



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

**Year Ended 31 December 2012**

Company Registration number: 07353837  
Charity Registration number: 1143299

## North Tyneside Learning Trust

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**Reference and Administrative Details**

Trustees/Directors	D Baldwin (Chair) L Clelland (resigned 16 January 2012) Prof R Sandbach (resigned 25 October 2012) Dr J Delany Councillor D Lilly A Shaw P Mitchell S Ripley (appointed 04 July 2012) E Overton (appointed 25 October 2012)
Company Secretary	H Bell
Senior Management Team Chief Executive	K Ellis (appointed 1 October 2012)
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 2012 to 31 December 2012. 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 22 to 25 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 4. The Articles of Association provide for the appointment of seven Trustees, drawn from each of the principal constituencies.

- Four drawn from Schools;
- One drawn from Employer partners;

## North Tyneside Learning Trust

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- One drawn from Further Education/Higher Education partners;
- 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 50 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 and approving new programmes and expenditure and the appointment of Governors to the Trust School members' Governing Body. The Trustee Board comprises 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 12 times. The Trust appointed its first Chief Executive in October 2012 to support the Trust Board in strategic and operational planning and lead on the development of programmes and partnerships to deliver the Trusts objectives.

The Company Secretary is based at Churchill Community College. 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. Funds, namely the rate relief held within the Dedicated Schools Grant from the Department of Education, support the activities of the Trust and are held by North Tyneside Council on behalf of the Trust.

The Trust also works closely with North Tyneside Academy Foundation. The Chair of the Board of North Tyneside Learning Trust is also a Director 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 5 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 centres around 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. 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 has begun on a series of grant applications to companies and trusts to secure resources to deliver the Trusts priorities. The Trust is also seeking to develop partnership 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 5. In summary it is to advance education, health and training for all the 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 Children, Families and Regeneration.

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.

#### **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; and,
- To support early years development.

The objectives for the year 2012 were:

### 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.

To increase the number of employer partners who are actively engaged in helping schools to improve the performance of our young people.

### Governance

To secure two Trust Governors for each Trust School.

### Employees

To appoint a Partnership Co-ordinator for the Trust.

### Operational programmes

To work in partnership with schools and North Tyneside Council to accelerate school improvement by;

- Securing extra capacity in English and Maths;
- Improving the quality of teaching;
- Researching and reapplying techniques to improve STEM in primary schools and Maths generally for pupils of all ages.

To secure further apprenticeships to reduce the chances of young people becoming Not in Education, Employment or Training (NEET).

To further STEM work by;

- Improving the outcome in science through the inspiration and up skilling of teachers with support from the National Science Centre; and
- Establishing a primary school STEM centre of excellence.



### **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 School Members Department of Education funding which is held by North Tyneside Council. Two such schemes supported through this funding were the Apprenticeship Bursary programme and the Innovation Fund.

#### Extending Membership

##### **New Member Schools**

In September 2012 the Trust secured an additional 8 new member schools and is currently preparing for a round of consultation involving a further 6 prospective new Trust schools in 2013.

##### **New Employer Partners**

In December 2012 the Trust had 17 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 employer partners during 2013.

#### Strengthening Governance and Leadership

The Trust has been successful in attracting over 20 individuals to serve as Foundation Governors in Trust schools. Many volunteers are drawn from Employer Partners. During 2013 the Trust will establish a Trust Governor Support network and facilitate opportunities for Trust Governors to meet, share experiences and engage in training and peer support. The Trust will also seek to secure suitable volunteers for all remaining Trust Governor vacancies.

The Trust appointed its first Chief Executive in October 2012 and further staffing appointments will be made in 2013 in order to increase operational capacity within Trust and deliver the strategic priorities established by the Trust Board.

#### Strengthening Capacity in Primary Maths and English

The Trust is currently recruiting for a Primary Maths Lead and a Primary English Lead to increase capacity within these two important areas of the curriculum and share effective practice across Trust schools. During 2013 the Trust will be working with the National Centre of Excellence for the Teaching of Mathematics (NCETM) to offer professional development and training opportunities for Maths Lead Teachers.

