learning experiences.

Future Improvements

- The Learning Trust is working collaboratively with local businesses to improve community facilities through the shared use of sports facilities for hire and access by the local community.
- The Learning Trust is working collaboratively with other establishments to offer Catering service managerial support and guidance.

Reviewing Controls and Managing Risks

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

Budgetary control and monitoring is efficient and effective

- Account holders receive monthly budget reports to check and monitor their transactions and available funds;
- Line Managers and Senior Leaders receive monthly Management Accounts and summary budget reports. Balances are rigorously checked and challenged;
- Regular budget review meetings are held with the Finance team, Budget holder and Line Manager. Any potential overspend is investigated and remedial action implemented.

Insurance has been used cost-effectively to manage risks. The Learning Trust has an Asset Register which is annually updated to ensure all additions and disposals are recorded and appropriately depreciated. The Learning Trust has a Risk Register which is periodically reviewed by Directors to ensure all risks are controlled and minimised.

Lessons Learned

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

Approved by order of the members of the Board on 17 December 2015 and signed on its behalf by:

Paul Carvin
Chair

Simon Taylor
Accounting Officer



The Three Rivers Learning Trust Limited
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Three Rivers Learning Trust Limited I have considered my responsibility to notify the Academy Trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and 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 Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregular, 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

17 December 2015

The Three Rivers Learning Trust Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who act as governors of the The Three Rivers Learning Trust Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 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:

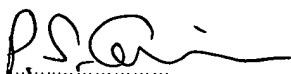
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the Board of Directors on 17 December 2015 and signed on its behalf by:



Paul Carvin

Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

The Three Rivers Learning Trust Limited

Year ending on 31 August 2015

We have audited the financial statements of The Three Rivers Learning Trust Limited for the year ended 31 August 2015 on pages 25-44. 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 2014 to 2015 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 23, 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 2015 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 2014 to 2015 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.

RSM UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

18 December 2015

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 2015

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	1	5,149	68,021	-	73,170	930,271
Activities for generating funds	2	1,258,469	-	-	1,258,469	1,156,255
Investment income	3	2,775	-	-	2,775	3,958
Incoming resources from charitable activities:						
Academy Trust's educational operations	4	-	10,569,221	-	10,569,221	10,738,816
TOTAL INCOMING RESOURCES		1,266,393	10,637,242	-	11,903,635	12,829,300
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of activities for generating funds	5	845,301	91,738	-	937,039	873,295
Charitable activities:						
Academy Trust's educational operations	5, 6	-	11,758,950	443,089	12,202,039	11,867,494
Governance costs	5, 7	-	25,045	-	25,045	34,528
TOTAL RESOURCES EXPENDED		845,301	11,875,733	443,089	13,164,123	12,775,317
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS		421,092	(1,238,491)	(443,089)	(1,260,488)	53,983
Gross transfers between funds	18	(184,769)	184,769	-	-	-
NET (EXPENDITURE)/INCOME FOR THE YEAR		236,323	(1,053,722)	(443,089)	(1,260,488)	53,983
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit pension	27	-	120,000	-	120,000	340,000
NET MOVEMENT IN FUNDS		236,323	(933,722)	(443,089)	(1,140,488)	393,983
RECONCILIATION OF FUNDS						
Total funds brought forward		580,340	(1,776,278)	21,176,428	19,980,490	19,586,507
TOTAL FUNDS CARRIED FORWARD	19	816,663	(2,710,000)	20,733,339	18,840,002	19,980,490

