



**The
Three
Rivers**
Learning Trust

ANNUAL ACCOUNTS REVIEW 2021/22

www.the3rivers.net

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COMPANIES HOUSE

Reference and Administrative Details

Trustees

Currently serving

P Carvin	
A Chaudhuri	
A Lister	
C Pearson	Chair & Member
D Ions	
P Allan	
S Taylor	CEO
S White	
B Cole	
T Burston	
Y Rutherford	
S Gibson	

Appointed within the past 12 months

C Pearson	Appointed Chair of the Board and Member from January 2022
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Resigned within the past 12 months

P Carvin	Resigned as Chair of the Board and Member, December 2021
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Member only

Dr R Vaughan	
Mrs S Walker-Barras	
The Bishop of Newcastle	Represented by Benjamin Carter
The Diocesan Boards of Education for the Church of England Dioceses of Durham and Newcastle	Represented by Prof. P Pearson

Senior management team

S Taylor	Chief Executive Officer, The Three Rivers Learning Trust Limited
M Tait	Chief Operating Officer, The Three Rivers Learning Trust Limited
C Savage	Headteacher, The King Edward VI School
A Clark	Deputy Headteacher, The King Edward VI School
C Tedder	Deputy Headteacher, The King Edward VI School
E Kinninment	Headteacher, Newminster Middle School
B Stewart	Headteacher, Chantry Middle School
S Ford	Headteacher, Abbeyfields First School
L Murtagh	Headteacher, Dr Thomlinson C of E Middle School and Thropton Village First School
N Buckley-Feiven	Headteacher, Harbottle C of E First School
G Whitehead	Headteacher, Stobhillgate First School

Academies operated

Our Schools	Location	Headteacher
The King Edward VI School	Morpeth	C Savage
Newminster Middle School	Morpeth	E Kinninment
Chantry Middle School	Morpeth	B Stewart
Abbeyfields First School	Morpeth	S Ford
Dr Thomlinson C of E Middle School	Rothbury	L Murtagh
Thropton Village First School	Thropton	L Murtagh
Harbottle C of E First School	Harbottle	N Buckley-Feiven
Stobhillgate First School	Morpeth	G Whitehead

Company secretary	F Ewart
Company registration number	07838203 (England and Wales)
Registered office	The Three Rivers Learning Trust Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Independent auditor	UNW LLP Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

Trustees Report

The Trustees, 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 2022 and confirm that the latter comply with the requirements of the charitable company's memorandum and articles of association, Companies Act 2006, the Charities Statement of Recommended Practice (SORP FRS 102) and the Academies: Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency. The annual report serves the purpose of both a Trustees report and a directors report under company law.

The multi academy trust operates 8 academies for over 3,300 (Capacity 3,350) pupils aged 3-19 serving a catchment area defined by the Rivers Coquet, Font and Wansbeck.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee, incorporated on 7th November 2011 and an exempt charity under the provisions of the Academies Act 2010.

The principal governing documents are the memorandum and articles of association which allow The Secretary of State for Education to direct the Trustees in certain limited circumstances where the quality of education is deemed unsatisfactory.

The Trustees of The Three Rivers Learning Trust are also directors of the charitable company for the purposes of company law. Details of the Trustees who served throughout the year and to the date of these accounts are included in the reference and administrative details.

Members' liability

The company does not have any share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member or within one year after he/ she ceases to be a member and to pay such amounts as may be required not exceeding £10 for the debt and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions.

As required in the Trust's Articles of Association, indemnity insurance has been taken out to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or a breach of duty or not and provided also that any such cover shall not extend to the costs of any successful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees.

Method of recruitment and appointment or election of Trustees

The company members may appoint up to 15 Trustees and do so through public advert to achieve a diverse and skilled team of trustees.

Policies and procedures adopted for the induction and training of Trustees

Trustees are recruited based on the skills that they will bring to the board of Trustees. On appointment Trustees receive extensive information relating to the Trust and attend a briefing on the role and responsibilities of Trustees. During the year Trustees are offered a range of training and access

to resources to support them in their role. The Trust has secured Trustees' and officers' insurance as set out in the notes to the accounts.

Organisational structure

The governance of the Trust is defined in the memorandum and articles of association together with the funding agreement with the Department for Education (DfE).

All Trustees are members of the full board and the Chair is also a member of the company. In addition Trustees can be members of committees who report to the full board. There is one permanent sub-committee of the board; audit and risk, and other committees are organised as required such as appeals or hearing bodies.

The membership of committees is shown in the Governance section and the agreed specific remit for each committee is reviewed annually.

The day to day running of the schools is delegated to the Trust leadership team managed by the Chief Executive Officer. The Chief Executive Officer, who is also a Trustee, and the Chief Operating Officer attend meetings of the board and audit and risk sub-committee.

Arrangements for setting pay and remuneration of key management personnel

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

Performance management is used to determine pay progression for all posts across the Trust. An external education specialist advises the Trustee's pay and performance committee in respect of the Chief Executive Officer. The Chief Executive Officer advises

the Pay Committee for each Academy Council for pay progression for the Headteacher of each trust school. Performance management and pay progression is then delegated to the Headteacher of each school for school based staff. The pay policy is reviewed annually by the board of Trustees.

Trade union facility time

There were no employees who were trade union officials during this financial year.

Related parties and co-operation with organisations

The Trust has a policy in place for staff and Trustees to disclose and handle related party transactions in line with company and charity law and ESFA guidance.

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the requirements of the ATH, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, the Trust's financial regulations and normal procurement procedures, unless otherwise stated.

Newcastle Diocesan Education Board (NDEB) – a company in which P Pearson (a member) is a director:

- The academy trust purchased school improvement and CPD services from NDEB totalling £8,608 during the period. £900 was outstanding at 31 August 2022.
- The academy trust made the purchase at arm's length in line with the Trust procurement policy
- In entering into the transaction, the academy trust has complied with the requirements of the Academy Trust Handbook 2021.
- The element above £2,500 has been provided 'at no more than cost' and NDEB has provided a statement of assurance confirming this.

The Trust is a standalone organisation with no connected organisations.



Objectives and Activities

Charitable objects

The Trust's objective is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. There are eight schools in the Trust, The King Edward VI High School, Newminster Middle School, Chantry Middle School, Dr Thomlinson CofE Middle School, Thropton First School, Harbottle CofE First School, Stobhillgate First School and Abbeyfields First School, each designated as academies within the meaning of the Education Act 2010. The Trust offers education to students aged from three to nineteen between nursery and year thirteen.

Aims and intended impact

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

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

Our schools have shared values and priorities. A single board of Trustees is responsible for the strategic direction and performance of the Trust.



Our Vision

Our vision for the next 5 years is:

- to provide engaging and enriching opportunities for all of our students to become accomplished
- to empower all of our people to be fulfilled in their work
- to deliver education services that delight our parents/carers
- to share excellence effectively and become more operationally efficient growing to around 15 schools.