#### Supporting Outstanding Teaching

During 2012 the Trust sponsored a range of Continuing Professional Development (CPD) opportunities geared towards strengthening leadership and supporting outstanding teaching in Trust schools in partnership with the Trust Teaching School, Whitley Bay High School. The Trust will continue to offer further opportunities on the Outstanding Teaching Programme in 2013 and will also further develop its

relationship with the National Science Learning Centre to provide CPD opportunities for Teachers in Science.

#### Apprenticeships

The Trust has established a highly successful Apprenticeship Bursary Scheme which has resulted in the creation of over 40 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 further extend its Apprenticeship programme during 2013.

#### Innovation Fund

The Trust provided support to schools to launch and deliver 13 Innovation Fund projects and 7 ICT projects during 2012. An evaluation of the Innovation Fund will be undertaken in 2013.

#### National Science Learning Centre

In December 2012 Head teachers and Science Leads from 23 schools across the Trust participated in a Science Strategy Development Day hosted by the National Science Learning Centre in York. Four priorities for action were identified focussing on;

- raising aspirations and attainment;
- creating opportunities for enquiry based learning in Science;
- developing a common and consistent system of assessment for learning; and
- improving subject knowledge among non specialist teaching staff.

During 2013 the Trust will further develop its partnership with the National Science Learning Centre to develop and deliver a strategy for improvement.

#### North Tyneside Academy Foundation

During 2012 the Trust supported the establishment of North Tyneside Academy Foundation as a formal structure through which to sponsor academies. In September 2012 the first academy was established through the conversion of Moor Edge Primary School, a former Trust school, to Grasmere Academy. The Trust continues to provide support to NTAF and the Chair of the Trust serves on the Board of the Academy Foundation.

#### Education to Employment Pathways

During 2012 the Trust has been working in partnership with the local authority, employers and further and higher education partners to explore opportunities for establishing education to employment pathways linked to the growth industries connected to the North Bank of the River Tyne. The advanced manufacturing, low carbon, offshore wind and renewables sectors are major employment growth areas in North Tyneside. The Trust is working hard to ensure that these high skill high wage employment opportunities can be accessed by young people leaving Trust schools by placing a heavy focus on programmes to improve participation and attainment in Science Technology Engineering and Maths at all key stages.

## **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 £34,486,802 (£137,718,276 in 2011). £34,484,798 related to assets which were donated by North Tyneside Council and are held in a restricted fixed asset fund (£137,619,152 in 2011).

North Tyneside Council held rate relief from the School Members in a restricted fund and their use was directed by the Trust in line with its objective.

Costs for the year totalled £14,355,483 (£9,270,810 in 2011). The majority of this amount, £14,305,613, related to depreciation and revaluation losses of the donated assets and a loss on disposal of Moor Edge School which became Grasmere Academy from the 1 September 2012, (£9,232,858 in 2011).

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.

The rate relief held in a restricted fund by North Tyneside Council is separately managed and controlled. It is subject to the financial and risk management objectives and policies of North Tyneside Council. The Trustees request Council officers to spend against this account in line with the objective of the Trust. The Council manages this account and regularly updates the Trustees on spend and remaining balances.

Reserves totalled £152,210,287 as at 31 December 2012 (£131,383,197 in 2011).

### **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 £152,196,981 as at 31 December 2012 (£131,322,025 in 2011).

The restricted funds reserve stood at £1,656 as at 31 December 2012 and related to a grant received from the National College for Leadership of Schools and Children's Services to facilitate Chair of Governors Workshops; and

Unrestricted funds are those which can be used freely to meet the objectives of the Trust and at 31 December 2012 these funds stood at £11,650 (£61,172 in 2011).

### 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 a contract which will enable the rate relief resources to be transferred into the Trust bank account. 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 objective.

### 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.

To increase the number of employer partners who are actively engaged in helping schools to improve the performance of our young people.

