



**North Tyneside Learning Trust
Annual Report and Financial Statements**

Year Ended 31 December 2013

Company Registration number: 07353837
Charity Registration number: 1143299

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Reference and Administrative Details

Trustees/Directors	D Baldwin (Chair) Dr J Delany Cllr D Lilly (resigned 31 May 2013) A Shaw P Mitchell S Ripley E Overton D Hodgson (appointed 29 April 2013) Cllr Grayson (appointed 17 June 2013) I Richardson (appointed 29 April 2013)
Company Secretary	H Bell (resigned 11 March 2013) C Mortimer (Appointed 11 March 2013)
Senior Management Team Chief Executive	K Ellis
Principal Registered Office	Churchill Community College Churchill Street Wallsend Tyne and Wear NE28 7TN
Company Registration Number	07353837 (England and Wales)
Auditors	Read Milburn and Company 71 Howard Street North Shields NE30 1AF
Bankers	The Co-operative Bank PLC P.O. Box 1011 Balloon Street Manchester M60 4EP
Solicitors	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY

Director's Report (Trustees' Annual Report)

The Trustees, (who are Trustees under the Charities Act 2011 and Directors under the Companies Act 2006), present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 January 2013 to 31 December 2013. The report has been prepared in accordance with Part VIII of the Charities Act 2011 and the Companies Act 2006.

The North Tyneside Learning Trust was incorporated on the 23 August 2010.

The financial statements have been prepared in accordance with the accounting policies on pages 21 to 24 and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ("SORP 2005").

Structure, Governance and Management

Constitution

The North Tyneside Learning Trust is a company limited by guarantee (company number 07353837, incorporated on 23 August 2010) and a registered Charity. The Memorandum and Articles of Association are the prime documents governing the Trust.

Members' Liability

The liability of the members of the charitable company is limited. Each member of the charitable company undertakes to contribute such amount as may be required (not exceeding £10) upon winding up of the charitable company.

Principal Activities

The Trust's object, as set out in its Articles of Association, is to advance, for the public benefit, education; health; and training for all children, young people and communities of North Tyneside including, but without prejudice to the generality of the foregoing, the education of the pupils at any School, which is a Qualifying School or any other School in respect of which the Trust acts or has acted as a foundation, it being acknowledged that in carrying out the Objects, the Trust, must so far as is consistent with this purpose, have regard to its obligation to promote community cohesion under the Education Acts.

Method of Recruitment and Appointment of Trustees

The Trustees of North Tyneside Learning Trust act as Directors of the charitable company for the purposes of Company Law. Details of Trustees who served throughout the year are included in the Reference and Administrative Details section on page 3. The Articles of Association provide for the appointment of Trustees, drawn from each of the principal constituencies, with School Directors in the majority: The current Board comprises of;

- Five drawn from Schools;
- Two drawn from Employer partners;
- One drawn from Further Education/Higher Education partners; and
- One drawn from North Tyneside Council.

The Chair is drawn from the school directors. Appointment and removal of Directors is subject to any restrictions imposed by the Education Acts.

Policies and Procedures for Induction and Training of Trustees

The Trust has a formal policy and procedure covering the recruitment, induction and training of Trustees. All new Trustees are provided with an induction pack and receive a formal induction on appointment.

Trustees are provided with access to appropriate training during their appointment to the board. This training covers the roles and responsibilities of acting as a Trustee.

Organisational Structure

The charitable company comprises of 60 members. These members are made up of Trust Schools, Employers, Higher Education establishments, Diocesan Authorities and the Local Authority. The members of the company determine the objectives of the Trust and appoint Trustees to the Trustee Board. The Board acts as Directors for the purposes of Company Law.

The Trustee Board is responsible for establishing strategic priorities, determining policy, approving new programmes and expenditure and the appointment of Governors to the Trust School members' Governing Body. The Trustee Board comprises of a minimum of one representative of each of the following: the Employer members, the Higher Education members, the Local Authority and four representatives of the Trust School members. During the course of the period the Trustee Board formally met 6 times. The Trust has a Chief Executive to support the Trustee Board in strategic and operational planning and to lead on the development of programmes and partnerships to deliver the Trusts objectives.

The Company Secretary is based at Churchill Community College and has also been appointed as Partnership Co-ordinator in 2013 to help strengthen communications across the Trust. Operational capacity has also been secured through Trust members. Under the Articles of Association decisions are made by majority vote, except for land decisions which are made by resolution.

The Trustees receive no remunerations for acting as Trustees.

At the annual members' meeting the Chief Executive and Trustees report back to members and discuss the future direction of the Trust in order to meet its objectives.

Related Parties

The Trust works closely, in collaboration, with North Tyneside Council. The objective of the Trust aligns with the North Tyneside Council Plan for Children and Families. In July 2013 the Trust signed a commissioning document with North Tyneside Council to deliver a transformative learning and skills programme focussing on school improvement, curriculum and pedagogic innovation, transforming learning environments, research and development and Early Years and Family Support. In return for the services provided, the Trust received Department of Education funding derived from the rate relief from Trust Schools of £1.238m in 2013. This will be in the region of £0.989m per annum in future years. From April 2015, the rate relief

resources generated by Monkseaton High School assuming Trust school status will also be allocated to the Trust through the commissioning arrangements.