We will achieve our vision through our values which are:

- Integrity - We do the right thing and do things right
- Inclusion - We deliver comprehensive education which is accessible for all
- Innovation - We continuously learn and improve

Our Values

The philosophy behind everything we do

Integrity

We will always do the right thing at the right time with the right people for the right reason; we will be honest; openness and scrutiny are important to us.

Inclusion

We believe in comprehensive education where all are treated equally.

Innovation

There is always a better way of doing things and we will strive to find it, learning from the inspiration of others along the way.

Objectives for the year

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

Strategies to achieve the year's objectives

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

Principal activities for the year

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

Grant making and social investment policy

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

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

Volunteers

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

Public benefit

The Trustees 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.

Trustees' duty to promote the success of the charity – section 172 statement

Trustees have a duty to promote the success of the company and are required by section 172 of the Companies Act to have regard to specific factors, including:

- The likely consequences of decisions in the long term (as covered in the sections on strategic planning and risk management)
- The interests of employees (as covered in the section on employee engagement)
- The need to foster the Charity's relationships with third party stakeholders (as covered in the education and financial performance sections)
- The impact of the charity's operations on the community and the environment (as covered in the Streamlined Energy and Carbon Reporting (SECR))
- The desirability of the charity maintaining a reputation for high standards of business conduct (as covered in our vision and values)

Strategic Report

Education Performance

This summary data covers the academic year 2021-2022 for each of the schools of the Three Rivers Learning Trust. National tests were reintroduced for this academic year, following two years of disruption due to the Covid - 19 pandemic. However, comparisons across schools are difficult to make due to the ongoing impact of the pandemic on the attendance of staff and students over the course of the year, as well as the impact from previous years.

First school summary

Abbeyfields First School is a large first school, with a current pupil roll of 332. Harbottle C of E First School is a very small rural school, with a current roll of 17. Thropton Village First School is also a very small rural school, with a current roll of 40. Stobhillgate First School has a student roll of 136. Of our First Schools, Abbeyfields and Thropton are virtually full, with spaces available at Harbottle and Stobhillgate.

Attainment and progress data for Abbeyfields is typically strong when compared with national outcomes, although outcomes for phonics testing last year were below the usual levels and remedial action is underway to support those students who

are not yet at the expected levels. Thropton and Harbottle cannot be compared to national averages as they don't have enough pupils to create a robust statistical analysis. However, the majority of students reached the expected levels, or a good level of development across both schools. Assessment at Stobhillgate demonstrates very strong outcomes for students.

The First Schools used catch up funding to provide additional support for all students who were below expectations. Typically this was undertaken by the staff of the school, or external staff who were well known to the schools and with qualified teacher status.



**Abbeyfields
First School**
current roll

332



**Harbottle C of E
First School**
current roll

17



**Thropton Village
First School**
current roll

40



**Stobhillgate
First School**
current roll

136

Middle school summary

Two of our three middle schools are oversubscribed. Morpeth Chantry Middle School is a four-form entry school and has an additional class in year 6 and is over the stated Pupil Admit Number (PAN) of 128 in all year groups; the current roll is 554. Morpeth Newminster Middle School is also a four-form entry school, again an additional year 6 class for 2021/22; current roll is 542. Dr Thomlinson C of E Middle School is a two-form entry school, serving the town and surrounding areas of Rothbury; current roll is 220.

As expected following the last 2 disrupted years, all three Middle Schools are below their 2019 Key Stage 2 SATs scores. However, they are all above the 2022 national average (NA) for Reading, Writing and Maths (RWM). Unsurprisingly writing levels have been most affected by the time spent out of school.

- Chantry had a number of students who just failed to achieve the expected levels, which is disappointing and results were therefore lower than expected. Chantry was, however, in line with the National Average (NA), 2022, in reading and

maths, and in the combined RWM measure, but was below the NA in writing and above the NA for SPAG (spelling, punctuation and grammar).

- Dr Thomlinson achieved a good set of results, which were comfortably above the NA in all areas other than SPAG.
- Newminster achieved an excellent set of results, across all areas which were well above NA.

Teacher assessment for Year 8 (end of school) identifies good attainment and progress across all three middle schools, prior to transition into high school.

The Middle Schools also used catch up funding to provide additional support for all students who were below expectations. Typically this was undertaken by the staff of the school, or who were well known to the schools and with qualified teacher status.



**Chantry
Middle School**
current roll
554



**Newminster
Middle School**
current roll
542

Ofsted inspections have taken place in four trust schools since the last annual report. All four schools, Chantry, Newminster and Dr Thomlinson Middle Schools and Thropton Village First School received a positive report with a Good judgement.



**Dr Thomlinson
C of E Middle School**
current roll
220

High school summary

The King Edward VI High School (KEVI) is a twelve form entry high school (roll 993) with a large sixth form (roll 434); the current roll is therefore 1,422. KEVI took an additional 25 students into Year 9 in September 2022.

Key Stage 5 Outcomes: The overall attainment achieved by the 2022 cohort is higher than in 2019, which is a great achievement considering the disruption of the last two years. The average A level grade was B. Within this cohort there were many outstanding individual results, with 26 students achieving straight A*/A or BTEC Distinction/D* grades. Over 50% of all students achieved at least 1 A/A* grade.

Almost all students who applied were successful in achieving a place at university with the vast majority achieving their first choice place (118/149).

The table below shows the school data in black and national data in blue. When comparing against national data it is important to note that KEVI is a more inclusive sixth form than many, with lower entry requirements. This means data is often in line with national data for attainment, but above national data for progress levels.

	2022 exams	2021 teacher assessed	2019 exams
% A*	12 (14.5)	18 (19.1)	12 (7.7)
% A* - A	34 (35.9)	41 (44.3)	31 (25.2)
% A* - B	62 (60.2)	63 (69.8)	56 (51.1)
% A - C	84 (no data)	86 (no data)	81 (no data)

Key Stage 4 Outcomes: Overall GCSE attainment increased slightly from 2019, again an achievement given the disruption caused by the pandemic. These outcomes were also slightly higher, which demonstrates the rigour and accuracy of teacher assessment in preparing students for exams. Attainment in English was higher than 2019 and attainment in Maths was slightly lower than 2019. The attainment gap between boys and girls continues to be narrow. In some cases boys attainment was higher than girls.

80% of students achieved a grade 4 (standard pass) or above in both English and Maths. Whilst the majority of students joined the Sixth form in September, others moved on to follow a range of further education courses or apprenticeship opportunities, not offered by the school.

To date we have 223 students who have returned to Y12 joining 211 students in Y13.

	2022 exams	2021 teacher assessed	2019 exams
Grade 4+ in E&M	79% (71%)	80%	78%
Grade 5+ in E&M	60% (51%)	67%	60%
Attainment 8	54.9	56.7	54.5
5 or more 4+ grades	80%	84%	80%

Quantifying improvements

Effectiveness of the Trust's strategies and the quality of provision and outcomes for students, along with current planning and priorities for 2021-22 can be found in the following documents, available from the Trust:-

- Three Rivers Learning Trust Strategic Plan
- Individual School Improvement Plans and Self Evaluation reports
- DfE Performance tables and the IDSR (Inspection Data Summary Report) for each school
- Ofsted reports for each school are available on each schools' website as well as the Ofsted website.