### Governance

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 by;

- Securing extra capacity in English and Maths;
- Improving the quality of teaching;
- Researching and reapplying techniques to improve Science, Technology, Engineering and Maths (STEM) in primary schools and Maths generally for pupils of all ages.
- Extending and upgrading wireless connectivity across all Trust schools.
- Improving ICT hardware resources across all Trust schools

To secure further apprenticeships to reduce the chances of young people becoming NEET.

To further Science, Technology, Engineering and Maths (STEM) work by;

- Improving the outcome in science through the inspiration and up skilling of teachers with support from the National Science Learning Centre; and
- Establishing a primary school STEM centre of excellence.

### Strategic work

To explore opportunities for establishing an education facility on the North Bank of the River Tyne.

To secure a contract with North Tyneside Council for the provision of an education and skills programme.

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.

## **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 4, 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 18 September 2012, 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 23 September 2013 and signed on its behalf by:



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 2012 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 audit 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 page 15, the trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Annual Report and the financial statements and for being satisfied that the financial statements 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 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 website at [www.frc.org.uk/apb/scope/private.cfm](http://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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006.

### **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

71 Howard Street  
North Shields  
Tyne and Wear  
NE30 1AF

25th September 2013

North Tyneside Learning Trust

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)  
FOR THE PERIOD 1 JANUARY 2012 TO 31 DECEMBER 2012**

	Notes	Unrestricted Fund £	Restricted Fund £	Restricted Fixed Asset Fund £	Total 2012 £	Total 2011 £
<b>Incoming resources</b>	2					
Incoming resources from generated funds:						
Voluntary income		0	0	34,484,798	34,484,798	137,619,152
Incoming resources from Charitable activities		0	2,000	0	2,000	99,110
Other incoming resources		4	0	0	4	14
<b>Total incoming resources</b>		<b>4</b>	<b>2,000</b>	<b>34,484,798</b>	<b>34,486,802</b>	<b>137,718,276</b>
<b>Resources expended</b>	3					
Cost of generated funds:						
Charitable activities		0	(344)	(14,305,613)	(14,305,957)	(9,258,864)
Governance costs	4	(43,511)	0	0	(43,511)	(11,946)
Other resources expended		(6,015)	0	0	(6,015)	0
<b>Total resources expended</b>		<b>(49,526)</b>	<b>(344)</b>	<b>(14,305,613)</b>	<b>(14,355,483)</b>	<b>(9,270,810)</b>
Net incoming/outgoing resources before transfers		(49,522)	1,656	20,179,185	20,131,319	128,447,466
<b>Net income/(expenditure) for the year</b>		<b>(49,522)</b>	<b>1,656</b>	<b>20,179,185</b>	<b>20,131,319</b>	<b>128,447,466</b>
<b>Other recognised gains/losses</b>						
Gain on revaluation of fixed assets for Trust's own use		0	0	695,771	695,771	2,935,731
<b>Net Movement in Funds</b>		<b>(49,522)</b>	<b>1,656</b>	<b>20,874,956</b>	<b>20,827,090</b>	<b>131,383,197</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward		61,172	0	131,322,025	131,383,197	0
<b>Funds carried forward at 31 December</b>		<b>11,650</b>	<b>1,656</b>	<b>152,196,981</b>	<b>152,210,287</b>	<b>131,383,197</b>

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 22 to 25 form part of these Financial Statements.

