

**THE LAIDLAW SCHOOLS TRUST**

(a Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**



# THE LAIDLAW SCHOOLS TRUST

## COMPANY INFORMATION

Year ended 31 August 2020

### Members

Founding Sponsor

Lord Laidlaw of Rothiemay  
P C Fair OBE  
G A Robertson  
S V Kempe  
M J Waugh

### Board of Directors and Trustees \*

S V Kempe, Chair of Trustees  
J Spence  
C Jobe (Resigned 31 August 2020)  
A Hunter  
L Conlon MBE  
P Sehgal JP  
P Solly  
L Boyle (Appointed 1 May 2020)  
P West (Appointed 1 September 2020)  
C Pennison (Appointed 1 September 2020)

### Senior Management Team

CEO & Accounting Officer  
Chief Finance Officer  
Director of Data and Systems  
Executive Principal Primary  
Director of School Improvement (Secondary)  
COO & Accounting Officer

J Spence (Resigned AO 4 September 2020)  
L Doyle  
S Dillon  
K Wood  
D Davies (wef 1 June 2020)  
P Snowden (wef 17 August 2020, Appointed AO 4 September 2020)

### Company Secretary

P Snowden

### Company Registration Number

05735093 (England and Wales)

### Registered Office

Laidlaw Schools Trust  
Suite 2, 3<sup>rd</sup> Floor  
St Nicholas Building  
St Nicholas Street  
Newcastle upon Tyne  
NE1 1RF

### Academies operated

Excelsior Academy (EA)

Atkinson Road Primary Academy (ARPA)  
Thomas Walling Primary Academy (TWPA)  
South Hylton Primary Academy (SHPA)

Academy 360 (A360)  
Westgate Hill Primary Academy (WHPA)  
Sedgefield Community College (SCC) (wef 1 Mar 2020)

### Location

Newcastle upon Tyne

Newcastle upon Tyne  
Newcastle upon Tyne  
Sunderland

Sunderland  
Newcastle upon Tyne  
Sedgefield

### Principals

D Thornton (up to 31 May 2020)  
J Andriot (wef 1 June 2020)  
L Macauley  
K Wood  
J A Cort (up to 31 December 2019)  
Y Moore (wef 1 January 2020)  
R Donohue  
K Wood  
D Davies (up to 31 May 2020)  
G Robinson (wef 1 June 2020)

\*

The list of board of directors and trustees above, are those intended to be trustees and those individuals who acted as trustees during the period. However, those listed as members were directors for the reporting period, as reported at Companies House. This is to be rectified imminently. References to trustees/directors in the rest of the Annual Report and the financial statements refer to those individuals who acted as trustee/director in the year, not those reported at Companies House.

**THE LAIDLAW SCHOOLS TRUST**

**COMPANY INFORMATION**

**Year ended 31 August 2020**

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**Independent Auditor**

RSM UK Audit LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

**Bankers**

Barclays Bank plc  
446 Westgate Road  
Newcastle upon Tyne  
NE4 9BN

**Solicitors**

Eversheds LLP  
70 Great Bridgewater Street  
Manchester  
M1 5ES

# **THE LAIDLAW SCHOOLS TRUST**

## **TRUSTEES' REPORT**

**Year ended 31 August 2020**

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The Trustees of The Laidlaw Schools Trust (the Trust) present their Annual Report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

As at 31 August 2020 the Trust operated 7 academies for pupils aged 2 to 18 across the North East of England. This consists of 4 primaries, 1 secondary and 2 all through academies. Sedgefield Community College joined the Trust on 1 March 2020. The total pupil capacity across all the academies is 5,700, with 5,000 on roll as at 31 August 2020.

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

#### **Constitution**

The Trust is a company limited by guarantee with no share capital (registration no. 05735093) and an exempt charity. The Trust's Memorandum and Articles of Association are the primary governing documents of the Trust. Four Members of the Trust are nominated by Lord Laidlaw, the main sponsor of the Trust and additional Member appointments are made by the Members. The Articles of Association require the Trust to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the Trust and the management of the Trust. The Articles of Association were last amended on 21 December 2017.

The Trust is known as The Laidlaw Schools Trust and is Sponsored by the Laidlaw Foundation.

#### **Members' liability**

Each member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceases to be a member.

#### **Trustees' indemnities**

Companies Act 2006 s236 requires disclosure concerning qualifying third-party indemnity provisions. As required in the Trust's Articles of Association indemnity insurance has been taken out to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees.

#### **Method of recruitment and appointment or election of Trustees**

In accordance with the Articles of Association, the Members may appoint by ordinary resolution up to 10 Trustees.

Trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. Trustees retire after four years in office.

On 1 September 2020 three new Trustees were appointed by the Members and are named on pages 1 and 4.

#### **Trustees**

The Trustees are Directors of the Trust for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The Trustees who were in office at 31 August 2020 and served throughout the year, except where shown, are listed on the next page.

#### **Policies and procedures adopted for the induction and training of Trustees**

During the year under review the Trustees held three formal meetings. The training and induction provided for new Trustees will depend on their existing experience. Where necessary, training will be provided on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academies and the opportunity to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

**THE LAIDLAW SCHOOLS TRUST**

**TRUSTEES' REPORT**

**Year ended 31 August 2020**

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**Organisational Structure**

**Laidlaw Schools Trust Members**

Lord Laidlaw  
P C Fair OBE  
G Robertson  
S V Kempe  
M J Waugh

**Board of Trustees and Directors as at  
31 August 2020**

S V Kempe, Chair of Trustees  
J Spence, CEO & AO (Resigned as AO 4  
September 2020)  
C Jobe (Resigned 31 August 2020)  
A Hunter  
L Conlon MBE  
P Sehgal JP  
P Solly  
L Boyle (Appointed 1 May 2020)  
C Pennison (Appointed 1 September 2020)  
P West (Appointed 1 September 2020)

**Operations Committee**

P Sehgal JP, Chair  
C Jobe (Resigned 31 August 2020)  
P Solly  
C Pennison (Appointed 10 December  
2019)