**The King Edward
VI School**
current roll

1,422



Financial Performance

Trust capital projects

The Trust receives capital funding from the School Condition Allowance grant provided by the ESFA. A programme of repairs and upgrading of the Trust's facilities has been developed into a 5 year plan to gain best value from this funding across the Trust estates. The plan is based on professional condition survey data; the condition surveys are updated every 5 years. The programme includes classroom refurbishments, condition improvements, safety improvements and upgrade of ICT facilities.

Financial review

Note 19 to the financial statements show the movement on restricted and unrestricted funds. Total funds of the charity amount to £28,352,163 (2021: £18,439,270) but only £3,109,380 (2021: £2,295,026) of this is freely available because the balance is invested in fixed assets or has a restriction for other purposes. The Trustees 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 £2,220,000 (2021: £11,220,000) are included in the restricted funds.

Financial risk management

The Trust has minimal exposure to financial instruments, utilising only cash, debtors and creditors.

Reserves policy

The Trustees 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 Trustees consider that, since operational finance is available, free reserves should be 4% of school budget share income i.e. £642,000 plus designated reserves of £911,225, total £1,553,225. The Trustees changed the reserves policy from 5% of school budget share income down to 4% in July 2021 to reflect their view that the schools should spend more of their available capital on current students. The reserve is retained within the Trust for unforeseen expenditure. Surplus balances are to assist the development and expansion of the Trust. The charity would not be able to continue operation in the current form in the event of a significant drop in government grants.

As at the 31 August 2022 the Trust's free reserves were £3,109,380 (2021: £2,295,026) of unrestricted and restricted income funds comprising of cash in the Trust's current assets.

Trustees have decided to retain a free reserve well in excess of the 4% required by the reserve policy. The impact of energy costs, UK wide recession, cost of living crisis, rising inflation and reducing government grants on long term funding is still uncertain. In addition the government funding position is only clear for the coming financial year with no certainty after that.

Investment policy

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

Key performance indicators

The COO report on key performance indicators at Board meetings is described below.

School reserve against SBS income (excluding capital and designated reserves) from August 2022 management accounts (target 4%)

- Harbottle – 12.4%
- Thropton – 2.8%
- Abbeyfields – (0.1)%
- Stobhillgate - 1.5%
- Dr Thomlinson – 13.5%
- Chantry – 11.7%
- Newminster – 6.1%
- KEVI – 20.5%
- Trust – 14.1%

Total staff costs against total income (excluding capital) from August 2022 management accounts (target 75%)

- Harbottle – 71.6%
- Thropton – 82.4%
- Abbeyfields – 80.1%
- Stobhillgate - 72.7%
- Dr Thomlinson – 72.9%
- Chantry – 74.3%
- Newminster – 80.1%
- KEVI – 74.8%
- Trust – 75.0%



Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022 (Prior year in brackets)	
Energy consumption used to calculate emissions (kWh)	4,687,650 (4,286,387)
Energy consumption breakdown (kWh) (optional):	
• gas	3,449,042 (3,366,261)
• electricity	1,233,551 (914,932)
• transport fuel	5,057 (5,154)
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	621.55 (616.56)
Owned transport – mini-buses	0.00 (0.00)
Total Scope 1	621.55 (616.56)
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	34.31 (0)
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	1.00 (1.24)
Total gross emissions in metric tonnes CO ₂ e	656.86 (617.81)
Intensity ratio Tonnes CO ₂ e per pupil	0.20 (0.19)

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have:

- further developed a climate change strategy
- installed electric vehicle charging points on the school sites
- supported student councils to develop climate change planning for each school
- continued with a renewable only electricity contract
- instructed staff and governance volunteers to meet remotely rather than travel to meetings
- directed site staff to monitor and reduce resource use for heating, water and lighting
- installed double glazing and energy efficient lighting
- encouraged staff to cycle to work via the cyclescheme

Going concern

The funding agreement provides for a period of seven years notice for any intention to withdraw from the current funding arrangements. The Trustees 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.

The impact of coronavirus on the Trust to date has been manageable from reserves and existing income streams with some additional support from the various national government schemes. However the Trustees will continue to monitor the situation as it develops to ensure that the resources for future operations reflect future funding settlements.

The Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Plans for future periods

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

The Trustees of the Trust are agreed to expand the trust, in light of the government's white paper "Opportunity for all: strong schools with great teachers for your child". We have led discussions with local schools about the possible expansion, and a number of schools have joined in recent years. It is likely that other schools will join within the next academic year. There is also the potential for more significant growth through the merger with another Trust. The Trust has reviewed governance and leadership structures to support possible expansion.



Principal risk uncertainties risk management

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

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

The key controls used by the Trust include:

- formal agendas for all committee and board activity;
- terms of reference for the board and its committees;
- comprehensive strategic planning, budgeting and management reporting;
- an established organisational structure and clear lines for reporting;
- formal written policies;
- scheme of delegation; and
- vetting procedures as required by law for the protection of the vulnerable.

The Trustees assess the principal risks that would seriously impact the Trust to be any changes in the funding arrangements as a result of political decisions outside the control of the Trustees, 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.

In addition the international crisis caused by coronavirus has been considered to increase the risks to the Trust and school performance. The risks have been identified and assessed resulting in close monitoring of management actions to mitigate the impacts of the virus. The Trust and each school developed coronavirus risk assessments in consultation with staff, students and parents; these were reviewed regularly and complied with

government, PHE and HSE advice and guidance. All schools were opened as required to support relevant students at the appropriate time in line with DfE direction and all schools had planning in place to remain open in September 2022 for the return of all students. The risk assessments continue to be live documents that are regularly updated and monitored.

Additional risks that are closely reviewed are:

- The Trust is financially unsustainable resulting in insufficient resources to deliver high education standards
- Reduced outcomes caused by poor quality of teaching and challenge of retaining / recruiting good teachers
- Lack of capacity and skills to facilitate effective growth leads to financial, legal and reputational issues as well as an impact on business as usual
- Unsustainable drop in student demand due to demographics, competition or reputational damage (e.g. adverse Ofsted report) leading to unsustainable schools and school closure
- New schools joining the Trust do so effectively without risk to themselves or the Trust.



Reviewing controls and managing risks

Trustees 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. Trustees received monthly management accounts and cash flow forecasts which are challenged and scrutinised to report and examine current spending and projected balances.

Budgetary control and monitoring is efficient and effective:

- account holders receive monthly budget reports to check and monitor their transactions and available funds;

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

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



Financial governance and oversight

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

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

Better purchasing

Fitness for purpose

Contracts and services are competitively priced, continually reviewed, appraised and renegotiated to provide best value and value for money. The quality of goods and services meet the needs of the Trust as they are measured against alternative providers. These include commercial insurance, Broadband, firewall and filtering services, various service level agreements and supply insurance. Year-end audits, thematic audit reviews and audit committee scrutiny regularly provide external verification that procurement processes are fit for purpose.