The Trust also works closely with North Tyneside Academy Foundation. The Chair of the Board and one of the employer directors of North Tyneside Learning Trust are also Directors on the Board of the North Tyneside Academy Foundation.

Risk Management

The Trust has developed a risk register which identifies the main areas of risk facing the charity across five key areas (Governance, Operations, Finance, External and Legal). Each risk has been scored using an impact/likelihood calculation and controls have been established to mitigate the risks identified. Board Directors receive a six monthly update report and the risk Register is reviewed annually.

There are two major risks facing the charity currently:

- The first is securing the right number of appropriate governors to join the governing bodies of the member Schools. In order to mitigate this risk there has been an extensive recruitment campaign and significant help from Employer members to source suitable governors. During 2013, the Trust doubled the number of Foundation Trust Governors serving on Trust School governing bodies and is on track to fill all remaining vacancies during 2014, and
- The second major risk identified concerns the Charities income stream and more specifically, the over reliance on a single income source (rate relief). In order to mitigate this risk, work began during 2013 on a series of grant applications to companies and trusts to secure resources to deliver the Trusts priorities. The Trust has already been successful with several grant applications and will continue to progress applications during 2014. The Trust is also seeking to develop partnerships with other local and national organisations to create new opportunities for member schools.

Objectives and Activities

Aims, Objectives and Activities of the Trust

The Trust's objective is set out in its Memorandum and Articles of Association and is referred to on page 4. In summary it is to advance education, health and training for all children, young people and communities of North Tyneside and to promote community cohesion under the Education Acts.

The Trust works closely with North Tyneside Council and the objective of the Trust supports the priorities of the North Tyneside Council Plan around Our People, Our Places and Our Economy.

Careful consideration is given to the Charity Commission's general guidance on public benefit and in particular on advancing education for the children and young people of North Tyneside when planning Trust activities.

Vision Mission and Values

During 2013 the Trust Board consulted with member schools, employers, higher and further education partners and other key stakeholders to develop a common Vision, Mission and Values statement for the Trust to ensure that everyone involved in the Trust can continue to work collaboratively with a common sense of purpose.

- Vision
 - To provide excellent schools, delivering a world class education, enabling children and young people to realise their aspirations and reach their full potential.
- Mission
 - To improve education and life chances for all children and young people;
 - To work in partnership with employers and higher and further education
 - To raise achievement and transform learning through innovative, high quality teaching and creative curriculum development;
 - To operate at the centre of research and development activity geared towards improving social mobility and tackling disadvantage; and
 - To strengthen pathways to further and higher education and employment
 - To support the transformation of North Tyneside and the wider region into high wage, high skill economy characterised by enterprise, ambition and success.
- Values
 - Collaboration at the heart of everything we do
 - Improving standards, raising achievement and promoting excellence
 - Embracing innovation and creativity
 - Levelling the playing field for all children and young people

Priority Objectives

- To strengthen Governance and Leadership in Trust schools;
- To support and secure School Improvement across all Trust schools;
- To increase participation and attainment in Science, Technology, Engineering and Maths (STEM) subjects;
- To increase progression to further and higher education;
- To support and invest in Apprenticeships;
- To build collaborative partnerships between schools, employers, and higher and further education providers;
- To create education to employment pathways;
- To engage in research and development activity geared towards improving social mobility and tackling disadvantage;
- To support the transformation of North Tyneside into a high wage, high skill economy; and

- To support early years development.

Specific Objectives for 2013 were:

- Extending Membership
 - To increase the number of schools who are members of the Trust in order to provide a more coherent picture across North Tyneside and be even more representative of the area; and
 - To increase the number of employer partners who are actively engaged in helping schools to improve the performance of our young people.
- Strengthening Governance and Leadership
 - To secure two Trust Governors for each Trust School.
- Employees
 - To secure additional operational capacity for the Trust.
- Operational Programmes
 - To work in partnership with schools and North Tyneside Council to accelerate school improvement;
 - To secure further apprenticeships to reduce the chances of young people becoming Not in Education, Employment or Training (NEET); and
 - To further Science, Technology, Engineering and Maths work (STEM).
- Strategic Work
 - To secure a contract with North Tyneside Council for the provision of an education and skills programme.

Achievements and Performance

Overview

The Trust worked closely with North Tyneside Council to assist in the delivery of the programmes which were identified. Funding for some of the programmes came from the rate relief on Department for Education funding for School members which was previously held by North Tyneside Council. During 2013 this funding was transferred to the Trust.

Two schemes supported through this funding were the Wireless and ICT Hardware match funded grants programme and Apprenticeship Bursary scheme.

Extending Membership

- New Member Schools
The Trust secured an additional six new member schools (Appletree Gardens First School, Burradon, Denbigh and King Edward Primary schools, Valley Gardens Middle School and Monkseaton High School) and is currently

preparing for another round of consultation involving a further five prospective new schools in 2014.