**Audit Committee**

P Sehgal JP, Chair  
C Jobe (Resigned 31 August 2020)  
P Solly

**Remuneration Committee**

C Jobe, Chair (Resigned 31 August 2020)  
S V Kempe  
P Sehgal JP

# THE LAIDLAW SCHOOLS TRUST

## TRUSTEES' REPORT

Year ended 31 August 2020

### Standards Committee

L Conlon, Chair  
S V Kempe  
A Hunter

### Liaison Committee

P Solly, Chair  
L Boyle  
J Spence, CEO & AO to 4 September 2020  
P Snowdon COO wef 17 August 2020 &  
AO from 4 September 2020

The Trust has a central team to support its Academies with Finance, Human Resources, School Improvement, Health and Safety, Procurement, Public Relations, Data Management and Governance support. The Central team also support the work of the CEO, COO and Accounting Officer. Senior management team also regularly report directly to Committees of the Board. The Sponsor funds a large proportion of central staff salaries including that of the CEO. Trust Academies fund the remainder, through a top-slice of 2.5%.

The Board of Trustees is responsible for setting general policy, adopting an annual plan and budget, monitoring each Academy by the use of budgets and making major decisions about the direction of the Academies, capital expenditure and senior staff appointments. There is a scheme of delegation in place within the Trust, which is operated throughout each Academy.

### **Arrangements for setting pay and remuneration of key management personnel**

The pay of senior management team is determined by the Trustees. In 2018/19 the Trustees formed a Remuneration Committee and delegated this responsibility to it. Decisions are taken based on the individual Academy's circumstances, the responsibilities involved and market conditions to attract and retain quality professionals to drive improvement. The Trustees set salary levels based on the responsibilities of the posts. The Trust may award any salary as it sees fit to fill these posts, whilst having consideration for value for money.

### **Trade union facility time**

No disclosure is required in regards to this, as the Trust purchases a Service Level Agreement for this service from a third party, therefore no employees spent time as union officials.

### **Related parties and co-operation with other organisations**

During the year, the Trust recognised sponsor income from the sponsor, the Laidlaw Foundation, totalling £2,736,839 (2019: £2,712,385) for agreed expenditure and activities.

At 31 August 2020, £1,357,508 (2019: £1,380,975) was due to be received from the Sponsor.

### **Related parties and co-operation with other organisations**

Related party transactions are disclosed in accordance with the Academies Financial Handbook. LST is committed to collaboration with other organisations to promote school improvement. During 2019/20 LST collaborated with the Spencer Academies Trust and appointed the CEO of SAT to the LST Trust Board.

Further details are stated in Note 24 to the financial statements.

# THE LAIDLAW SCHOOLS TRUST

## TRUSTEES' REPORT

Year ended 31 August 2020

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### **Engagement with employees (Including disabled persons)**

Disclosure in this regard is included within the strategic report.

### **Engagement with suppliers, customers and others in a business relationship with the Trust**

Disclosure in this regard is included within the strategic report.

### **Streamlined Energy and Carbon Reporting**

Disclosure in this regard is included within the strategic report.

## **OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT**

### **Objects and aims**

The principal object and activity of the Trust is the operation of the Trust to advance for the public benefit the education for pupils of different abilities at Atkinson Road Primary Academy, Thomas Walling Primary Academy, Westgate Hill Primary Academy and South Hylton Primary Academy for pupils aged between 2 and 11; at Excelsior Academy for pupils between 3 and 18 years of age, Academy 360 for pupils between 3 and 16 years of age and Sedgefield Community College for pupils between 11 and 16 years of age.

### **Objectives, strategies and activities**

The aims and objectives of each Academy are set out in the Trust's Business Plan and each individual Academy's Development Plan.

The main objectives of the Trust during the year ended 31 August 2020 are summarised below:

- to transform the lives of children and communities in the North of England, through inspirational education;
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct business in accordance with the highest standards of integrity, probity and openness; and
- to ensure every child is safe and protected from harm.

### **Equal opportunities policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust is committed to ensuring equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Employee Consultation**

The Trust encourages the involvement of its employees in its management through regular meetings and receiving their news on important matters of policy.

### **Disabled persons**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academies. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development.

### **Public benefit**

The Trustees confirm, that to the best of their knowledge and belief, they have complied with section 4 of the Charities Act 2006 in respect of having due regard to public benefit guidance published by the Charity Commission. All charitable activities are undertaken to further the advancement of education to all students in its care and partnership organisations in the wider community.

# THE LAIDLAW SCHOOLS TRUST

## TRUSTEES' REPORT

Year ended 31 August 2020

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### STRATEGIC REPORT

#### Achievements and Performance

The spread of the Covid-19 pandemic resulted in the UK Government cancelling formal examination for 2020. Instead results were submitted to FFT as Centre Assessed Grades. Students did not complete the full year in the classroom, missing the spring 2 and summer terms.

#### Key Performance Indicators

##### Early Years Foundation Stage (EYFS) and Key Stage One (KS1)

**EYFS** – GLD attainment improved by 1% across the Trust from 59% to 60%, 1% behind National Average.

**Reading** – The Trust expected attainment was 12% below National Average although equalled (63%) the 2018/19 outcomes.

**Writing** – The Trust expected attainment was 11% below National Average and 3% below 2018/19 outcomes.

**Maths** – The Trust expected attainment was 9% below FFT National Average and 2% above LST 2018/19 outcomes.

##### Key Stage Two (KS2)

**Reading** – The Trust expected attainment was 10% below FFT National Average but improved by 6% compared to LST 2018/19 outcomes.

**Writing** – The Trust expected attainment was 6% below FFT National Average and 5% below LST 2018/19 outcomes.

**Maths** – The Trust expected attainment was 7% below National Average but improved by 3% compared to LST 2018/19 outcomes.

**Spelling Punctuation and Grammar** – The Trust expected attainment was 3% below FFT National Average but improved by 11% compared to LST 2018/19 outcomes.