Coronavirus has had an impact on the delivery of some contractual obligations; particularly exam board responsibilities, catering services and before/after school clubs. The Trust has managed these contracts in line with the government guidance "Procurement Policy Notes 02/20 and 04/20". Whilst this may not have provided short term value for money it has supported school suppliers during a period of financial difficulty.

Benchmarking

The Trust has benchmarked its income and expenditure against similar academies to identify areas of potential savings. This has resulted in focusing on some contracts such as supply insurance, general insurance, associate staff costs and catering costs. In addition a School Resource Management Advisor review supported the Trust in identifying potential savings via curriculum planning.



Options appraisal

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

Economies of scale

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

Better income generation

The Trust has been successful in generating additional revenue to support school improvement i.e. school improvement bids. Other grants and sponsorships have been received to fund additional enrichment activities and opportunities for students.

Fundraising

The Trust does not work with third party fundraising organisations.

Fundraising is restricted to school events such as non-uniform days, school fairs and school performances where donations are encouraged but not expected and proceeds are either donated to a named charity or accepted into the School Fund. Some subject areas such as Design Technology can request a small donation from parents towards the cost of materials for student projects.

Historically the Trust has successfully applied to the ESFA capital fund, the Condition Improvement Fund, to raise capital for building improvement; due to our recent increase in size this capital is now provided annually via a formula. The Trust has also applied for capital from various grant making organisations such as Sport England, National Lottery or the FA Foundation. These grant application activities are carried out by Trust staff supported by buildings professionals where required to support the technical aspect of the bids.

The impact of coronavirus saw a reduction in funds received from parents for activities such as school dinners, before and after school clubs and sports clubs. This has started to recover in the last 12 months.

Communication with employees

The Trust ensures that employees are regularly consulted and informed of its activities by means of regular staff meetings, email and events, including consultation within the development planning process. This year this included a significant consultation across each school about procedures to reopen schools more widely following the partial closures due to coronavirus. School planning was shared with all staff and recognised trades unions before being updated to reflect feedback and implementation.

Equal opportunities for employees

The Trust takes this responsibility seriously and describes the measures taken to meet these responsibilities in its various policies including the Equal Opportunities and Dignity at Work policy.

- The Trust gives full and fair consideration to applications for employment to the company made by all applicants including disabled persons, having regard to their particular aptitudes and abilities; and
- The Trust supports the continuing employment of, and arranges appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company; and
- The Trust supports the training, career development and promotion of disabled persons employed by the company.

Statement as to disclosure of information to auditor

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

The Trustees' report is approved by order of the board of Trustees and the strategic report (included therein) is approved by the board of Trustees in their capacity as the Trustees at a meeting on 19th December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C Pearson', with a long horizontal flourish extending to the right.

C Pearson

Chair of the Board, Member

Date: 19th December 2022

Governance Statement

Scope of responsibility

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

The board has delegated the day-to-day responsibility to the Chief Executive Officer and accounting officer, S Taylor, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Three Rivers Learning Trust 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The board has formally met six (6) times during the year. Attendance during the year at meetings of the board was as follows:

Trustees	Role	Meetings attended	Out of a possible
Currently serving			
P Carvin		4	6
A Chaudhuri		1	6
A Lister		6	6
C Pearson	Chair and member	5	6
D Ions		2	6
P Allan		4	6
B Cole		5	6
S Taylor	CEO	6	6
S White		3	6
T Burston		4	6
Y Rutherford		4	6
S Gibson		3	6
Appointed within the past 12 months			
C Pearson appointed as Chair of the Board and Member from January 2022			
Ceased to hold office within the past 12 months			
P Carvin resigned as Chair of the Board and Member, December 2021	21 December 2021	4	6

Governance self-review

The Trust places a high emphasis on the competency and experience of its Trustees and regularly reviews its Trustees skill sets to ensure there is sufficient coverage in each area. This process is supported by the Governance Manager on an annual basis through the use of a skills audit and gap

analysis, director survey and training needs analysis. Resources from external professional bodies, including Confederation of School Trusts, Chartered Governance Institute and the National Governance Association, in addition to the Education and Skills Funding Agency, are also drawn upon.

Resulting actions this year were;

- introduction of a risk/support assurance working group;
- further development of communication, across all layers of governance, through the introduction of 'Spotlight on Governance'; this half termly bulletin provides updates on policy and legislation, in addition to signposting both trustees and academy councillors to specific webinars, resources and CPD
- introduction of a new Trust website
- evaluation of governance recruitment resulting in the creation of new recruitment packs and induction process
- continued development of agendas and the assurance framework to improve efficiency and communication;
- continued development of the governance reporting structure;
- further development of scheme of delegation and terms of reference which were approved and implemented;
- following a review of governance training, a new CPD pathway has been developed;
- annual board and committee reports on each committee's work and progress, giving clear and

- straightforward assurance to the board; and
- KPI's established which will be monitored through the use of a new governance data dashboard

The introduction of virtual meetings and training, as a result of the pandemic, has allowed the Trust to evaluate the future of governance meetings and training. The virtual platform has allowed flexibility, for those with commitments at home or work, which has also supported wellbeing. It has also allowed for meetings to be more focussed. Due to the success of virtual meetings and training events, future governance will be assessed prior to the scheduled dates as to whether or not they will take place face to face or virtual, taking into account circumstances such as local area cases.

The audit and risk committee is a sub-committee of the main board. Its purpose is to review the annual financial statements and accounting policies of the Learning Trust, consider internal controls including a review of the internal reviewer reports and consider the planning, scope and conclusions of the external auditor's programme. Attendance at meetings in the year is as follows:

Audit committee members	Role	Meetings attended	Out of a possible
Currently serving			
P Allan	Committee member (Chair) Trustee	3	3
C Pearson	Committee member Trustee	3	3
K Barwick	Committee member Non-Trustee	2	3
P Carvin	Committee member Trustee / Member	2	3
Julia Young	Co-opted member Non-Trustee	0	3
Juliet Simpson, Head of Internal Audit (Newcastle University)	Co-opted Member Non-Trustee	2	3
In attendance			
M Tait	Chief Operating Officer	3	3
S Taylor	CEO	3	3
F Quinn	Financial Director	1	2
K Hirst	Management Accountant	1	1
F Ewart	Clerk	3	3

Review for value for money

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

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

- improved student, staff and community facilities including the addition of a Performing Arts Centre at Stobhillgate, hall refurbishment at Chantry Middle school, phase 5 of a windows replacement programme at the King Edward VI School and phase 3 of electrical infrastructure replacement at Dr Thomlinson Middle School. These projects have contributed to enhanced teaching and learning opportunities, achievement of targets and excellent examination results;
- the Trust continues to network with academies and other educational providers by working together and sharing individual skills, expertise, best practice and learning experiences; and
- the Trust offers apprenticeship opportunities to young adults ranging from a variety of skills and attributes i.e. finance, catering, site management, and administration. The finance apprentice is working jointly with the Trust's external accounting professional service to gain further skills, qualifications and learning experiences.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Three Rivers Learning Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2022 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 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 audit and risk committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and part way through this financial year decided to appoint an internal reviewer; the internal reviewer is independent of both the Trust and its external auditor. Armstrong Watson LLP were appointed in 2020 and performed a range of checks on the Academy Trusts' systems in addition to other relevant external specialists. In particular the checks carried out in the current period included:

- Testing of payroll transactions;
- Testing of cyber security arrangements; and
- Testing of the safeguarding systems

Armstrong Watson LLP reported to the Audit Committee on the operation of the systems of control. Recommendations received from all 3 reviews have been implemented.