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

The Three Rivers Learning Trust Limited

BALANCE SHEET
As at 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
FIXED ASSETS					
Tangible assets	13		20,800,685		21,176,428
CURRENT ASSETS					
Stocks	14	2,155		2,370	
Debtors	15	152,335		745,132	
Cash at bank and in hand		2,247,315		2,448,019	
		2,401,805		3,195,521	
CREDITORS: Amounts falling due within one year	16	(1,593,560)		(1,597,074)	
NET CURRENT ASSETS			808,245		1,598,447
TOTAL ASSETS LESS CURRENT LIABILITIES EXCLUDING PENSION LIABILITY			21,608,930		22,774,875
CREDITORS: Amounts falling due after more than one year	17		(58,928)		(4,385)
NET ASSETS EXCLUDING PENSION LIABILITY			21,550,002		22,770,490
Pension Scheme Liability	27		(2,710,000)		(2,790,000)
NET ASSETS INCLUDING PENSION LIABILITY			18,840,002		19,980,490
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	18		20,733,339		21,176,428
General fund	18		-		1,013,722
			20,733,339		22,190,150
Restricted funds excluding pension reserve					
Pension reserve	18		(2,710,000)		(2,790,000)
TOTAL RESTRICTED FUNDS			18,023,339		19,400,150
TOTAL UNRESTRICTED INCOME FUNDS	18		816,663		580,340
TOTAL FUNDS			18,840,002		19,980,490

The financial statements on pages 25 to 44 were approved by the Directors and authorised for issue on 17 December 2015 and are signed on their behalf by:



Paul Carvin
Chair

The Three Rivers Learning Trust Limited

CASH FLOW STATEMENT

For the year ended 31 August 2015

	<i>Notes</i>	2015 £	2014 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	21	(203,479)	1,223,908
Returns on investments and servicing of financing	23	2,775	3,958
Financing	22	67,346	-
Capital expenditure	24	(67,346)	(691,300)
(DECREASE)/INCREASE IN CASH IN THE YEAR	25	(200,704)	536,566
RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS			
(Decrease)/increase in cash in the year		(200,704)	536,566
Financing		(67,346)	-
Change in net funds		(268,050)	536,566
NET FUNDS AT 1 SEPTEMBER	21	2,448,019	1,911,453
NET FUNDS AT 31 AUGUST	21	2,179,969	2,448,019

The Three Rivers Learning Trust Limited

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: 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies: Accounts Direction 2014 to 2015 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

The Trustees assess whether the use of going concern basis of preparing the financial statements is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements.

INCOMING RESOURCES

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

GRANTS RECEIVABLE

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

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

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

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

DONATIONS

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

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.

FUND ACCOUNTING

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

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

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

The Three Rivers Learning Trust Limited

ACCOUNTING POLICIES (CONTINUED)

RESOURCES EXPENDED

All expenditure is recognised in the year 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 Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

TANGIBLE FIXED ASSETS

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

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.

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.

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

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

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

TAXATION

The Academy Trust 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 Trust 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.

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.

STOCK

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

The Three Rivers Learning Trust Limited

ACCOUNTING POLICIES (CONTINUED)

PENSION BENEFITS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year 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 the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

The Three Rivers Learning Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015

1 VOLUNTARY INCOME

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
DfE/EFA capital grants	-	68,021	-	68,021	865,306
Other capital income	-	-	-	-	50,000
Donations	5,149	-	-	5,149	14,965
	<u>5,149</u>	<u>68,021</u>	<u>-</u>	<u>73,170</u>	<u>930,271</u>

Capital grants received are not permanent endowments.

2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted general funds £	Total 2015 £	Total 2014 £
School fund income	493,658	-	493,658	433,614
Lettings income	18,049	-	18,049	13,051
Catering income	439,653	-	439,653	435,246
Sale of goods and services	3,928	-	3,928	3,748
Consultancy income	202,057	-	202,057	167,775
Educational activities income	4,672	-	4,672	7,405
Music tuition	36,057	-	36,057	40,655
Adult education	12,464	-	12,464	12,418
Examination fees and expenses	22,920	-	22,920	22,920
Other income	25,011	-	25,011	19,423
	<u>1,258,469</u>	<u>-</u>	<u>1,258,469</u>	<u>1,156,255</u>