**Reading, Writing and Maths combined** – The Trust expected attainment was 9% below FFT National Average but improved by 5% compared to LST 2018/19 outcomes.

##### Key Stage Four (KS4)

**Attainment 8** – All three secondary schools showed improved outcomes compared to 2018/19 improving up from 40.7 to 44.6 at Trust level.

**Basic Measures** – The Trust improved by 9% for the English & Maths 5+ measure and 8% for the English & Maths 4+ measure compared to 2018/19 results.

**EBACC Elements** – Each EBACC headline subject across the Trust (Science, Languages and Humanities) improved their standard pass rate from 2018/19 by - Science 8%, Language 23%, Humanities 18%

**Progress 8** – Significant improvements were made compared to 2018/19 outcomes at Sedgefield Community College and Excelsior Academy, in the P8 measure which increased by 0.21 and 0.60, respectively. Academy 360 made a more reserved improvement of 0.13.

##### Key Stage Five (KS5)

**A Levels** – A Level Average Point Score, Average Grade and Value Added all improved significantly from 2018/19 outcomes, resulting in the first positive Value-Added score in three years. Average Grade improved from D+ to C-, whilst Value Added score improved from -0.38 2019 to 0.3 for 2020.

**Applied General** – Applied General Value-Added results dipped slightly compared to previous years (0.32 for 2018/19 to 0.04 for 2019/20), although results still show a positive Value-Added score. Average grade remained the same for the past three years at Merit.



# THE LAIDLAW SCHOOLS TRUST

## TRUSTEES' REPORT

Year ended 31 August 2020

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### PROMOTING THE SUCCESS OF THE CHARITABLE COMPANY

#### **Engagement with employees (including disabled persons)**

The commitment and dedication of employees is essential for the Trust to deliver on its vision of inspirational education for pupils.

Trust and Academy leaders engage with employees in a variety of means both formally and informally at school level and also at Trust level through staff meetings, consultation groups, newsletters, staff surveys and cross-Trust development days. Employees have the opportunity to engage with and work with colleagues across the LST family of Schools both formally and informally. This ensures that employees are fully consulted on a regular basis so the views of employees can be taken into account in making decisions which are likely to affect their interests.

The Trust continues to engage with employees to make best use of the training and development opportunities available to employees. The Trust continually invests in employee development and health and wellbeing to create and encourage an inclusive culture within the Trust.

The Operations Committee is updated regularly on staff performance and the personal development programmes in place to develop, retain and recruit employees.

The Trust has a range of policies and procedures in place to ensure equal opportunities for all employees.

Examples of good practice include:

- Risk assessments carried out for staff with disabilities or medical conditions and staff who are pregnant.
- Changes to equipment and working conditions for members of staff with disabilities.
- Maternity, paternity, shared parental, adoption leave arrangements in place; including paid time off work to attend appointments.
- Time off work for religious requests.
- Monitoring of staff disciplinary, capability, grievance and redundancy policies to ensure an equal process.
- A Trust Pay Policy that helps to provide equality of opportunity by ensuring decisions on pay are managed in a fair, just and transparent way.
- Monitoring of the gender pay gap and diversity of staff.

The Trust will ensure any vacancies advertised will promote a commitment to equality, diversity and inclusion.

The Trust aims to set up a Health and Wellbeing Group during 2020/21 which will include pupil representatives.

#### **Engagement with suppliers, customers and others in a business relationship with the Trust**

Laidlaw Schools Trust seeks to engage positively with all organisations with which it has business relationships.

When making decisions the Trustees take into consideration the Trust's vision and values, together with its strategic priorities and any potential risks for students, staff and other stakeholders, including suppliers and the wider community, with what they believe is in the best interests of the Trust.

#### **Long-term sustainability**

As is normal for large companies, the Trust delegates authority to day-to-day management of the Trust to the Executive Leadership Team.

The long-term sustainability of the Trust is at the forefront of decision-making, particularly in response to challenging education funding, potential Trust growth, School Improvement and most recently, the Coronavirus pandemic.

#### **Stakeholders**

The Trust's key stakeholders are its students, parents and employees, who are at the heart of its core purpose. The impact of the Trust's activities on stakeholders, including staff, customers and suppliers, is an important consideration when making decisions. The Trust works together with its academy communities to improve aspirations, life chances and to encourage good citizenship.

## THE LAIDLAW SCHOOLS TRUST

### TRUSTEES' REPORT

Year ended 31 August 2020

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#### **Pupils**

Students are at the centre of the Trust's business.

The Board and the Standards Committee receive regular reports on student outcomes and student related strategic initiatives throughout the year. The Standards Committee closely monitors the metrics and engages with the Executive Leadership to understand the issues of the academies' performance levels. This is also discussed at the Local Governing Body at each of the Trust's academies.

The Board continues to monitor and review developments relating to the Trust's digital strategy. The Trust has worked closely with the Laidlaw Foundation who has ensured that all pupils in Year 5 and above have access to a device and remote internet access supporting the digital strategy both inside and outside school. Younger pupils also have access to remote education.

#### **Suppliers**

The Trust operates in conjunction with a wide range of suppliers to source the best resources. The Trust remains committed to being fair and transparent in its dealings with all suppliers. The Trust has systems and processes in place to ensure suppliers are paid in a timely manner.

#### **Community and environment**

The Trust is committed to giving back to the community in which it operates. Its aim is to enhance the life chances of the young people and families in the communities it serves in Sunderland, Newcastle and Durham.

The Trust is committed to reducing its carbon footprint wherever possible. Sustainability runs through all aspects of the Trust's business and the Trust aims to set up a Green and Environment Working Group during 2020/21. Pupils will take a lead role in the operation of this initiative.

#### **Business Conduct**

High standards of business conduct guide and assist in the Board and Executive Team in decision-making and in doing so, help promote the Trust's success, recognising amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations.