Review of effectiveness

As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

- the work of internal reviewer;
- the financial management and governance self-assessment process;
- the work of the external auditor; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of Trustees on
19th December 2022 and signed on its behalf by:



C Pearson
Chair of the Board, Member



S Taylor
Accounting Officer

Statement of regularity, propriety and compliance

As Accounting Officer of The Three Rivers Learning Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency ('ESFA') of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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



S Taylor
Accounting Officer
19th December 2022

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the DfE/ESFA have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 19th December 2022 and signed on its behalf by:



C Pearson
Chair of the Board, Member



Independent auditor's report on the financial statements to the members of The Three Rivers Learning Trust

Opinion

We have audited the financial statements of The Three Rivers Learning Trust (the 'Trust') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.



Independent auditor's report on the financial statements to the members of The Three Rivers Learning Trust (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report on the financial statements to the members of The Three Rivers Learning Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the Trustees and other management (as required by Auditing Standards) and from inspection of the Trust's legal correspondence and we discussed with the trustees the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law, safeguarding and child protection and certain aspects of company legislation, recognising the nature of the Trust's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we have not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report on the financial statements to the members of The Three Rivers Learning Trust (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Trust's members 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 Trust'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 Trust and its members for our audit work, for this report, or for the opinions we have formed.

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

19 December 2022

The Three Rivers Learning Trust

(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to The Three Rivers Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 5th July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Three Rivers Learning Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Three Rivers Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Three Rivers Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Three Rivers Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Three Rivers Learning Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Three Rivers Learning Trust's funding agreement with the Secretary of State for Education dated 7th November 2011 and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

The Three Rivers Learning Trust

(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to The Three Rivers Learning Trust and the Education & Skills Funding Agency (continued)

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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


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

The work undertaken to support our conclusion includes:

- testing a sample of expenditure to verify that the Trust's procurement procedures have been followed for the items selected;
- testing a sample of payments to ensure they are correctly authorised in accordance with Trust policies;
- testing a sample of expenditure to verify the nature of spend is in line with funding agreements;
- testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the Trust policies;
- confirming that appropriate departmental authority has been obtained for any extra-contractual payments to staff such as severance pay;
- where any disposals of land or buildings were made, enquire as to whether appropriate approval was obtained from the ESFA; and
- where any transactions or contracts are entered into with connected parties, enquire as to whether the appropriate procedures were followed in line with Trust policies.

Conclusion

In the course of our work, nothing has come to our attention which suggests in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

Date: 19 December 2022

The Three Rivers Learning Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	12,725	-	790,335	803,060	1,161,126
Charitable activities	4	-	17,438,821	-	17,438,821	17,247,413
Teaching schools		-	468,009	-	468,009	266,771
Other trading activities	5	1,823,447	-	-	1,823,447	1,131,030
Investments	6	9,299	-	-	9,299	412
Total income		1,845,471	17,906,830	790,335	20,542,636	19,806,752
Expenditure on:						
Raising funds		719,387	118,464	-	837,851	476,440
Charitable activities		-	18,683,762	1,310,940	19,994,702	19,865,204
Teaching schools		-	337,190	-	337,190	152,595
Total expenditure	7	719,387	19,139,416	1,310,940	21,169,743	20,494,239
Net income/ (expenditure)		1,126,084	(1,232,586)	(520,605)	(627,107)	(687,487)
Transfers between funds	19	(450,967)	341,823	109,144	-	-
Total transfers		(450,967)	341,823	109,144	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	10,540,000	-	10,540,000	300,000
Net movement in funds		675,117	9,649,237	(411,461)	9,912,893	(387,487)
Reconciliation of funds:						
Total funds brought forward		2,167,017	(11,601,991)	27,874,244	18,439,270	18,826,757
Net movement in funds		675,117	9,649,237	(411,461)	9,912,893	(387,487)
Total funds carried forward		2,842,134	(1,952,754)	27,462,783	28,352,163	18,439,270

The notes on pages 41 to 72 form part of these financial statements.

The Three Rivers Learning Trust

(A company limited by guarantee)

Balance sheet As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	27,229,999	27,588,398
Current assets			
Stocks	15	7,638	1,798
Debtors	16	664,058	813,225
Cash at bank and in hand	24	4,381,886	3,854,063
		<u>5,053,582</u>	<u>4,669,086</u>
Creditors: amounts falling due within one year	17	(1,707,209)	(2,075,587)
Net current assets		<u>3,346,373</u>	<u>2,593,499</u>
Total assets less current liabilities		<u>30,576,372</u>	<u>30,181,897</u>
Creditors: amounts falling due after more than one year	18	(4,209)	(12,627)
Defined benefit pension scheme liability	26	(2,220,000)	(11,730,000)
Total net assets		<u><u>28,352,163</u></u>	<u><u>18,439,270</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset fund	19	27,462,783	27,874,244
Restricted income fund	19	267,246	128,009
Pension reserve	19	(2,220,000)	(11,730,000)
Total restricted funds	19	<u>25,510,029</u>	<u>16,272,253</u>
Unrestricted income funds	19	<u>2,842,134</u>	<u>2,167,017</u>
Total funds		<u><u>28,352,163</u></u>	<u><u>18,439,270</u></u>

The Three Rivers Learning Trust

(A company limited by guarantee)

Balance sheet (continued)

As at 31 August 2022

The financial statements on pages 37 to 72 were approved by the Trustees, and authorised for issue on 19 December 2022 and are signed on their behalf, by:



Colin Pearson
Chairman

The notes on pages 41 to 72 form part of these financial statements.

Company registered number: 07838203

The Three Rivers Learning Trust

(A company limited by guarantee)

Statement of cash flows

For the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	(92,102)	(338,571)
Cash flows from investing activities	23	631,144	785,993
Cash flows from financing activities	22	(11,219)	(14,018)
Change in cash and cash equivalents in the year		527,823	433,404
Cash and cash equivalents at the beginning of the year		3,854,063	3,420,659
Cash and cash equivalents at the end of the year	24, 25	4,381,886	3,854,063

The notes on pages 41 to 72 form part of these financial statements

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Three Rivers Learning Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in Sterling which is also the functional currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

1.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the Trustees are required to consider whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing of these financial statements.

The Trustees have performed this assessment and have prepared the financial statements on a going concern basis which is considered appropriate for the following reasons.

At 31 August 2022, the free reserves position was £3,109,380 (2021: £2,295,026) and the Academy Trust had cash reserves of £4,381,886 (2021: £3,854,063).