- New Employer Partners

During 2013 the Trust also attracted a further four formal employer partners namely Capita, Tribal, Cofely GDF Suez (formerly Balfour Beatty) and VODA. In December 2013 the Trust had 20 formal employer partners and many more businesses engaged in activities to support Trust schools. The Trust has developed a menu of options through which Employers can engage with schools and is seeking to increase the number of formal and informal employer partners during 2014.

Strengthening Governance and Leadership

The Trust has made significant progress in the recruitment of Foundation Trust Governors doubling the number serving on Trust school governing bodies. Trust Governors are generally selected from business and industry to offer both challenge and support to existing school governing bodies. Trust Governor Appointments continue to provide a cost effective way of strengthening and supporting governance and leadership in Trust schools. The Trust has also established a Governor Support network to facilitate opportunities for Trust Governors to meet, share experiences and engage in training and peer support. The Trust is also seeking to secure suitable volunteers for all remaining Governor Vacancies during 2014 and to establish a waiting list for future vacancies.

Schools Improvement

- Strengthening Capacity in Primary Maths and English

During 2013 the Trust established a small but growing team of school improvement staff to work alongside and complement the work of the Local Authority's School Improvement Function.

In April 2013, Wendy Mitcheson was appointed as the Trust's Primary Maths Lead Teacher to strengthen capacity in this important area of the curriculum and share effective practice across Trust schools.

The Trust has also developed its relationship with the National Centre of Excellence for the Teaching of Mathematics (NCETM) to deliver a bespoke Maths Lead Development Course. Fifteen NCETM Maths Leads are now employed across Trust schools serving to further strengthen capacity in mathematics.

In July 2013 Colleen Stephenson and Deborah Hughes were appointed as part time Primary English Higher Level Teaching Assistants, recruited to support Trust Primary Schools with literacy interventions, reading and phonics. The Trust is looking to make further part time Primary English Lead Teacher appointments in 2014 focussing on work within Early Years Foundation Stage and Key Stage 2 Gifted and Talented.

- Supporting Outstanding Teaching
The Trust continued to offer further opportunities on the Outstanding Teaching Programme in 2013, supporting thirty two teachers from across sixteen schools to complete the course.
 - Apprenticeships
The Trust has established a highly successful Apprenticeship Bursary Scheme which has resulted in the creation of over fifty apprenticeships for Trust school leavers in a variety of roles including Engineering, ICT and Business Administration. Many of the apprentices are employed directly within Trust Schools. The Trust will extend its programme during 2014 by making available a further twenty bursaries to support young people across North Tyneside.
 - Wireless and ICT Hardware Grants programme
During 2013 the Trust launched a £0.400m match funded grants programme to support member schools with the installation of high density wireless access and the purchase of ICT hardware to support 21st Century teaching and learning. Member schools matched the funding allocated by the Trust resulting in an overall investment of around £0.800m across our network of schools when the full programme is completed in 2014.
 - National Science Learning Centre
The Trust has continued to develop its relationship with the national Science Learning Centre securing two Enthuse Cluster Grants totalling £0.012 to support clusters of schools working together to:
 - Introduce more enquiry based approaches to science teaching and learning;
 - Raise aspirations and achievement in Science;
 - Establish more common and consistent methods of assessment for learning in science; and
 - Improve subject knowledge among non science specialist teaching staff.
- The Trust has ambitions to secure a Science Learning Partnership contract for the North East region and will progress a bid to achieve this status in 2014.
- Increasing Participation in Science Technology Engineering and Maths
The Trust continues to promote and develop opportunities for children and young people to engage in activities designed to increase participation and attainment in STEM subjects. During 2013 the Trust was delighted to field winning school teams on both the Engineering Education Scheme and Primary Engineer programmes.
 - Step Into STEM
The Trust has been working with four of the largest engineering education charities in the UK (Smallpiece Trust, the Engineering Development Trust, Arkwright Scholarships and STEMNET), to develop Step into STEM. This is a five year programme of hands on career focused activities geared towards

increasing participation and attainment in STEM subjects and encouraging young people to consider engineering as a career option. The Trust has attracted grants totalling £0.049m from companies and Trusts including The Shears Foundation, The Ballinger Trust and RW Mann to deliver the programme.

- Big Lottery Awards for All

A successful application to the Big Lottery Awards for All programme was submitted and the Trust was awarded a grant of £0.009m to deliver the Bigfoot Big Book Project in North Tyneside libraries which aims to encourage Key Stage 2 children to use library facilities.

- North Tyneside Academy Foundation

The Trust continues to support the work of North Tyneside Academy Foundation as a vehicle through which to sponsor academies and is committed to supporting school improvement at Grasmere Academy a former Trust school.

Funders

The Trust would like to thank all of its funders

- North Tyneside Council
- Big Lottery Awards
- National Science Learning Centre
- Ballinger Charitable Trust
- Shears Foundation
- R W Mann

Financial Review

Going Concern

The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it adopts the Going Concern basis in preparing these financial statements.