#### **Acting fairly between Members of the Company**

Members of the Trust receive copies of meeting minutes and all associated papers for them to feel comfortable with the current situation and strategic direction of the Trust. Furthermore, members are invited to every Board meeting, typically one Member attends at least three of the meetings within the year. Members and Trustees receive a weekly update from the COO.

### **FINANCIAL REVIEW**

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

There is a comprehensive risk register in place that is reviewed annually by the Audit Committee. The Trust has minimal exposure to financial instruments, utilising only debtors and creditors.

#### **Financial report for the year**

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £33,730,992 (2019: £30,483,720) (excluding depreciation of £1,923,263) (2019: £1,876,435) was more than covered by the recurrent grant funding from the ESFA together with other incoming resources including donations from the Sponsor of £2,736,839 (2019: £2,712,385). The excess of income over expenditure (excluding transfer on conversion and depreciation) for the year was £216,007 (2019: £912,931).

# THE LAIDLAW SCHOOLS TRUST

## TRUSTEES' REPORT

Year ended 31 August 2020

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During the year Sedgefield Community College joined the Trust the value of assets and liabilities transferred was £17,043,043.

At 31 August 2020, the net book value of the Trust's fixed assets was £81,229,855 (2019: £63,636,896) and movements in tangible fixed assets are shown in Note 12 to the financial statements. The Trust's assets were used exclusively for providing education and the associated support services to the pupils of its Academies.

At 31 August 2020, the cash balance held by the Trust was £9,717,465 (2019: £7,862,376), and net current assets of £8,482,020 (2019: £7,122,674).

At 31 August 2020, the FRS102 pension deficit amounted to £17,410,900 (2019: £8,900,900). The Trust recognises that the defined benefit scheme deficit, represents a significant potential liability. However, the Trust considers, that as each individual academy is able to meet its known annual contributions commitment for the foreseeable future, the risk from this liability is minimised. The liability does not have an immediate cash flow impact; however, the cash flow impact will be the increased contributions.

### Reserves Policy

The Board reviews the reserve levels of the Trust, annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board has determined that the appropriate level of free reserves should be equivalent to two to three months' expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,292,251 (2019: £1,903,476), which is less than is needed. The Trust intends to continue building up free reserves to the level needed. Currently, two months' expenditure for the Trust equates to £5,621,832. At 31 August 2020, the Trust held cash at bank of £9,717,465 (2019: £7,862,376) and net current assets of £8,482,020 (2019: £7,122,674).

### Going Concern

The board of Trustees have considered current performance and reserves, future developments, pupil numbers and impact of Covid-19 on the Trust.

After reviewing financial and other information available, the Trust considers that the Academies have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the financial statements.

### Financial Position

The Trust held fund balances at 31 August 2020 of £72,131,457 (2019: £61,858,670). These are split into restricted fixed asset funds of £82,468,614 (2019: £64,420,172), pension reserve of -£17,410,900 (2019: -£8,900,900), restricted general reserves of £4,781,492 (2019: £4,435,922) and unrestricted funds of £2,292,251 (2019: £1,903,476).

### Investment Policy

The Chief Finance Officer (CFO) liaises closely with Barclays Bank to ensure the best available rate of return on zero risk investments.

### Risk Management

The Board has assessed the major risks to which the Academies are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academies, and their finances. The Board has implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety (including the Covid-19 pandemic), bullying and in relation to the control of finance. It has introduced systems, including operational procedures (e.g. vetting of new staff, supervision of school grounds), social distancing provisions, the wearing of face masks and limiting visitors and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured it has adequate insurance cover. The Academies have effective systems of internal financial controls.

## THE LAIDLAW SCHOOLS TRUST

### TRUSTEES' REPORT

Year ended 31 August 2020

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The Board takes seriously its responsibilities to implement financial controls to an extremely high standard and ensures that the provision and prescription laid down in Educational and Skills Funding Agency (ESFA) documentation is in place. The Board works to ensure the financial health of the Trust and since its first Academy opened in 2008 sound financial management and governance has resulted in a position which is positive in terms of reserves to fund future projects e.g. ICT replacement. Trustees and the Finance Team have worked diligently to embed financial systems that are robust ensuring that resources go to where they are best spent and that all control systems are in place and probity is secure.

#### Key Performance Indicators

In terms of attendance, all Academies sustained their focus on ensuring that pupils had good attendance up to March 2020. During the year, as the Covid-19 pandemic took hold, schools across the country were forced to close to all students except the children of key workers as from 23 March, up to 17 July 2020. LST acted swiftly in establishing an internal "Cobra Committee" to co-ordinate the Trust's response to the Covid-19 pandemic, to carry out risk assessments and to stay ahead of changing Public Health England and DfE regulations. This Committee kept abreast of all the changes, reporting directly to the Board and has been instrumental in reaching out to communities and supporting students and families. Academy leaders and their teams remained engaged with students during the lockdown and subsequently; sending work home by post, setting lessons online, and requiring students to login to google classrooms daily, for shared lessons. Pastoral teams were also tasked with ensuring the ongoing provision of free school meals to families in need and proactively, encouraged families to engage online, whilst monitoring at risk students, and remaining vigilant for safeguarding concerns.

Despite all of the challenges, LST is pleased to report that some good progress was made by all its Academies during 2019-20 against the key indicators for academic progress, behaviour and online engagement set for pupils and the performance targets set for staff, who are measured on pupil attainment. The Trust achieved 63% engagement on average for secondary students during the months of April and July compared to 21% nationally. As a result of the DfE cancelling formal A-level and GCSE exams, nationwide, exam results for these cohorts were determined by a mix of mock examinations and teacher assessments. The resulting LST results were both encouraging and marked improvements on prior years.

Outbreaks of Covid-19 amongst the staff and student population remain a challenge, but it is recognised by Ofsted, DfE and Public Health England that creating year group and classroom "bubbles" can only mitigate the impact of this to a certain degree. Extensive testing of the student and staff population is now the recommended course.