The Trustees have prepared cash flow forecasts for a period in excess of 12 months from the date of their approval of these financial statements. The cash flow forecasts that the Trustees have prepared are based on their current best estimates and are in line with the funding agreement in place with the Department for Education and show that the Academy Trust can maintain sufficient financial headroom for the foreseeable future.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

1. Accounting policies (continued)

1.3 Income

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

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

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

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

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

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

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

- **Sponsorship income**

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

- **Donations**

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

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets**

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

1.4 Expenditure

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

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

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

The land on which the main school buildings for both Dr Thomlinson Church of England Middle School and Harbottle Church of England First School are situated is held on a licence from the Trustees of the RC Diocese of Hexham & Newcastle. As the risks and rewards have been transferred to the Academy Trust, the assets have been recognised within tangible fixed assets. These assets have been recognised at depreciated replacement cost.

Depreciation is provided on the following bases:

Land	- Not depreciated
Buildings	- 10 - 50 years straight line
Athletics track	- 20 years straight line
Furniture and equipment	- 20 - 33% straight line
Motor vehicles	- 20% - 33% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposals, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

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

1.7 Stocks

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

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

1. Accounting policies (continued)

1.8 Liabilities

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

1.9 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

1. Accounting policies (continued)

1.12 Pensions

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Agency arrangements

The Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA 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. The funds received are paid and any balances held are disclosed in note 30.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

1. Accounting policies (continued)

1.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. There is continuing volatility in the financial markets, impacting both interest rates and inflation before and since the year end which have increased the estimation uncertainty for the 2022 year end.

Critical areas of judgment:

The only significant area of judgment is the useful economic lives of fixed assets, details of which are given above.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	12,725	-	12,725
Capital grants	-	790,335	790,335
	<u>12,725</u>	<u>790,335</u>	<u>803,060</u>

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	4,155	-	4,155
Capital grants	-	1,156,971	1,156,971
	<u>4,155</u>	<u>1,156,971</u>	<u>1,161,126</u>

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

4. Funding for the Academy Trust's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General annual grant (GAG)	16,035,463	16,035,463	15,002,545
Other DfE/ESFA grants			
Pupil premium	527,631	527,631	566,463
Other - pension and pay award grants	178,228	178,228	908,237
UFSM	100,258	100,258	107,105
Sports grant	122,219	122,219	122,822
Rates relief	66,912	66,912	70,825
	17,030,711	17,030,711	16,777,997
Other government grants			
Local authority grants	408,110	408,110	469,416
	17,438,821	17,438,821	17,247,413

5. Other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings income	36,399	36,399	11,218
Catering income	596,376	596,376	384,403
School fund income	446,626	446,626	112,639
Other income	744,046	744,046	622,770
	1,823,447	1,823,447	1,131,030

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest from short term deposits	9,299	9,299	412

7. Expenditure

	Staff costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on raising funds:				
Direct costs	-	-	837,851	837,851
Academy's educational operations:				
Direct costs	13,976,426	526,332	1,636,962	16,139,720
Allocated support costs	1,515,756	1,957,304	381,922	3,854,982
Teaching school	263,536	-	73,654	337,190
Total 2022	15,931,367	2,483,636	2,754,740	21,169,743

	Staff costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising funds:				
Direct costs	-	-	476,440	476,440
Academy's educational operations:				
Direct costs	13,410,451	523,889	1,339,754	15,274,094
Allocated support costs	1,564,039	2,729,918	297,152	4,591,109
Teaching school	91,673	-	60,922	152,595
Total 2021	15,157,836	3,253,807	2,082,595	20,494,238

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Academy's educational operations	16,139,720	3,854,982	19,994,702

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Academy's educational operations	15,274,094	4,591,109	19,865,203

Analysis of support costs

	Academy's educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,515,756	1,515,756	1,551,919
Agency staff costs	30,458	30,458	12,120
Premises costs	1,957,304	1,957,304	2,729,918
Other support costs	315,394	315,394	261,694
Governance costs	36,070	36,070	35,458
	3,854,982	3,854,982	4,591,109

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	22,030	18,525
Depreciation of tangible fixed assets	526,889	523,889
Fees payable for legal services are as follows:		
- Other services	14,263	17,699
Fees paid to auditors for:		
- Audit	20,300	19,950
- Other services	2,400	1,750
	<u>22,030</u>	<u>18,525</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	11,144,696	10,729,523
Social security costs	1,102,945	1,012,607
Pension costs	3,406,980	3,096,275
	<u>15,654,621</u>	<u>14,838,405</u>
Agency staff costs	264,800	223,328
Staff restructuring costs	11,946	4,430
	<u>15,931,367</u>	<u>15,066,163</u>

Staff restructuring costs comprise:

Severance payments	11,946	4,430
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b. Non-statutory/non-contractual staff severance payments

The severance payments noted above in both the current year and prior year were made to one individual.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

10. Staff (continued)

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	200	196
Administration and support	232	214
Management	12	12
	<u>444</u>	<u>422</u>

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	-	3
In the band £70,001 - £80,000	5	6
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	3	-
In the band £100,001 - £110,000	1	-
In the band £130,001 - £140,000	-	1
	<u>-</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,483,051 (2021: £1,196,823).

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

11. Central services

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

- Governance
- Finance
- Estate management
- People management
- Education
- Communication and administration
- ICT
- Data analysis
- Risk management

The Trust charges for these services based on a percentage of school income.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
King Edward VI	326,544	332,135
Newminster	110,232	108,265
Chantry	114,708	111,805
Abbeyfields	66,648	63,720
Dr Thomlinson Church of England Middle School	52,140	50,748
Thropton Village First School	13,188	12,660
Harbottle Church of England First School	11,664	11,136
Teaching Schools	8,796	-
Stobhillgate	34,380	33,396
Total	738,300	723,865

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
S Taylor	Remuneration	105,000 -	130,000 -
		110,000	135,000
	Pension contributions paid	Nil	Nil

During the year ended 31 August 2022, travel and subsistence expenses totalling £340.25 were reimbursed or paid directly to one Trustee (2021 - £nil to no Trustees).

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

13. Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2022 was not separately identifiable (2021 - not separately identifiable). The cost of this insurance is included in the total insurance cost. The annual premium for Trustees Liability is £202 including Insurance Premium Tax.