Business Review

These financial statements reflect the operational activity of the Trust. During the period the Trust received a total income of £31.583m (£34.487m in 2012). £30.151m related to assets which were donated by North Tyneside Council and are held in a restricted fixed asset fund (£34.484m in 2012).

In July 2013 the Trust signed a commissioning agreement with North Tyneside Council to provide a number of services within the borough. In order to provide the services the Trust received £1.239m. This will be in the region of £0.989m per annum in future years.

Costs for the year totalled £11.238m (£14.355m in 2012). The majority of this amount, £10.747m, related to depreciation and revaluation losses of the donated assets (£14.306m in 2012).

As an Educational Charity there is an assurance that all the income of the Trust must be applied for educational purposes. The resources received in year were applied to fulfil the charitable objective.

Financial and Risk Management Objectives and Policies

The Trust has developed a Finance Policy and Procedure and has formal operating procedures in place with agreed authorisation levels and controls for the administration of the Trusts financial resources.

The Trustees regularly review the finances at meetings. The money held by the Trust is monitored closely in terms of level of spend and appropriateness against the objective. Financial control over the Trust account is managed through a system of Trustee agreement and then two signatories to release funding.

Reserves totalled £181.472m as at 31 December 2013 (£152.210m in 2012).

Environment

The Trust recognises the role it has to play in protecting the environment. An Environmental Policy has been developed and the Trust is committed to encouraging all Trust schools to adhere to the principles established around waste management and recycling, energy and water consumption, purchasing, investments and learning in schools.

Reserves Policy

The Trustees review the reserve balances of the Trust annually at the year end. This review encompasses the nature of the income and expenditure streams, any Trust commitments and the nature of the reserves. The Trust reserves can be divided between:

- Restricted funds are those which cannot be readily realised and used for an alternative purpose, principally the restricted fixed assets reserve and the restricted funds reserve.

The restricted fixed asset reserve comprises of assets donated by North Tyneside Council. This reserve stood at £180.518m as at 31 December 2013 (£152.197m in 2012).

The restricted funds reserve stood at £0.057m as at 31 December 2013 (£0.002m in 2012) and related to grants received to support the STEP and Bigfoot programmes.

- The unrestricted funds are those which can be used freely to meet the objectives of the Trust and at 31 December 2013 these funds stood at £0.896m (£0.012m in 2012).

Investment Policy

During the year the Trust held all its funds in an interest bearing current account. The Trust is currently working with North Tyneside Council on developing proposals for the remaining rate relief resources totalling £0.600k retained by the Council for

future investment in Trust programmes to develop education to employment pathways and ensure young people are ready for work. A further £0.100m has been retained by the Council for future investment in observational technology to improve teaching and learning in schools and proposals to invest this resource will be brought forward by the Trust during 2014. The Trust has also started to submit grant applications in order to secure additional resources to spend on charitable activities.

The Trust has developed an Investment policy to maximise the income available to invest in its charitable aims and safeguard the resources already secured. Trustees will review the Investment policy regularly in order to ensure that it remains fit for purpose as income levels increase

Plans for the Future

The Trust has ambitious plans for the future in line with its objectives.

Extending Membership

- To increase the numbers of schools who are members of the Trust in order to provide a more coherent picture across North Tyneside and be even more representative of the area; and
- To increase the number of employer partners who are actively engaged in helping schools to improve the performance of our young people.

Strengthening Governance and Leadership

- To secure two Trust Governors for each Trust School

Employees

- To secure additional operational capacity for the Trust

Operational Programmes

- To work in partnership with schools and North Tyneside Council to accelerate school improvement; and
- To secure further apprenticeships to reduce the chances of young people becoming NEET.

Strategic Work

- To develop partnerships with companies, higher and further education institutions, charities and trusts to enhance and enrich the curriculum and introduce new approaches to teaching and learning;
- To explore opportunities for securing Regional Science Learning Partnership status and delivering CPD as part of a National Science Learning Centre network;
- To progress opportunities in partnership with NCETM to lead on transformational improvements in the teaching and learning of mathematics; and
- To work with North Tyneside Council to deliver a successful education and skills programme.

Future Investments

During 2013 the Trust has accrued a healthy unrestricted reserve balance on the accounts totalling £0.896m to support the continuation of our work. The majority of this resource will be committed to educational programmes which benefit our member schools. The financial resources available to us will also enable us to cover our core costs over the next year and in doing so enable us to continue our work to deliver long term strategic interventions and transformational improvements in education. During 2014 the Trust will also seek to invest a proportion of its resources to help generate valuable income and ensure the long term sustainability of our organisation.

Public Benefit Statement

The Charity's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. This guidance is contained in "Charities and Public Benefit" published by the Charity Commission.

Auditors

At the date of making this report each of the company's Trustees, as set out on page 3, confirm the following:

- So far as each Trustee is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The appointment of, Read Milburn and Co was made following a meeting of the Board of Trustees on the 28 January 2013, in accordance with section 489 of the Companies Act 2006.