Financial KPIs have been performed on staff salary costs as a percentage of Education Funding General Annual Grant (GAG) and total income. The percentages are 91.89% and 77.71% retrospectively. In August 2020, across the Trust there were 5,000 pupils and 335 (319.25 FTE) Teaching staff therefore the pupil to teacher ratio is 15.7:1.

#### Principal risks and uncertainties

Principal risks are centred around fluctuations in pupil numbers and cuts to public funding. The Trust is focused on ensuring it continues to attract and retain sufficient pupil numbers and considers proactive budget forecasting as being essential to ensure that potential reductions in budgets are planned for in a timely manner.

#### Fundraising

Greggs funding was secured in the year to go towards funding breakfast club schools. This was awarded to Atkinson Road Primary, Excelsior Academy, Thomas Walling Primary and Westgate Hill Primary. No public fundraising is performed by the Trust.

## THE LAIDLAW SCHOOLS TRUST

### TRUSTEES' REPORT

Year ended 31 August 2020

#### Annual Energy Use

The chart below details the energy use across the Laidlaw Schools Trust. All units have been converted into kWh, and then emission generated shown as Carbon Dioxide equivalent, a standard unit in energy management.

#### Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020 | kWh       | kgCO <sub>2</sub> e |
|---------------------------------------------------------------------------------------------------|-----------|---------------------|
| <u>Scope 1 emissions</u>                                                                          |           |                     |
| Gas consumption                                                                                   | 4,523,191 | 831,679             |
| Owned Vehicles – Mini buses                                                                       | 52,711    | 9,962               |
| <u>Total scope 1</u>                                                                              | 4,523,191 | 841,641             |
| <u>Scope 2 emissions</u>                                                                          |           |                     |
| Purchased electricity                                                                             | 3,286,662 | 766,252             |
| <u>Scope 3 emissions</u>                                                                          |           |                     |
| Business Travel in employee owned vehicles                                                        | 5,907     | 1,657               |
| Total                                                                                             | 7,868,471 | 1,609,550           |
| Total gross emissions in metric tonnes CO <sub>2</sub> e                                          |           | 1,610               |
| <u>Intensity ratio</u>                                                                            |           |                     |
| Tonnes CO <sub>2</sub> e per pupil                                                                |           | 0.32                |

In delivering educational services Laidlaw Schools Trust generated the equivalent of 1,610 tonnes of carbon dioxide.

#### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

In the year ending August 2019, the Laidlaw Schools Trust have installed LED lighting in SHPA, and two other academies have commenced with a rolling program to replace all current lighting with LED bulbs.

Energy saving solar panels have been installed WHPA, and the Trust are exploring if this is an option for other Trust academies.

The Trust are currently liaising with the Energy Sparks Charity, who are advising the Trust on ways to become more energy efficient and fight against climate change. They provide tools, services and programmes to reduce energy and resource consumption and carbon emissions.

## **THE LAIDLAW SCHOOLS TRUST**

### **TRUSTEES' REPORT**

**Year ended 31 August 2020**

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#### **PLANS FOR FUTURE PERIOD**

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students improve attendance and secure employment or a place in higher education. The seven Academies will work very closely together with a view to sharing knowledge and expertise for the benefit of pupils and families. Having faced unprecedented challenges during 2020, the Trust has been recognised nationally, for the success of its IT platform and remains firmly committed to further developing virtual engagement across all Academies. The Laidlaw Schools Trust has recently secured sufficient devices for all secondary students in need of them, thereby preserving the continuity of these students' education when isolation guidelines are triggered. A programme of blended learning inside and outside of the classroom is seen to be the best way forward in these uncertain times.

Overall the strategic direction of the Trust is towards a small local Multi Academy Trust based on a "hub and spoke model". Discussions with the Regional Schools Commissioner have focussed on the possibility of three or four of these hubs with Secondary settings and associated primary schools. The Trust is seeking opportunities to 'add capacity' to support the work of its academies.

The Trust aims to be at the centre of the regeneration of the areas served in the North East in the years to come and will work closely with regional Local Authorities and other partner organisations to achieve this.

#### **AUDITORS**

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

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

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

The Trustees' Report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 19 January 2021 and signed on its behalf by:



**S V Kempe**  
**Chair of Trustees**

# THE LAIDLAW SCHOOLS TRUST

## GOVERNANCE STATEMENT

Year ended 31 August 2020

### Scope of responsibility

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

Jane Spence is the Trust's CEO and was Accounting Officer up to 04 September 2020 and is responsible for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned in the Funding Agreement between the Trust and the Secretary of State for Education. Peter Snowdon was appointed as COO on 17 August 2020 and Accounting Officer from 04 September 2020. The CEO/COO is also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met six times during the year, and make use of digital meeting facilities on "Google Meets" where, in person meetings have been difficult due to the Covid-19 pandemic and related restrictions. Operations and Audit Committee has oversight on behalf of the Board. Attendance during the year at meetings of the Trustees was as follows:

| Trustee          | Meetings attended | Out of possible |
|------------------|-------------------|-----------------|
| S V Kempe, Chair | 6                 | 6               |
| C Jobe           | 6                 | 6               |
| J Spence         | 6                 | 6               |
| A Hunter         | 6                 | 6               |
| L Conlon MBE     | 5                 | 6               |
| P Sehgal JP      | 6                 | 6               |
| P Solly          | 6                 | 6               |
| L Boyle          | 3                 | 4               |

The Operations, Audit, Remuneration, Standards and Liaison Committees are committees of the Board. Their purpose is to oversee the Trust's financial, operational and educational affairs and to inform the decision making of the Board. The Committees have formally met six, seven, three, five and five times during the year, respectively. Attendance at meetings in the year was as follows:

| Operations Committee           | Meetings attended | Out of possible |
|--------------------------------|-------------------|-----------------|
| P Sehgal JP, Chair             | 6                 | 6               |
| C Jobe                         | 6                 | 6               |
| P Solly                        | 6                 | 6               |
| J Spence                       | 4                 | 6               |
| S McCready (Additional Member) | 2                 | 2               |
| C Pennison (Additional Member) | 4                 | 4               |

| Audit Committee    | Meetings attended | Out of possible |
|--------------------|-------------------|-----------------|
| P Sehgal JP, Chair | 7                 | 7               |
| C Jobe             | 7                 | 7               |
| P Solly            | 7                 | 7               |

| Remuneration Committee | Meeting attended | Out of possible |
|------------------------|------------------|-----------------|
| C Jobe, Chair          | 3                | 3               |
| P Sehgal JP            | 3                | 3               |
| S V Kempe              | 3                | 3               |