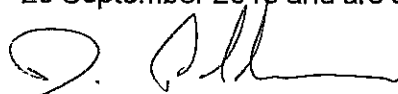
North Tyneside Learning Trust

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**BALANCE SHEET**  
**COMPANY NUMBER 07353837**  
**AS AT 31 DECEMBER 2012**

	Notes	Unrestricted Fund £	Restricted Fund £	Restricted Fixed Assets Fund £	Total 2012 £	Total 2011 £
<b>Fixed Assets</b>						
Tangible Assets	5	0	0	152,196,981	152,196,981	131,322,025
<b>Total fixed assets</b>		<b>0</b>	<b>0</b>	<b>152,196,981</b>	<b>152,196,981</b>	<b>131,322,025</b>
<b>Current Assets</b>						
Debtors	6	75,000	2,000	0	77,000	69,881
Cash at the bank and in hand		4,038	0	0	4,038	3,247
<b>Total current assets</b>		<b>79,038</b>	<b>2,000</b>	<b>0</b>	<b>81,038</b>	<b>73,128</b>
<b>Liabilities</b>						
Creditors: Amounts falling due within one year	7	(62,388)	(344)	0	(62,732)	(6,956)
Short term liabilities	8	(5,000)	0	0	(5,000)	(5,000)
<b>Net current assets</b>		<b>11,650</b>	<b>1,656</b>	<b>0</b>	<b>13,306</b>	<b>61,172</b>
Total assets less current liabilities		11,650	1,656	152,196,981	152,210,287	131,383,197
<b>Net Assets</b>		<b>11,650</b>	<b>1,656</b>	<b>152,196,981</b>	<b>152,210,287</b>	<b>131,383,197</b>
<b>Funds</b>						
Restricted Fixed asset funds	9	0	0	152,196,981	152,196,981	131,322,025
Restricted income funds		0	1,656	0	1,656	0
Unrestricted income funds		11,650	0	0	11,650	61,172
<b>Total Funds</b>		<b>11,650</b>	<b>1,656</b>	<b>152,196,981</b>	<b>152,210,287</b>	<b>131,383,197</b>

The financial statements were approved by the Trust Board and authorised for issue on 23 September 2013 and are signed on their behalf by:



Mr David Baldwin  
Chair

**CASH FLOW STATEMENT  
FOR THE PERIOD 1 JANUARY 2012 TO 31 DECEMBER 2012**

	Notes	2012 £	2011 £
<b>Net cash inflow from operating activities</b>	10	787	(1,767)
<b>Returns on investments and servicing of finance</b>			
Interest received		4	14
<b>Financing</b>		0	5,000
<b>Increase / (decrease) in cash</b>		791	3,247
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 January 2012		3,247	0
<b>Net funds at 31 December 2012</b>		4,038	3,247

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## Notes to the Financial Statements For the year 1 January 2012 to 31 December 2012

### 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 £20,000 for Land and Buildings and £6,000 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

Unrestricted Funds represent those resources which may be used in furtherance of the Trust's objectives.

### Restricted Funds

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.

## North Tyneside Learning Trust

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### 2. Incoming Resources

North Tyneside Council donated land, buildings and equipment to the Trust during the period amounting to £34,484,798 for the Trust to hold on behalf of the Trust School Members. This was placed in the Restricted Fixed Assets Fund.

	Unrestricted Fund	Restricted Fund	Restricted Fixed Asset fund	Total 2012	Total 2011
	£	£	£	£	£
Donated Trust school assets	0	0	34,484,798	34,484,798	137,619,152
Governor Training grant	0	2,000	0	2,000	0
Other income	4	0	0	4	14
Department of Children Schools and Families Grant	0	0	0	0	75,000
Learning Skills and Improvement Service Grant	0	0	0	0	24,110
	<b>4</b>	<b>2,000</b>	<b>34,484,798</b>	<b>34,486,802</b>	<b>137,718,276</b>

North Tyneside Learning Trust

3. Resources Expended

	Unrestricted Fund	Restricted Fund	Restricted Fixed Asset fund	Total 2012	Total 2011
	£	£	£	£	£
Governor training	0	(344)	0	(344)	0
Depreciation	0	0	(4,296,965)	(4,296,964)	(5,331,841)
Revaluation impairments	0	0	(8,310,714)	(8,310,714)	(3,901,017)
Loss on disposal of Moor edge school	0	0	(1,697,934)	(1,697,935)	0
Learning Skills and Improvement Project	0	0	0	0	(25,877)
Search and reapplication of best practice project	0	0	0	0	(125)
Governance (note 4)	(43,511)	0	0	(43,511)	(11,946)
Printing, Marketing & Stationary	(659)	0	0	(659)	(4)
Travel	(950)	0	0	(950)	0
Conferences	(4,406)	0	0	(4,406)	0
	<b>(49,526)</b>	<b>(344)</b>	<b>(14,305,613)</b>	<b>(14,355,483)</b>	<b>(9,270,810)</b>