Statement of Trustees Responsibilities

The Trustees are also Directors for the purposes of Company Law and are responsible for preparing the Trustees Report and the Statement of Financial Activities in accordance with the Annual Accounting Requirements issued by the United Kingdom Accounting Standards and applicable laws and regulations.

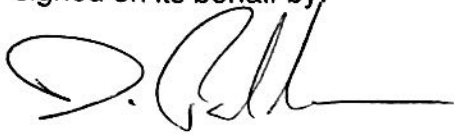
Company law requires the Trustees to prepare financial statements for each financial year which provide a true and fair view of the state of affairs of the Charity at the end of the year along with its incoming and outgoing resources, including its income and expenditure, for that period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;

- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy the financial position of the Trust 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 Trust and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Trust Board on 8 September 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Baldwin', with a long horizontal stroke extending to the right.

Mr David Baldwin
Chairman

Independent Auditors' Report to the Members of North Tyneside Learning Trust

We have audited the financial statements of North Tyneside Learning Trust for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters that we are required to state to them in the auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 14 and 15, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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 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.



Nicholas Liley (senior statutory auditor)
For and on behalf of Read, Milburn & Co.
Accountants and Statutory Auditors

2012 September 2014

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
FOR THE PERIOD 1 JANUARY 2013 TO 31 DECEMBER 2013**

	Notes	Unrestricted Fund £000s	Restricted Fund £000s	Restricted Fixed Asset Fund £000s	Total 2013 £000s	Total 2012 £000s
Incoming resources	2					
Incoming resources from generated funds:						
Voluntary income		1,366	0	30,151	31,517	34,485
Incoming resources from Charitable activities		6	59	0	65	2
Other incoming resources		1	0	0	1	0
Total incoming resources		<u>1,373</u>	<u>59</u>	<u>30,151</u>	<u>31,583</u>	<u>34,487</u>
Resources expended	3					
Cost of generated funds:						
Charitable activities		(370)	(3)	(10,747)	(11,120)	(14,306)
Governance costs	4	(114)	0	0	(114)	(44)
Other resources expended		(4)	0	0	(4)	(6)
Total resources expended		<u>(488)</u>	<u>(3)</u>	<u>(10,747)</u>	<u>(11,238)</u>	<u>(14,356)</u>
Net incoming/outgoing resources before transfers		885	56	19,404	20,345	20,131
Net Income/(expenditure) for the year		<u>885</u>	<u>56</u>	<u>19,404</u>	<u>20,345</u>	<u>20,131</u>
Other recognised gains/losses						
Gain on revaluation of fixed assets for Trust's own use		0	0	8,917	8,917	696
Net Movement in Funds		<u>885</u>	<u>56</u>	<u>28,321</u>	<u>29,262</u>	<u>20,827</u>
Reconciliation of Funds						
Total funds brought forward		11	2	152,197	152,210	131,383
Funds carried forward at 31 December		<u>896</u>	<u>58</u>	<u>180,518</u>	<u>181,472</u>	<u>152,210</u>


All of the Trust's activities derive from continuing operations during the above two financial periods. The Statement of Financial Activities includes all gains and losses in the period.

The notes on pages 21 to 35 form part of these Financial Statements.

BALANCE SHEET
COMPANY NUMBER 07353837
AS AT 31 DECEMBER 2013

	Notes	Unrestricted Fund £000s	Restricted Fund £000s	Restricted Fixed Assets Fund £000s	Total 2013 £000s	Total 2012 £000s
Fixed Assets						
Tangible Assets	5	0	0	180,518	180,518	152,197
Total fixed assets		0	0	180,518	180,518	152,197
Current Assets						
Debtors/Payments in Advance	6	413	2	0	415	77
Cash at the bank and in hand		726	56	0	782	4
Total current assets		1,139	58	0	1,197	81
Liabilities						
Creditors: Amounts falling due within one year	7	(238)	0	0	(238)	(63)
Short term liabilities	8	(5)	0	0	(5)	(5)
Net current assets		896	58	0	954	13
Total assets less current liabilities		896	58	180,518	181,472	152,210
Net Assets		896	58	180,518	181,472	152,210
Funds						
	9					
Restricted Fixed asset funds		0	0	180,518	180,518	152,197
Restricted income funds		0	58	0	58	2
Unrestricted income funds		896	0	0	896	11
Total Funds		896	58	180,518	181,472	152,210

The financial statements were approved by the Trust Board and authorised for issue on 8 September 2014 and are signed on their behalf by:


 Mr David Baldwin
 Chair

North Tyneside Learning Trust

**CASH FLOW STATEMENT
FOR THE PERIOD 1 JANUARY 2013 TO 31 DECEMBER 2013**

	Notes	2013 £000s	2012 £000s
Net cash inflow from operating activities	10	777	1
Returns on investments and servicing of finance:			
Interest received		1	0
Financing		0	0
Increase / (decrease) in cash		<u>778</u>	<u>1</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 January 2013		<u>4</u>	<u>3</u>
Net funds at 31 December 2013		<u>782</u>	<u>4</u>

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Notes to the Financial Statements For the year 1 January 2013 to 31 December 2013

1. Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared under historic cost convention as modified by the revaluation of certain assets in accordance with applicable United Kingdom Standards, the Charity Commission "Statement of Recommended Practice: Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except for where noted, is set out below.