**THE LAIDLAW SCHOOLS TRUST**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2020**

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**Standards Committee**

|                                   |   |   |
|-----------------------------------|---|---|
| Linda Conlon MBE, Chair           | 5 | 5 |
| Andrew Hunter                     | 4 | 5 |
| S V Kempe                         | 5 | 5 |
| Alan Hodgson (Additional Member)  | 5 | 5 |
| Julie McGrane (Additional Member) | 5 | 5 |

**Liaison Committee**

|                                |   |   |
|--------------------------------|---|---|
| P Solly, Chair                 | 5 | 5 |
| L Boyle                        | 3 | 3 |
| J Spence                       | 5 | 5 |
| E Bolton (Additional Member)   | 5 | 5 |
| T Goodship (Additional Member) | 3 | 5 |

**Governance Review**

During the year, the Operations and Audit Committees dealt separately with operational and audit matters. The Remuneration Committee considers executive pay and salaries of senior staff, the Standards Committee considers educational performance this is supported by and the Liaison Committee feeds back issues from Academies to the Board.

The quality of data provided aids the decision making of the Committees of the Board. No external or formal governance reviews have taken place in the year but this has been kept under continuous review by the Board during this period. No changes have been deemed to be necessary. When the new CEO assumes the role, this exercise will then take place.

The Scheme of Delegation is currently under review and will be considered by the Board in March 2021.

The Trust Board has been strengthened with the addition of three Trustee appointments during the year.

**Review of value for money**

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

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

- Excelsior Academy increased the dining hall capacity by purchasing more dining room furniture. This has allowed lunch sittings to be reduced from three to two and for changes in the curriculum ensuring that pupils no longer have a split lessons, on either side of the lunch break.
- South Hylton Primary undertook a replacement lighting programme throughout the whole Academy to replace their old strip lighting to LED lights. This helps to improve the learning environment for pupils. This lighting will also create future cost savings.
- Westgate Hill Primary developed their playground facilities. This will not only improve the pupils outdoor play experience but will encourage pupil creativity. There are also health benefits which come from promoting outdoor play.
- Work has been carried out across the Trust to make all sites Covid secure in line with DFE regulations.
- LST procured insurance across all trust sites at a saving of £12k.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.



## THE LAIDLAW SCHOOLS TRUST

### GOVERNANCE STATEMENT

Year ended 31 August 2020

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#### Capacity to handle risk

The Board and the Operations and Audit Committee have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal continual process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

#### The risk and control framework

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

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

#### The Board has set policies on internal controls which cover the following:

- the type of risks the Trust faces;
- the level of risks which it regards as acceptable;
- the likelihood of the risks materialising;
- the Trust's ability to reduce the incidence and impact on the Academies' operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarifying the responsibility of the Leadership Team of each Academy to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration;
- explaining to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedding the control system in the Trust's operations so that it becomes part of the culture of the Trust;
- developing systems to respond quickly to evolving risks arising from factors within the Trust and to changes in the external environment; and
- the procedures for reporting failings immediately to appropriate levels of authority and the Local Governing Body of each Academy together with details of corrective action being undertaken.

#### Internal Audit

The Board has considered the need for a specific internal audit function and has decided, to appoint an independent firm to perform the function of internal audit. Following a formal tender process, the Trustees have appointed TIAA Ltd. as Internal Assurance Reviewer to perform additional internal assurance checks.

The Internal Assurance Reviewer scrutinises financial and internal controls providing recommendations, where appropriate, in line with the Academies Financial Handbook 2019. In particular, the checks carried out in the current period included:

- Safeguarding
- Payroll
- Cyber Security

The internal assurance function has been delivered in line with the ESFA's requirements with no material control issues arising.

**THE LAIDLAW SCHOOLS TRUST**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2020**

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**Review of effectiveness**

As the Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The work of the Internal Assurance Reviewer
- The work of the External Auditor
- The work of the managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

Terms of Reference have been agreed for the Operations and Audit Committee to support financial probity. The Audit Committee manages and monitors risk, receives reports from the Trusts' auditors and considers documentation received from the ESFA.

The Accounting Officer and Operations and Audit Committee receive reports from the Internal Assurance Reviewer and any recommendations are implemented in a timely manner.

Approved by order of the members of the Board of Trustees on 19 January 2021 and signed on their behalf by:



**S V Kempe**  
**Chair of Trustees**



**P Snowdon**  
**COO & Accounting Officer**

**THE LAIDLAW SCHOOLS TRUST**  
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**  
**Year ended 31 August 2020**

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**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of The Laidlaw Schools Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I, and the Academy Trust Board of Trustees, are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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



**P. Snowdon**  
**COO & Accounting Officer**

**THE LAIDLAW SCHOOLS TRUST**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**Year ended 31 August 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

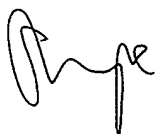
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust transactions and disclose with reasonable accuracy at any time 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 19 January 2021 and signed on their behalf by:



**S V Kempe**  
**Chair of Trustees**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAIDLAW SCHOOLS TRUST  
YEAR ENDING ON 31 AUGUST 2020**

**Opinion**

We have audited the financial statements of The Laidlaw Schools Trust (the "charitable company") for the year ended 31 August 2020, which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report, have been prepared in accordance with the applicable legal requirements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAIDLAW SCHOOLS TRUST

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or Strategic Report included within the Trustees' Report.