## North Tyneside Learning Trust

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### 4. Governance Costs

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Solicitor fees	(600)	(4,406)
Auditor fees	(2,700)	(1,800)
Accountancy fees	(3,138)	(4,500)
Trustee meetings	(157)	(335)
Professional fees and charges	(13,230)	(905)
Employee recruitment	(2,203)	0
Chief Executive secondment charges	(20,683)	0
Other fees	(800)	0
	<b>(43,511)</b>	<b>(11,946)</b>



## North Tyneside Learning Trust

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

North Tyneside Learning Trust

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5. Tangible Fixed Assets

2012

	Land and Buildings £	Plant and Machinery £	Equipment £	Total £
<b>Asset Cost, Valuation or revalued amount</b>				
Balance Brought Forward	106,206,970	28,417,241	865,370	135,489,581
Additions	27,990,133	6,320,673	173,992	34,484,798
Disposals	(1,452,117)	(356,547)	(135,604)	(1,944,268)
Revaluations	(7,685,626)	(1,177,767)	0	(8,863,393)
Balance Carried Forward	125,059,360	33,203,600	903,758	159,166,718
<b>Accumulated Depreciation and Impairment provisions</b>				
Balance Brought Forward	(2,449,756)	(1,338,921)	(378,879)	(4,167,556)
Disposals	79,497	33,129	133,708	246,334
Revaluations	871,559	376,891	0	1,248,450
Charge for Year	(2,875,249)	(1,149,857)	(271,859)	(4,296,965)
Balance Carried Forward	(4,373,949)	(2,078,758)	(517,030)	(6,969,737)
<b>Net Book Value</b>				
Brought forward	103,757,214	27,078,320	486,491	131,322,025
Carried forward	120,685,411	31,124,842	386,728	152,196,981

North Tyneside Learning Trust

2011

	Land and Buildings £	Plant and Machinery £	Equipment £	Total £
<b>Asset Cost, Valuation or revalued amount</b>				
Balance Brought Forward	0	0	0	0
Additions	108,264,507	28,489,275	865,370	137,619,152
Revaluations	(2,057,537)	(72,034)	0	(2,129,571)
Balance Carried Forward	<u>106,206,970</u>	<u>28,417,241</u>	<u>865,370</u>	<u>135,489,581</u>

**Accumulated  
Depreciation and  
Impairment provisions**

Balance Brought Forward	0	0	0	0
Revaluations	751,304	412,981	0	1,164,285
Charge for Year	(3,201,060)	(1,751,902)	(378,879)	(5,331,841)
Balance Carried Forward	<u>(2,449,756)</u>	<u>(1,338,921)</u>	<u>(378,879)</u>	<u>(4,167,556)</u>

**Net Book Value**

Brought forward	0	0	0	0
Carried forward	<u>103,757,214</u>	<u>27,078,320</u>	<u>486,491</u>	<u>131,322,025</u>

6. Current Debtors

	2012 £	2011 £
Other debtors	<u>77,000</u>	<u>69,881</u>

7. Creditors due in one year

Short term creditors comprise the following amounts payable:

	2012 £	2011 £
Other creditors	<u>(62,732)</u>	<u>(6,956)</u>



## North Tyneside Learning Trust

### 8. Short term liabilities

Other creditors	2012	2011
	£	£
North Tyneside Council	(5,000)	(5,000)
	(5,000)	(5,000)

North Tyneside Council extended a non-interest bearing loan to North Tyneside Learning Trust which was initially granted to provide working capital for the Trust when it was originally formed. It is due to be repaid in the next accounting period.