3 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Bank interest	2,775	-	2,775	3,958

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
DfE/EFA REVENUE GRANTS					
General annual grant (GAG)	-	10,073,037	-	10,073,037	10,237,918
	-	10,073,037	-	10,073,037	10,237,918
OTHER GOVERNMENT GRANTS					
Pupil premium	-	311,912	-	311,912	263,460
Special educational projects	-	184,272	-	184,272	237,438
	-	496,184	-	496,184	500,898
	-	10,569,221	-	10,569,221	10,738,816

5 RESOURCES EXPENDED

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	-	-	937,039	937,039	873,295
Academy's education operations					
Direct costs	7,859,917	443,089	902,260	9,205,266	8,720,337
Allocated support costs	1,122,514	993,517	880,742	2,996,773	3,147,157
	8,982,431	1,436,606	2,720,041	13,139,078	12,740,789
Governance costs	-	-	25,045	25,045	34,528
	8,982,431	1,436,606	2,745,086	13,164,123	12,775,317
Net (outgoing)/incoming resources for the year				2015 £	2014 £
Operating leases:					
- plant & machinery				32,285	34,277
- other				9,155	15,554
Fees payable to RSM UK Audit LLP and its associates for:					
- audit				20,045	25,000
- other services				5,000	9,528

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

6 COST OF GENERATING FUNDS

	2015	2014
	£	£
Catering	445,098	438,624
School fund expenditure	491,941	434,671
	<u>937,039</u>	<u>873,295</u>

7 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	2015	2014
	£	£
DIRECT COSTS		
Teaching and educational support staff	7,859,917	7,387,252
Depreciation	443,089	467,712
Educational supplies	612,539	593,119
Examination fees	229,995	217,645
Staff Development	59,726	54,609
	<u>9,205,266</u>	<u>8,720,337</u>
ALLOCATED SUPPORT COSTS		
Support staff costs	1,122,514	1,091,851
Recruitment and support	37,905	40,327
Maintenance of premises and equipment	1,275,645	1,398,004
Cleaning	16,877	19,456
Rent and rates	107,190	80,762
Energy costs	208,370	210,361
Insurance	82,339	71,765
Bank interest and charges	8,188	7,391
Other support costs	97,745	117,240
Pension finance cost	40,000	110,000
	<u>2,996,773</u>	<u>3,147,157</u>
	<u>12,202,039</u>	<u>11,867,494</u>

8 GOVERNANCE COSTS

	2015	2014
	£	£
Auditor's remuneration		
Audit of financial statements	20,045	25,000
Other services	5,000	9,528
	<u>25,045</u>	<u>34,528</u>

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

9 STAFF COSTS	2015 £	2014 £
Staff costs during the period were:		
Wages and salaries	7,233,068	6,997,399
Social security costs	527,293	504,677
Pension costs	1,080,204	1,017,917
	<u>8,840,565</u>	<u>8,519,993</u>
Supply staff costs	141,866	137,938
	<u>8,982,431</u>	<u>8,657,931</u>

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

	2015 FTE	2014 FTE	2015 No.	2014 No.
Teachers	130	128	158	152
Administration and support	107	101	218	213
Management	6	6	6	6
	<u>243</u>	<u>235</u>	<u>382</u>	<u>371</u>

The number of employees whose emoluments, excluding pension contributions, fell within the following bands was:

	2015 No.	2014 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

The above employees participated in the Teachers' Pension Scheme.

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

10 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 on the following basis:

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

The actual amounts charged during the year were as follows:

	2015 Total £
King Edward VI	172,582
Newminster	51,781
Chantry	52,202
Total	<u>276,565</u>

11 DIRECTORS' REMUNERATION AND EXPENSES

The Accounting Officer (who is also the Executive Head Teacher) and staff directors only received 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 £124,082 (2014: £107,500). The Accounting Office is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £15,665 (2014: £15,157).