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

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

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Trustees (who act as Trustees for the charitable activities of the charitable company, and are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditor's report.

### Use of our report

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

*RSM UK Audit LLP*

Claire Leece (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

Dated: *29 January 2021*

**THE LAIDLAW SCHOOLS TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31 August 2020**

|                                                  | Note | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--------------------------------------------------|------|----------------------------|-------------------------------------|-----------------------------------------|--------------------|--------------------|
| <b>Income and endowments</b>                     |      |                            |                                     |                                         |                    |                    |
| Donations and capital grants                     | 3    | -                          | 2,738,339                           | 662,424                                 | 3,400,763          | 3,326,440          |
| Transfer from LA on conversion                   | 26   | 55,207                     | (1,798,759)                         | 18,786,595                              | 17,043,043         | -                  |
| Transfer of existing Academy into the Trust      | 26   | -                          | -                                   | -                                       | -                  | -                  |
| Charitable activities:                           |      |                            |                                     |                                         |                    |                    |
| Funding for educational operations               | 4    | -                          | 30,000,592                          | -                                       | 30,000,592         | 25,335,100         |
| Other trading activities                         | 5    | 521,227                    | -                                   | -                                       | 521,227            | 826,333            |
| Investments                                      | 6    | 24,417                     | -                                   | -                                       | 24,417             | 32,343             |
| <b>Total income and endowments</b>               |      | <u>600,851</u>             | <u>30,940,172</u>                   | <u>19,449,019</u>                       | <u>50,990,042</u>  | <u>29,520,216</u>  |
| <b>Expenditure on:</b>                           |      |                            |                                     |                                         |                    |                    |
| Raising funds                                    | 7    | 212,076                    | -                                   | -                                       | 212,076            | 375,186            |
| Charitable activities:                           |      |                            |                                     |                                         |                    |                    |
| Educational operations                           | 8    | -                          | 33,518,916                          | 1,923,263                               | 35,442,179         | 30,108,534         |
| <b>Total resources expended</b>                  | 7    | <u>212,076</u>             | <u>33,518,916</u>                   | <u>1,923,263</u>                        | <u>35,654,255</u>  | <u>30,483,720</u>  |
| <b>Net income/(expenditure)</b>                  |      | 388,775                    | (2,578,744)                         | 17,525,756                              | 15,335,787         | (963,504)          |
| Transfer between funds                           | 17   |                            | (522,686)                           | 522,686                                 | -                  | -                  |
|                                                  |      | 388,775                    | (3,101,430)                         | 18,048,442                              | 15,335,787         | (963,504)          |
| <b>Other recognised gains and losses</b>         |      |                            |                                     |                                         |                    |                    |
| Remeasurement of net defined benefit obligations | 24   | -                          | (5,063,000)                         | -                                       | (5,063,000)        | (3,710,000)        |
| <b>Net movement in funds</b>                     |      | <u>388,775</u>             | <u>(8,164,430)</u>                  | <u>18,048,442</u>                       | <u>10,272,787</u>  | <u>(4,673,504)</u> |
| <b>Reconciliation of funds</b>                   |      |                            |                                     |                                         |                    |                    |
| Total funds brought forward                      |      | <u>1,903,476</u>           | <u>(4,464,978)</u>                  | <u>64,420,172</u>                       | <u>61,858,670</u>  | <u>66,532,174</u>  |
| Total funds carried forward                      | 17   | <u>2,292,251</u>           | <u>(12,629,408)</u>                 | <u>82,468,614</u>                       | <u>72,131,457</u>  | <u>61,858,670</u>  |

**THE LAIDLAW SCHOOLS TRUST**

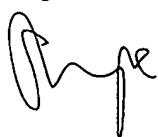
(Company Number: 05735093)

**BALANCE SHEET**

at 31 August 2020

|                                                         |      | 2020              |                          | 2019             |                          |
|---------------------------------------------------------|------|-------------------|--------------------------|------------------|--------------------------|
|                                                         | Note | £                 | £                        | £                | £                        |
| <b>Fixed assets</b>                                     |      |                   |                          |                  |                          |
| Tangible assets                                         | 12   |                   | 81,229,855               |                  | 63,636,896               |
| <b>Current assets</b>                                   |      |                   |                          |                  |                          |
| Debtors                                                 | 13   | 2,246,677         |                          | 2,055,303        |                          |
| Cash at bank and in hand                                |      | 9,717,465         |                          | 7,862,376        |                          |
|                                                         |      | <u>11,964,142</u> |                          | <u>9,917,679</u> |                          |
| <b>Current liabilities</b>                              |      |                   |                          |                  |                          |
| Creditors: amounts falling due within one year          | 14   | (3,482,122)       |                          | (2,795,005)      |                          |
| <b>Net current assets</b>                               |      |                   | <u>8,482,020</u>         |                  | <u>7,122,674</u>         |
| <b>Total assets less current liabilities</b>            |      |                   | <u>89,711,875</u>        |                  | <u>70,759,570</u>        |
| Creditors: amounts falling due after more than one year | 15   |                   | (169,518)                |                  | -                        |
| <b>Net assets excluding pension liability</b>           |      |                   | <u>89,542,357</u>        |                  | <u>70,759,570</u>        |
| Defined benefit pension liability                       | 23   |                   | (17,410,900)             |                  | (8,900,900)              |
| <b>Net assets</b>                                       |      |                   | <u><u>72,131,457</u></u> |                  | <u><u>61,858,670</u></u> |
| <b>Funds of the Academy Trust</b>                       |      |                   |                          |                  |                          |
| <b>Restricted funds</b>                                 | 17   |                   |                          |                  |                          |
| Restricted fixed asset funds                            |      |                   | 82,468,614               |                  | 64,420,172               |
| Restricted general funds                                |      |                   | 4,781,492                |                  | 4,435,922                |
| Pension reserve                                         |      |                   | (17,410,900)             |                  | (8,900,900)              |
| <b>Total restricted funds</b>                           |      |                   | <u>69,839,206</u>        |                  | <u>59,955,194</u>        |
| <b>Unrestricted income funds</b>                        | 17   |                   | <u>2,292,251</u>         |                  | <u>1,903,476</u>         |
| <b>Total funds</b>                                      |      |                   | <u><u>72,131,457</u></u> |                  | <u><u>61,858,670</u></u> |