14. Tangible fixed assets

	Land and buildings £	Athletics track £	Assets under construction £	Furniture and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	30,418,961	920,000	304,515	363,492	5,250	32,012,218
Additions	121,918	-	46,573	-	-	168,491
Disposals	-	-	-	(46,734)	-	(46,734)
Transfers between classes	351,088	-	(351,088)	-	-	-
At 31 August 2022	30,891,967	920,000	-	316,758	5,250	32,133,975
Depreciation						
At 1 September 2021	3,626,434	444,667	-	347,470	5,250	4,423,821
Charge for the year	460,477	50,390	-	16,022	-	526,889
On disposals	-	-	-	(46,734)	-	(46,734)
At 31 August 2022	4,086,911	495,057	-	316,758	5,250	4,903,976
Net book value						
At 31 August 2022	26,805,056	424,943	-	-	-	27,229,999
At 31 August 2021	26,792,527	475,333	304,515	16,022	-	27,588,397

Included within buildings are two properties legally owned by the Diocese of Hexham and Newcastle. The buildings at Dr Thomlinson Church of England Middle School and Harbottle Church of England First School are able to be used under the terms of supplemental lease agreements. The substance of the arrangement is such that The Three Rivers Learning Trust is able to obtain future economic benefits from the unrestricted use of the asset. As such, the buildings are recognised as a fixed asset recorded at their fair value at the time of conversion. This is treated as the deemed cost.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

15. Stocks

	2022 £	2021 £
Catering stock	7,638	1,798

16. Debtors

	2022 £	2021 £
Trade debtors	89,801	192,448
Other debtors	201,425	250,776
Prepayments and accrued income	372,832	370,001
	664,058	813,225

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Other loans	8,418	11,219
Trade creditors	509,142	448,939
Other taxation and social security	265,089	248,274
Other creditors	2,530	2,530
Accruals and deferred income	922,030	1,364,625
	1,707,209	2,075,587

	2022 £	2021 £
Deferred income at 1 September 2021	85,556	79,686
Resources deferred during the year	58,267	85,556
Amounts released from previous periods	(85,556)	(79,686)
	58,267	85,556

At the balance sheet date the Trust was holding funds received in advance in relation to Universal Infant Free School Meal income.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

18. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other loans	4,209	12,627

Included within the above are amounts falling due as follows:

	2022 £	2021 £
Between one and two years		
Other loans	4,209	8,418
Between two and five years		
Other loans	-	4,209

Loans of £67,346 and £28,000 from Salix, in partnership with the Department for Education (DfE), were provided through the Salix Energy Efficiency Fund (SEEF). The loans provided are interest-free and repayable bi-annually over an 8-year period and 5-year period respectively through a reduction in ESFA income received.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	2,167,017	1,828,171	(673,312)	(1,390,967)	-	1,930,909
Designated funds	-	17,300	(46,075)	940,000	-	911,225
	<u>2,167,017</u>	<u>1,845,471</u>	<u>(719,387)</u>	<u>(450,967)</u>	<u>-</u>	<u>2,842,134</u>
Restricted general funds						
General Annual Grant (GAG)	-	16,035,462	(16,035,462)	-	-	-
Other DfE/ESFA grants	-	560,512	(893,917)	341,823	-	8,418
Other government grants	-	842,847	(842,847)	-	-	-
Teaching school	128,009	468,009	(337,190)	-	-	258,828
Pension reserve	(11,730,000)	-	(1,030,000)	-	10,540,000	(2,220,000)
	<u>(11,601,991)</u>	<u>17,906,830</u>	<u>(19,139,416)</u>	<u>341,823</u>	<u>10,540,000</u>	<u>(1,952,754)</u>
Restricted fixed asset funds						
Inherited on conversion	25,951,458	-	(454,375)	-	-	25,497,083
DfE group capital grants	572,214	790,335	(784,608)	-	-	577,941
Capital expenditure from GAG	173,182	-	(2,984)	-	-	170,198
Capital grants from council on conversion	104,241	-	(1,990)	-	-	102,251
Other capital income	524,484	-	(50,493)	-	-	473,991
Capital expenditure from unrestricted funds	41,007	-	(783)	109,144	-	149,368
Sixth form	507,658	-	(15,707)	-	-	491,951

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
	27,874,244	790,335	(1,310,940)	109,144	-	27,462,783
Total restricted funds	16,272,253	18,697,165	(20,450,356)	450,967	10,540,000	25,510,029
Total funds	18,439,270	20,542,636	(21,169,743)	-	10,540,000	28,352,163

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

Designated funds represent unrestricted funds that have been put aside by the Trustees for specific projects including school improvement and a new sports hall at The King Edward VI School.

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

Other DfE/ESFA grants - this balance comprises pupil premium, year 7 catch up grants, teacher pay grants, strategic school grant and infant school meal funding.

Other government grants - this includes SEN funding and nursery funding.

Teaching schools - this includes National College for Training and Leadership funding.

Other restricted funds - this includes funds received from the sale of the caretaker's cottage at Thropton Village First School.

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

Donated fixed assets - land and buildings were donated by the local authority.

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

Transfer on conversion - this balance is the leasehold main school premises being depreciated over the life of the lease and the estimated value of other fixed assets on conversion being depreciated over their remaining life.

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

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

19. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	1,560,761	1,135,597	(385,588)	(143,753)	-	2,167,017
Restricted general funds						
General Annual Grant (GAG)	-	15,002,545	(14,935,669)	(66,876)	-	-
Other DfE/ESFA grants	-	1,775,452	(1,949,205)	173,753	-	-
Other government grants	-	469,416	(469,416)	-	-	-
Teaching schools	13,833	266,771	(152,595)	-	-	128,009
Other restricted funds	30,000	-	-	(30,000)	-	-
Pension reserve	(11,220,000)	-	(810,000)	-	300,000	(11,730,000)
	<u>(11,176,167)</u>	<u>17,514,184</u>	<u>(18,316,885)</u>	<u>76,877</u>	<u>300,000</u>	<u>(11,601,991)</u>
Restricted fixed asset funds						
Inherited on conversion	26,455,168	-	(503,710)	-	-	25,951,458
DfE group capital grants	937,003	837,040	(1,268,705)	66,876	-	572,214
Capital expenditure from GAG	176,166	-	(2,984)	-	-	173,182
Capital grants from council on conversion	106,231	-	(1,990)	-	-	104,241
Other capital income	208,457	319,931	(3,904)	-	-	524,484

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

19. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Capital expenditure from unrestricted funds	41,790	-	(783)	-	-	41,007
Sixth form	517,348	-	(9,690)	-	-	507,658
	<u>28,442,163</u>	<u>1,156,971</u>	<u>(1,791,766)</u>	<u>66,876</u>	<u>-</u>	<u>27,874,244</u>
Total restricted funds	<u>17,265,996</u>	<u>18,671,155</u>	<u>(20,108,651)</u>	<u>143,753</u>	<u>300,000</u>	<u>16,272,253</u>
Total funds	<u><u>18,826,757</u></u>	<u><u>19,806,752</u></u>	<u><u>(20,494,239)</u></u>	<u><u>-</u></u>	<u><u>300,000</u></u>	<u><u>18,439,270</u></u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
King Edward VI	1,910,414	1,459,474
Newminster	178,250	184,136
Chantry	416,200	189,619
Abbeyfields	10,658	3,679
Dr Thomlinson Church of England Middle School	210,220	133,807
Thropton Village First School	12,097	35,596
Harbottle Church of England First School	48,608	42,065
Stobhillgate First School	(10,564)	2,917
Teaching school	247,638	125,616
Central services	85,859	118,117
Total before fixed asset funds and pension reserve	<u>3,109,380</u>	<u>2,295,026</u>
Restricted fixed asset fund	27,462,783	27,874,244
Pension reserve	(2,220,000)	(11,730,000)
Total	<u><u>28,352,163</u></u>	<u><u>18,439,270</u></u>