1.2 Going Concern

The Trustees assess whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees will make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees have a reasonable expectation that the company will have adequate resources to continue to operate in the foreseeable future and continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

1.3 Incoming Resources

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amounts can be measured sufficiently reliably. Resources are analysed according to the activity that produced the resource.

- Grants received

Grants are included in the Statement of Financial Activities on a received basis. Where the income is received for a specific purpose it is recognised as a restricted fund in the Statement of Financial Activities and if not expended during the period is shown in the relevant fund on the Balance Sheet. Where income is received in advance of entitlement the recognition is deferred and included in the creditors as deferred income. Where a condition exists which prevents recognition of the income, a contingent asset is disclosed where it is probable that the condition will be met in the future.

- Donated Assets

Donated assets are included in the Statement of Financial Activities on a received basis. The value of donated assets provided to the Trust are recognised at their current value in the period in which they are received. An equivalent amount is included in the appropriate fixed asset category of the Balance Sheet and the asset is depreciated over the useful economic life in accordance with the Trust's policies.

1.4 Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be fully recovered as the Company is not registered for VAT. Therefore VAT is reported as part of the expenditure to which it relates.

- Charitable Activities

Expenditure incurred in undertaking work to meet the charitable aims and objectives of the Trust are recognised under charitable activities.

- Governance

Governance costs include costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, accountancy, strategic management, Trustee's meetings and reimbursed expenses. They also include those costs related to strategic planning and management of the Trust which contribute to the future development of the Trust.

1.5 Tangible Fixed Assets

Expenditure on the acquisition, creation or enhancement of Tangible Fixed Assets is capitalised on an accruals basis provided that it is probable that the future economic benefits or service potential will flow to the Trust and the cost can be reliably measured. Assets are then held on a revaluation basis consistent with the Trust's revaluation policy.

Assets are initially measured at cost, comprising:

- The purchase price; and
- Any costs attributable to bring the assets to their present location and condition necessary for it to be capable of operating in a manner intended by the board.

The use of de minimis levels for capital expenditure means that assets costing less than the de minimis level are charged to the Statement of Financial Activities. The de minimis levels used are £0.020m for Land and Buildings and £0.006m for Equipment. Assets costing more than the de minimis level are capitalised as Tangible Fixed Assets and are carried at cost net of depreciation and any provisions for impairment.

Where an asset has been donated it is included in the Balance Sheet at current value at the date of the gift and included in the Statement of Financial Activities as an incoming resource.

Where Tangible Fixed Assets have been acquired with the aid of a specific grant they are included in the Balance Sheet at cost and depreciated over the expected useful economic life. The related grant is credited to the relevant fund in the Statement of Financial Activities and carried forward in the Balance

Sheet. Depreciation is charged to the Statement of Financial Activities fund over the expected useful life of the related asset on a basis consistent with the Trust's depreciation policy.

Depreciation

Depreciation is provided for on all fixed assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on a straight line basis over its expected useful economic life as follows:

- Buildings – (generally 30 to 60 years); and
- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset (generally 3-10 years).

For all new Tangible Fixed Assets, no depreciation is charged in the year of acquisition but a full year of depreciation is charged in the year of disposal.

Where a fixed asset comprises of two or more major components with substantially different useful lives, each component will be accounted for as a separate asset and depreciated over its individual useful life.

Impairment

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Impairment losses are recognised in the Statement of Financial Activities as additional depreciation.

Revaluations

Tangible Fixed Assets are included in the Balance Sheet at depreciated replacement cost as at the Balance Sheet date. Assets are revalued sufficiently regularly on a rolling basis to ensure that their carrying amount is not materially different from their depreciated replacement cost at the year-end, but as a minimum every four years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Statement of Financial Activities where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); or
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant fund in the Statement of Financial Activities as additional depreciation.

1.6 Fund Accounting

- Unrestricted Funds represent those resources which may be used in furtherance of the Trust's objectives.
- Restricted Funds are funds which are to be applied for a specific purpose. They may be revenue or capital. Where funds are provided for fixed assets, the treatment of the fixed asset acquired will depend on the basis on which the asset is held.

2 Incoming Resources

North Tyneside Council donated land, buildings and equipment to the Trust during the period amounting to £30.151m for the Trust to hold on behalf of the Trust School Members. This was placed in the Restricted Fixed Assets Fund.