The value of the total staff directors' remuneration (excluding the Accounting Officer) was £158,402 (2014: £139,056). The staff directors are accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £21,815 (2014: £24,095).

During the year ended 31 August 2015, travel and subsistence expenses totalling £1,634 (2014: £456) were reimbursed to the Directors.

Related party transactions involving the Trustees are set out in note 28.

12 DIRECTORS' AND OFFICERS INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,055 (2014: £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 (CONTINUED)
For the year ended 31 August 2015

13 TANGIBLE FIXED ASSETS

	Land £	Leasehold buildings £	Athletics track £	Fixtures, fittings and equipment £	Motor vehicles	Total £
COST						
1 September 2014	5,740,000	15,423,894	920,000	288,881	14,250	22,387,025
Additions	-	67,346	-	-	-	67,346
Disposals	-	-	-	-	-	-
31 August 2015	5,740,000	15,491,240	920,000	288,881	14,250	22,454,371
DEPRECIATION						
1 September 2014	-	874,527	126,500	201,733	7,837	1,210,597
Charge for the year	-	325,082	46,000	69,157	2,850	443,089
Disposals	-	-	-	-	-	-
31 August 2015	-	1,199,609	172,500	270,890	10,687	1,653,686
NET BOOK VALUE						
31 August 2015	5,740,000	14,291,631	747,500	17,991	3,563	20,800,685
1 September 2014	5,740,000	14,549,367	793,500	87,148	6,413	21,176,428

Included within the net book value of £20,800,685 is £5,846 (2014: £11,750) 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 £5,904 (2014: £5,788).

14 STOCK	2015 £	2014 £
Catering & uniforms	2,155	2,370
	2,155	2,370
15 DEBTORS	2015 £	2014 £
Trade debtors	8,084	31,506
Prepayments and accrued income	79,251	642,269
VAT recoverable	57,606	67,575
Other debtors	7,394	3,782
	152,335	745,132

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

16 CREDITORS: Amounts falling due within one year	2015	2014
	£	£
Trade creditors	1,179,095	1,133,799
Other creditors	8,418	17,500
Obligations under hire purchase agreements	4,385	5,846
Accruals and deferred income	401,662	439,929
	<u>1,593,560</u>	<u>1,597,074</u>
Deferred income	2015	2014
	£	£
Deferred income at 1 September	22,831	23,798
Resources deferred in the year	244,087	22,831
Amounts released from previous period	(22,831)	(23,798)
Deferred income at 31 August	<u>244,087</u>	<u>22,831</u>

Deferred income of £22,831 in the prior year related to rates rebates income received in advance of entitlement.

17 CREDITORS: Amounts falling due after more than one year	2015	2014
	£	£
Other creditors	58,928	-
Obligations under hire purchase agreements	-	4,385
	<u>58,928</u>	<u>4,385</u>