### 9. Funds

	Balance as at 1 January 2012	Income resources	Outgoing resources	Transfers	Gains and (Losses)	Balance as at 31 December 2012
	£	£	£	£	£	£
<b>Restricted Funds</b>						
National College Grant	0	2,000	(344)	0	0	1,656
Donated Trust school assets	131,322,025	34,484,798	(14,305,613)	0	695,771	152,196,981
	131,322,025	34,486,798	(14,305,957)	0	695,771	152,198,637
<b>Unrestricted Funds</b>						
Department of Education Funding	61,158	0	(49,526)	0	0	11,632
Other unrestricted Funds	14	4	0	0	0	18
	61,172	4	(49,526)	0	0	11,650
<b>Total Funds</b>	<b>131,383,197</b>	<b>34,486,802</b>	<b>(14,355,483)</b>	<b>0</b>	<b>695,771</b>	<b>152,210,287</b>

## North Tyneside Learning Trust

2011

	Balance as at 23 August 2010	Income resources	Outgoing resources	Transfers	Gains and (Losses)	Balance as at 31 December 2011
	£	£	£	£	£	£
<b>Restricted Funds</b>						
Learning Skills and Improvement Service Grant	0	24,110	(25,877)	1,767	0	0
Donated Trust school assets	0	137,619,152	(9,232,858)	0	2,935,731	131,322,025
	0	137,643,262	(9,258,735)	0	2,935,731	131,322,025
<b>Unrestricted Funds</b>						
Department of Education Funding	0	75,000	(12,075)	(1,767)	0	61,158
Other unrestricted Funds	0	14	0	0	0	14
	0	75,014	(12,075)	(1,767)	0	61,172
<b>Total Funds</b>	<b>0</b>	<b>137,718,276</b>	<b>(9,270,810)</b>	<b>0</b>	<b>2,935,731</b>	<b>131,383,197</b>

**10. Cash Flow**

	<b>2012</b>	<b>2011</b>
<b>Reconciliation of operating surplus to Net cash from operating activities</b>	<b>£</b>	<b>£</b>
Operating surplus	20,131,319	128,447,466
Donated assets	(34,484,798)	(137,619,152)
Depreciation	14,305,613	9,232,858
(Increase)/decrease in debtors	(7,119)	(69,881)
Increase/(decrease) in creditors	55,776	6,956
Interest received	(4)	(14)
Net cash inflow from operating activities	787	(1,767)

	<b>2012</b>	<b>2011</b>
<b>Gross Cash Flows</b>	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest Received	4	14
	4	14
<b>Financing</b>		
Loan	0	5,000
	0	5,000

**Analysis of changes in Net Fund**

	At 1 January 2012	Cash flows	At 31 December 2012
	£	£	£
Cash in hand, at bank	3,247	791	4,038
Total	3,247	791	4,038

### 11. Trustee Expenses and Audit fees

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Fees payable to Read Milburn and Co	2,700	1,800

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 who was seconded to the Trust by Churchill Community College, a Company Secretary who was employed by the Governing body of one of the Trust school members, and three employees from North Tyneside Council. One Council employee acted as interim Project Manager for the Trust whilst the others acted as facilitators of some of the Trust activities.

Due to the arrangement between Churchill Community College and the North Tyneside Learning Trust in terms of the secondment of the Chief Executive, the Chief Executive's costs contained within the information below were included within Governance in the Statement of Financial Activities. The amount charged for the Chief Executive can be seen in note 4. The other costs are paid through the funding retained within North Tyneside Council's accounts.

The Staff costs during the period were:

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	87,695	63,220
National Insurance	8,222	5,306
Superannuation	12,507	9,148
	<u>108,424</u>	<u>77,674</u>

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

There were no employees whose emoluments were greater than £60,000.

### **13. Related Parties**

The Trust has a close working relationship with North Tyneside Council. North Tyneside Council hold funds which are spent on behalf of the Trust which enables the Trust to fulfil its charitable objectives.