	Unrestricted Fund £000s	Restricted Fund £000s	Restricted Fixed Asset fund £000s	Total 2013 £000s	Total 2012 £000s
Donated Trust school assets	0	0	30,151	30,151	34,485
Governor Training grant	0	0	0	0	2
STEM Grant	0	50	0	50	0
ENTHUSE Grant	6	0	0	6	0
Bigfoot Grant	0	9	0	9	0
Dedicated Schools Grant	1,239	0	0	1,239	0
Apprenticeship Funding	117	0	0	117	0
Other Income	11	0	0	11	0
	1,373	59	30,151	31,583	34,487

3 Resources Expended

	Unrestricted Fund £000s	Restricted Fund £000s	Restricted Fixed Asset fund £000s	Total 2013 £000s	Total 2012 £000s
Governor training	0	0	0	0	0
Depreciation	0	0	(5,302)	(5,302)	(4,297)
Revaluation impairments	0	0	(5,445)	(5,445)	(8,311)
Loss on disposal of Moor edge school	0	0	0	0	(1,698)
Governance (note 4)	(114)	0	0	(114)	(44)
Wireless & ICT Hardware Grants	(223)	0	0	(223)	0
Apprenticeships	(69)	0	0	(69)	0
Programmes	(78)	(3)	0	(81)	0
Other resources expended	(4)	0	0	(4)	(6)
	(488)	(3)	(10,747)	(11,238)	(14,356)

4 Governance Costs

	2013	2012
	£	£
Solicitor fees	(900)	(600)
Auditor fees	(2,760)	(2,700)
Accountancy fees	(3,588)	(3,138)
Trustee meetings	(180)	(157)
Professional fees and charges	(3,300)	(13,230)
Employee recruitment	0	(2,203)
Chief Executive secondment charges	(103,182)	(20,683)
Other fees	(173)	(800)
	(114,083)	(43,511)

**VALUATION CERTIFICATE
TRUST SCHOOL VALUATIONS**

The properties which comprise the North Tyneside Learning Trust portfolio have been valued as at 31 December 2013, either by myself or staff under my supervision. The valuations of properties identified have been componentised and carried out on the under mentioned bases but not fully in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The departures from the manual are as follows.

1. Properties have not been inspected; instead members of Strategic Property and staff under my supervision have relied upon information and records held by the Council regarding each property.
2. A four year programme of property re-valuations is currently in progress, therefore not all properties have updated valuations.

The reasons for the departures from the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors arise from practicality in relation to the volume of work involved and available staff resources.

Valuations of the properties have been based upon the Depreciated Replacement Cost method in accordance with RICS guidance.

Variations to properties between 1 January 2013 and 31 December 2013 (acquisitions, disposals and enhancements) have been valued at the date the change occurred.

VALUATION CERTIFICATE:

I certify that the properties in this report have been inspected by me (subject to paragraph 1 above), that I valued the properties (subject to paragraph 1 above) and prepared this report, and that I am not disqualified from reporting on the properties.

I also certify that the re-valuations carried out during this period represent my opinion of the value of the properties affected.



Paul Green BSc (Hons) MRICS

For and on behalf of:

Capita Symonds Ltd/North Tyneside Council
Quadrant
The Silverlink North
NE27 0BY
Tel: (0191) 643 6516

Date of Report:

For those assets not revalued in the period the Trustees are not aware of any material changes since the last valuation.

5 Tangible Fixed Assets

	Land and Buildings £000s	Plant and Machinery £000s	Equipment £000s	Total 2013 £000s
Asset Cost, Valuation or revalued amount				
Balance Brought Forward	125,059	33,204	904	159,167
Additions	23,844	6,226	81	30,151
Disposals	0	0	(266)	(266)
Revaluations	(562)	(432)	0	(994)
Balance Carried Forward	148,341	38,998	719	188,058
Accumulated Depreciation and Impairment provisions				
Balance Brought Forward	(4,374)	(2,079)	(517)	(6,970)
Disposals	0	0	266	266
Revaluations	3,153	1,313	0	4,466
Charge for Year	(3,428)	(1,603)	(271)	(5,302)
Balance Carried Forward	(4,649)	(2,369)	(522)	(7,540)
Net Book Value				
Brought forward	120,685	31,125	387	152,197
Carried forward	143,692	36,629	197	180,518

2012

	Land and Buildings £000s	Plant and Machinery £000s	Equipment £000s	Total 2012 £000s
Asset Cost, Valuation or revalued amount				
Balance Brought Forward	106,207	28,417	865	135,489
Additions	27,990	6,321	174	34,485
Disposals	(1,452)	(356)	(135)	(1,943)
Revaluations	(7,686)	(1,178)	0	(8,864)
Balance Carried Forward	125,059	33,204	904	159,167

**Accumulated Depreciation
and Impairment
provisions**

Balance Brought Forward	(2,450)	(1,339)	(379)	(4,168)
Disposals	79	33	134	246
Revaluations	872	377	0	1,249
Charge for Year	(2,875)	(1,150)	(272)	(4,297)
Balance Carried Forward	(4,374)	(2,079)	(517)	(6,970)

Net Book Value

Brought forward	103,757	27,078	486	131,321
Carried forward	120,685	31,125	387	152,197

6 Current Debtors

	2013 £000s	2012 £000s
Other debtors	415	77

7 Creditors due in one year

Short term creditors comprise the following amounts payable:

	2013 £000s	2012 £000s
Other creditors	(238)	(63)

8 Short term liabilities

Other creditors	2013 £000s	2012 £000s
North Tyneside Council	(5)	(5)
	<u>(5)</u>	<u>(5)</u>

The loan above was a non-interest bearing loan which was granted to provide working capital for the Trust when it was first formed.