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

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

18 FUNDS

	At 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2015 £
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	395,924	10,073,037	(10,685,578)	216,617	-
Pension reserve	(2,790,000)	-	(40,000)	120,000	(2,710,000)
	<u>(2,394,076)</u>	<u>10,073,037</u>	<u>(10,725,578)</u>	<u>336,617</u>	<u>(2,710,000)</u>
Pupil Premium funding	-	311,912	(311,912)	-	-
Other income	-	184,272	(184,272)	-	-
Capital maintenance income					
King Edward VI	376,156	45,975	(428,846)	6,715	-
Newminster	(17,570)	11,116	-	6,454	-
Chantry	259,212	10,930	(225,125)	(45,017)	-
	<u>(1,776,278)</u>	<u>10,637,242</u>	<u>(11,875,733)</u>	<u>304,769</u>	<u>(2,710,000)</u>
RESTRICTED FIXED ASSET FUNDS					
Tangible fixed asset transfer					
King Edward VI	12,912,734	-	(295,961)	-	12,616,773
Newminster	2,701,062	-	(41,685)	-	2,659,377
Chantry	4,428,456	-	(66,695)	-	4,361,761
Capital grants received from Council on conversion	121,769	-	(4,939)	-	116,830
DfE Capital grants	52,904	-	(4,168)	-	48,736
Capital expenditure from GAG	89,833	-	(4,168)	-	85,665
Other capital income	32,831	-	(4,168)	-	28,663
Capital expenditure from unrestricted funds	52,086	-	(6,126)	-	45,960
Sixth form	784,753	-	(15,179)	-	769,574
	<u>21,176,428</u>	<u>-</u>	<u>(443,089)</u>	<u>-</u>	<u>20,733,339</u>
TOTAL RESTRICTED FUNDS	<u>19,400,150</u>	<u>10,637,242</u>	<u>(12,318,822)</u>	<u>304,769</u>	<u>18,023,339</u>
UNRESTRICTED FUNDS					
Unrestricted funds	580,340	1,266,393	(845,301)	(184,769)	816,663
TOTAL UNRESTRICTED FUNDS	<u>580,340</u>	<u>1,266,393</u>	<u>(845,301)</u>	<u>(184,769)</u>	<u>816,663</u>
TOTAL FUNDS	<u>19,980,490</u>	<u>11,903,635</u>	<u>(13,164,123)</u>	<u>120,000</u>	<u>18,840,002</u>

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

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

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

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.

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

18 FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
King Edward VI	592,235
Newminster	157,369
Chantry	67,059
Total before fixed assets and pension reserve	816,663
Restricted fixed asset fund	20,733,339
Pension reserve	(2,710,000)
Total	18,840,002

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 £
King Edward VI	4,986,950	723,065	355,923	1,815,080	7,881,018
Newminster	1,420,874	197,345	113,937	488,920	2,221,076
Chantry	1,452,093	202,104	142,679	782,064	2,578,940
Total	7,859,917	1,122,514	612,539	3,086,064	12,681,034

**19 ANALYSIS OF NET ASSETS
BETWEEN FUNDS**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
Tangible fixed assets	-	-	20,800,685	20,800,685	21,176,428
Current assets	816,663	1,585,142	-	2,401,805	3,195,521
Current liabilities	-	(1,585,142)	(8,418)	(1,593,560)	(1,597,074)
Non current liabilities	-	-	(58,928)	(58,928)	(4,385)
Pension scheme liability	-	(2,710,000)	-	(2,710,000)	(2,790,000)
TOTAL NET ASSETS	816,663	(2,710,000)	20,733,339	18,840,002	19,980,490

20 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2015 £	2014 £
Other:		
Expiring within one year	649	649
Expiring within two and five years inclusive	26,760	29,539
	27,409	30,188

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

21	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2015 £	2014 £	
	Net (expenditure) / income	(1,260,488)	53,983	
	Depreciation (note 13)	443,089	467,712	
	Capital grants from DfE/EFA and others	-	(50,000)	
	Interest receivable	(2,775)	(3,958)	
	FRS 17 pension cost less contributions payable (note 27)	-	(110,000)	
	FRS 17 pension finance costs (note 27)	40,000	110,000	
	Increase in stocks	215	6,045	
	Decrease in debtors	592,797	228,384	
	(Decrease)/increase in creditors	(11,932)	526,505	
	Repayment of hire purchase	(4,385)	(5,846)	
	Loss on disposal of fixed assets	-	1,083	
	NET CASH INFLOW FROM OPERATING ACTIVITIES	(203,479)	1,223,908	
22	FINANCING	2015 £	2014 £	
	Cash inflow from Salix loan	67,346	-	
	NET CASH INFLOW FROM FINANCING	67,346	-	
23	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2015 £	2014 £	
	Interest received	2,775	3,958	
	NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	2,775	3,958	
24	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2015 £	2014 £	
	Purchase of tangible fixed assets	(67,346)	(741,300)	
	Capital grants from DfE/EFA	-	50,000	
	NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(67,346)	(691,300)	
25	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
	Cash at bank and in hand	2,448,019	(200,704)	2,247,315
	Salix loan - included in short term creditors	-	(8,418)	(8,418)
	Salix loan - included in long term creditors	-	(58,928)	(58,928)
		2,448,019	(268,050)	2,179,969
26	MEMBERS' LIABILITY			