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
King Edward VI	5,799,285	436,927	515,670	1,391,630	8,143,512
Newminster	2,085,091	217,743	120,917	444,310	2,868,061
Chantry	2,164,405	192,571	163,456	555,510	3,075,942
Abbeyfields	1,201,764	136,173	98,538	154,268	1,590,743
Dr Thomlinson Church of England Middle School	859,222	131,015	75,101	281,188	1,346,526
Thropton Village First School	215,653	44,799	27,532	38,530	326,514
Harbottle Church of England First School	181,080	36,465	20,886	77,243	315,674
Stobhillgate First School	539,201	72,592	78,054	135,580	825,427
Teaching school	153,450	50,527	90,752	42,462	337,191
Central services	290,175	247,471	147,359	104,427	789,432
Academy Trust	13,489,326	1,566,283	1,338,265	3,225,148	19,619,022

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows - as restated:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
King, Edward VI	5,798,892	457,510	511,620	1,360,729	8,128,751
Newminster	2,004,212	153,171	130,065	378,229	2,665,677
Chantry	2,003,750	173,700	155,824	532,680	2,865,954
Abbeyfields	1,135,989	140,737	81,251	348,576	1,706,553
Dr Thomlinson Church of England Middle School	806,354	150,261	89,421	348,404	1,394,440
Thropton Village First School	192,604	42,927	27,180	41,255	303,966
Harbottle Church of England First School	159,126	39,104	26,174	30,475	254,879
Stobhillgate First School	493,895	99,746	77,769	210,095	881,505
Teaching school	67,728	23,945	60,922	-	152,595
Central services	191,198	306,883	244,881	63,068	806,030
Academy Trust	12,853,748	1,587,984	1,405,107	3,313,511	19,160,350

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	27,229,999	27,229,999
Current assets	2,842,134	1,978,664	232,784	5,053,582
Creditors due within one year	-	(1,707,209)	-	(1,707,209)
Creditors due in more than one year	-	(4,209)	-	(4,209)
Provisions for liabilities and charges	-	(2,220,000)	-	(2,220,000)
Total	2,842,134	(1,952,754)	27,462,783	28,352,163

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	27,588,397	27,588,397
Current assets	2,167,017	2,216,223	285,847	4,669,087
Creditors due within one year	-	(2,075,587)	-	(2,075,587)
Creditors due in more than one year	-	(12,627)	-	(12,627)
Provisions for liabilities and charges	-	(11,730,000)	-	(11,730,000)
Total	2,167,017	(11,601,991)	27,874,244	18,439,270

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

21. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per statement of financial activities)	(627,107)	(687,487)
Adjustments for:		
Depreciation	526,889	523,890
Capital grants from DfE and other capital income	(790,336)	(1,156,971)
Interest receivable	(9,299)	(412)
Defined benefit pension scheme cost less contributions payable	840,000	620,000
Defined benefit pension scheme finance cost	190,000	190,000
(Increase)/decrease in stocks	(5,840)	1,549
Decrease/(increase) in debtors	149,167	(173,134)
(Decrease)/increase in creditors	(365,576)	343,994
Net cash used in operating activities	(92,102)	(338,571)

22. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(11,219)	(14,018)
Net cash used in financing activities	(11,219)	(14,018)

23. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	9,299	412
Purchase of tangible fixed assets	(168,491)	(371,390)
Capital grants from DfE Group	790,336	1,156,971
Net cash provided by investing activities	631,144	785,993

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	<u>4,381,886</u>	<u>3,854,063</u>

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	3,854,063	527,823	-	4,381,886
Debt due within 1 year	(11,219)	11,219	(8,418)	(8,418)
Debt due after 1 year	(12,627)	-	8,418	(4,209)
	<u>3,830,217</u>	<u>539,042</u>	<u>-</u>	<u>4,369,259</u>

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

26. Pension commitments

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 multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,656,980 (2021 - £1,738,051).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £920,000 (2021 - £830,000), of which employer's contributions totalled £750,000 (2021 - £670,000) and employees' contributions totalled £ 170,000 (2021 - £160,000). The agreed contribution rates for future years are 18.7 - 22.2 per cent for employers and 5.2 per cent for employees.

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

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.2	4.1
Rate of increase for pensions in payment/inflation	2.7	2.6
Discount rate for scheme liabilities	4.1	1.7
Inflation assumption (CPI)	2.7	2.6

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

	2022 Years	2021 Years
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.7	26.9

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

26. Pension commitments (continued)

Sensitivity analysis - movement on total obligations

	2022 £000	2021 £000
Discount rate +0.1%	(360)	(570)
Discount rate -0.1%	360	570
Mortality assumption - 1 year increase	(420)	(870)
Mortality assumption - 1 year decrease	420	900
CPI rate +0.1%	300	470
CPI rate -0.1%	(300)	(470)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2022 £	2021 £
Equities	6,940,000	6,610,000
Government bonds	210,000	250,000
Corporate bonds	2,400,000	2,390,000
Property	1,430,000	950,000
Cash	230,000	480,000
Multi Asset Credit	570,000	-
Other assets	1,120,000	1,210,000
Total market value of assets	12,900,000	11,890,000

The actual return on scheme assets was £240,000 (2021 - £1,890,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(1,590,000)	(1,290,000)
Interest income	210,000	160,000
Interest cost	(400,000)	(350,000)
Total amount recognised in the statement of financial activities	(1,780,000)	(1,480,000)

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

26. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
At 1 September	23,620,000	20,580,000
Current service cost	1,590,000	1,290,000
Interest cost	400,000	350,000
Employee contributions	170,000	160,000
Actuarial (gain)/loss	(10,510,000)	1,430,000
Benefits paid	(150,000)	(190,000)
At 31 August	15,120,000	23,620,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	11,890,000	9,360,000
Actuarial gain	30,000	1,730,000
Interest income	210,000	160,000
Employer contributions	750,000	670,000
Benefits paid	(150,000)	(190,000)
Employee contributions	170,000	160,000
At 31 August	12,900,000	11,890,000

27. Operating lease commitments

At 31 August 2022 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts due within one year	30,711	22,030
Amounts due between one and five years	47,982	24,821
	78,693	46,851

The Three Rivers Learning Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2022

28. 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.

29. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the Academy Trust entered into the following transactions with a company in which a member is a director:

Newcastle Diocesan Education Board (NDEB) - a company in which P Pearson (a member) is a director:

- The Academy Trust purchases school improvement and CPD services from NDEB totalling £8,608 during the year. There was £900 outstanding at 31 August 2022.
- The Academy Trust made the purchase at arm's length in line with the Trust's procurement policy.
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2021.
- The element above £2,500 has been provided at no more than cost and NDEB has provided a statement of assurance confirming this.

Key management personnel compensation disclosure is included in note 10e.

Details of Trustee's remuneration and expenses paid in the year are provided in note 12 to these financial statements.

30. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Trust received £49,981 (2021: £42,051) and disbursed £15,022 (2021: £33,537) from the fund. An amount of £66,556 (2021: £31,597) is included in other creditors relating to undistributed funds that is repayable to ESFA.

Notes

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