9 Funds

2013

	Balance as at 1 January 2013 £000s	Income resources £000s	Outgoing resources £000s	Transfers £000s	Gains and (Losses) £000s	Balance as at 31 December 2013 £000s
Restricted Funds						
National College Grant	2	0	0	0	0	2
Bigfoot Grant	0	9	(3)	0	0	6
STEM Grant	0	50	0	0	0	50
Donated Trust school assets	152,197	30,151	(10,747)	0	8,917	180,518
	<u>152,199</u>	<u>30,210</u>	<u>(10,750)</u>	<u>0</u>	<u>8,917</u>	<u>180,576</u>
Unrestricted Funds						
Department of Education Funding	11	1,356	(488)	0	0	879
Other unrestricted Funds		17	0	0	0	17
	<u>11</u>	<u>1,373</u>	<u>(488)</u>	<u>0</u>	<u>0</u>	<u>896</u>
Total Funds	152,210	31,583	(11,238)	0	8,917	181,472

North Tyneside Learning Trust

2012

	Balance as at 1 January 2013 £000s	Income resources £000s	Outgoing resources £000s	Transfers £000s	Gains and (Losses) £000s	Balance as at 31 December 2013 £000s
Restricted Funds						
National College Grant	0	2	0	0	0	2
Donated Trust school assets	131,322	34,485	(14,306)	0	696	152,197
	131,322	34,487	(14,306)	0	696	152,199
Unrestricted Funds						
Department of Education Funding	61	0	(50)	0	0	11
Other unrestricted Funds	0	0	0	0	0	0
	61	0	(50)	0	0	11
Total Funds	131,383	34,487	(14,356)	0	696	152,210

10 Cash Flow

Reconciliation of operating surplus to Net cash from operating activities	2013 £000s	2012 £000s
Operating surplus	20,345	20,131
Donated assets	(30,151)	(34,485)
Depreciation	10,747	14,306
(Increase)/decrease in debtors	(338)	(7)
Increase/(decrease) in creditors	175	56
Interest received	(1)	0
Net cash inflow from operating activities	777	1

Gross Cash Flows	2013 £000s	2012 £000s
Returns on investments and servicing of finance:		
Interest Received	1	0
Financing	0	0
Loan	0	0

Analysis of changes in Net Fund	At 1 January 2013 £000s	Cash flows £000s	At 31 December 2013 £000s
Cash in hand, at bank	4	778	782
Total	4	778	782

11 Trustee Expenses and Audit fees

The Trust incurred the following fees in relation to the statutory external audit

	2013	2012
	£	£
Fees payable to Read Milburn and Co	2,760	2,700

No trustees received any remuneration during the period. No trustee had a personal interest in any contract or transaction entered into by the Charity during the period.

12 Salary Costs

North Tyneside Learning Trust did not directly employ any staff during the period. The staff costs identified below relate to the Chief Executive and Company Secretary/Programme Co-ordinator who was seconded to the Trust by Churchill Community College and three teaching staff who are fully or partly seconded by the Governing body of Trust school members

Due to the arrangement between the employing organisations and the North Tyneside Learning Trust in terms of the seconded staff their costs contained within the information below were included within the Statement of Financial Activities. The amount charged for the Chief Executive can be seen in note 4.

The Staff costs during the period were:

	2013	2012
	£	£
Wages and Salaries	136,910	87,695
National Insurance	12,978	8,222
Superannuation	16,219	12,507
	<u>166,107</u>	<u>108,424</u>

The average number of persons who supported the Trust objectives during the period, expressed as full time equivalents, was 3.5.

There was one employee whose emoluments were greater than £60,000.

Remuneration Band	Number of Staff	Pension Contributions
£70,000 - £80,000	1	9,271

13 Related Parties

The Trust has a close working relationship with North Tyneside Council.

For part of the year, North Tyneside Council held funds which were spent on behalf of the Trust to enable the Trust to fulfil its charitable objectives. However during 2013 the Trust signed a commissioning document with North Tyneside Council which entitled the Trust to £0.985m per annum in return for providing education services to the borough of North Tyneside.

14 Ultimate Controlling Party

The ultimate controlling party is the Board of Directors.

15 Subsequent Events

The Chartered Institute of Public Finance Accountants have issued an addendum to the 2014/15 Code of Practice with a view that Local Authority Maintained Schools are capable of being treated as separate entities and are to be included on the Local Authority's balance sheet from the 1st April 2014. This implies that, although the Trust still has a long term lease for the land and buildings, the assets shown on the Trust's balance sheet will have to be removed as they will be included on North Tyneside Council's balance sheet.