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

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS

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

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

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

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.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- 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
- Assumed nominal rate of return is 5.06%
- Rate of real earnings growth is assumed to be 2.75%
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings

During the year the employer contribution rate was 14.1%

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at 31 March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £730,114 (2014: £687,917).

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

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

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS

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 £440,000, of which employer's contributions totalled £350,000 and employees' contribution totalled £90,000.

<u>Principal actuarial assumptions</u>	2015 %	2014 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment	2.0	2.1
Discount rate	3.8	3.7
Inflation (CPI)	2.0	2.1

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

	2015 Years	2014 Years
Retiring today:		
Males	23.0	22.9
Females	25.5	25.4
Retiring in 20 years:		
Males	25.2	25.1
Females	27.8	27.7

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

	Fair value at 31 August 2015 £'000	Fair value at 31 August 2014 £'000
Equities	1,912	1,671
Gilts	506	412
Other bonds	265	226
Property	140	107
Cash	9	-
Alternative assets	78	22
TOTAL MARKET VALUE OF ASSETS	2,910	2,438
Present value of scheme liabilities		
- Funded	(5,620)	(5,230)
SURPLUS/(DEFICIT)	(2,710)	(2,792)

The actual return on the scheme assets was £4,000 (2014: £40,000).

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities	2015 £'000	2014 £'000
Current service cost	-	(110,000)
Total operating charge	-	(110,000)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(160,000)	(110,000)
Interest on pension liabilities	200,000	220,000
Pension finance income /(costs)	40,000	110,000

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 FRS17 is a loss of £46,000 (2014: £340,000 loss).

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At the beginning of the period	5,230	4,650
Current service cost	350	330
Interest cost	200	220
Employee contributions	90	80
Actuarial (gain)/loss	(240)	(50)
Benefits paid	(10)	-
At 31 August	5,620	5,230

Movements in the fair value of Academy Trust's share of scheme assets:	2015 £'000	2014 £'000
At the beginning of the period	2,440	1,520
Expected return on assets	160	110
Actuarial gain	(120)	290
Employer contributions	350	440
Employee contributions	90	80
Benefits paid	(10)	-
At 31 August	2,910	2,440

Expected employer contributions for the year ended 31 August 2016 is £360,000.

The Three Rivers Learning Trust Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 August 2015

27 PENSION AND SIMILAR OBLIGATIONS

Local Government Pension Scheme (continued)

The history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(5,620)	(5,230)	(4,650)	(4,000)
Fair value of share of scheme assets	2,910	2,440	1,520	820
Deficit in the scheme	(2,710)	(2,790)	(3,130)	(3,180)
Experience adjustments on share of scheme assets Amount £'000	-4.1% (120)	11.9% 290	5.3% 80	1.2% 100
Experience adjustments on scheme liabilities: Amount £'000	0.0% -	-2.3% (120)	0.0% -	0.0% -

28 RELATED PARTIES

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.

No related party transactions took place in the year.

29 CAPITAL COMMITMENTS

	2015 £	2014 £
Contracted for but not provided for in the financial statements	38,307	673,058

30 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. The Academy Trust retained a beneficial interest in individual transactions such that £4,256 has been recognised in income and expenditure in the statement of financial activities.

31 CONTINGENT LIABILITIES

In the event that during the period of the funding agreement, the Academy sells or disposes of any assets for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposals 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.

32 ULTIMATE CONTROLLING PARTY

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