The financial statements on pages 22 to 45 were approved by the Board of Trustees and authorised for issue on 19/1/21 and signed on their behalf by



**S V Kempe**  
Chair of Trustees



**THE LAIDLAW SCHOOLS TRUST**  
**CASH FLOW STATEMENTS**  
for the year ended 31 August 2020

| <b>a</b>                                                                             |             |             |           |             |
|--------------------------------------------------------------------------------------|-------------|-------------|-----------|-------------|
|                                                                                      | <b>Note</b> | <b>2020</b> |           | <b>2019</b> |
|                                                                                      |             | <b>£</b>    | <b>£</b>  | <b>£</b>    |
| <b>Cash flows from operating activity</b>                                            |             |             |           |             |
| Net cash provided (used in)/ by operating activities                                 | 20          | 1,842,667   |           | (581,374)   |
| <b>Cash flows from investing activities</b>                                          |             |             |           |             |
| Interest received                                                                    | 24,417      |             | 32,343    |             |
| Capital grants from DfE and ESFA                                                     | 662,424     |             | 579,556   |             |
| Payment to acquire tangible fixed assets                                             | (732,437)   |             | (650,482) |             |
| Cash received on conversion                                                          | 58,018      |             | -         |             |
| <b>Net cash provided by/ (used in) investing activities</b>                          |             | 12,422      |           | (38,583)    |
| <b>Cash flows from financing activities</b>                                          |             |             |           |             |
| Repayment of Salix loan                                                              |             | -           |           | -           |
| <b>Net cash used in financing activities</b>                                         |             | -           |           | -           |
| <b>Net increase/ (decrease) in cash and cash equivalents in the reporting period</b> |             | 1,855,089   |           | (619,957)   |
| Cash and cash equivalents at beginning of the year                                   |             | 7,862,376   |           | 8,482,334   |
| <b>Cash and cash equivalents at end of the year</b>                                  |             | 9,717,465   |           | 7,862,376   |

| <b>b</b>                               |                                                  |                         |                                  |                                                |
|----------------------------------------|--------------------------------------------------|-------------------------|----------------------------------|------------------------------------------------|
| <b>Analysis of changes in net debt</b> |                                                  |                         |                                  |                                                |
|                                        | <b>Balance at<br/>1 September<br/>2019<br/>£</b> | <b>Cash flows<br/>£</b> | <b>Non-cash<br/>change<br/>£</b> | <b>Balance at<br/>31 August<br/>2020<br/>£</b> |
| Cash                                   | 7,862,376                                        | 1,855,089               | -                                | 9,717,465                                      |
| Loans less than one year               | -                                                | -                       | (54,241)                         | (54,241)                                       |
| Loans more than one year               | -                                                | -                       | (169,518)                        | (169,518)                                      |
|                                        | <u>7,862,376</u>                                 | <u>1,855,089</u>        | <u>(223,759)</u>                 | <u>9,493,706</u>                               |

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020**

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**1 Accounting policies**

The Laidlaw Schools Trust is a charitable company. The address of the registered office is given on page 1 and the nature of its operations are set out in the Trustees' Report.

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

**Basis of preparation**

The financial statements of the Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the financial currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £1.

**Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trust has prepared budgets supported by cash flow forecasts, which has informed Trustees in their assessment. The trustees have further considered current performance, reserves levels, future developments, pupil numbers and the impact of Covid-19 on the Trust as documented within the Strategic Report.

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

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

**Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement, when performance related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions), where the receipt is probable and it can be measured reliably.

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020**

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**1 Accounting policies (Continued)**

**Donations**

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

**Other income**

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

**Donated goods, facilities and services**

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

**Transfer on conversion**

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

**Assets subject to PFI Arrangements**

An asset is recognised for PFI agreements where the Trust has taken on the obligations in respect of a liability to the Local Authority in respect of the PFI liability and the Trust has substantially all of the risks and rewards incidental to ownership. The amount capitalised as an asset is the fair value of the asset subject to PFI agreements.

**Expenditure**

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

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

**Expenditure on raising funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and other trading activities (Note 5).

**Charitable activities**

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

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020**

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**1 Accounting policies (Continued)**

**Tangible fixed assets and depreciation**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a Restricted Fixed Asset Fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the Restricted Fixed Asset Fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the Unrestricted Fund.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                                         |                        |
|-----------------------------------------|------------------------|
| Land and buildings (Leasehold/Freehold) | 2% straight line       |
| Fixtures, fittings and equipment        | 25 - 33% straight line |
| ICT Equipment                           | 25 - 33% straight line |

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

**Liabilities**

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

**Leased assets**

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

**Taxation**

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

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020**

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**1 Accounting policies (Continued)**

**Pensions benefits**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no assets to assign between employers consequently, there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

**Fund accounting**

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

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

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

**Agency arrangements**

The Trust acts as an agent in the administration of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

**Financial instruments**

The Trust has chosen to adopt section 11 of FRS 102 in full in respect of financial instruments.

**Financial assets and liabilities**

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction.

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

**1 Accounting policies (Continued)**

**Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**2 Critical accounting estimates and areas of judgement**

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

**Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Areas of judgement- PFI**

Management are required to make a judgement as to the appropriate accounting treatment and presentation of properties subject to PFI. Judgements are made as to whether the Academy Trust has substantially all the risks and rewards of ownership of the PFI asset (and therefore recognise the asset on the Academy Trust balance sheet).

**3 Donations and capital grants**

|                     | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed<br>Asset<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------------|----------------------------|-------------------------------------|--------------------------------------------|--------------------|--------------------|
| Private sponsorship | -                          | 2,736,839                           | -                                          | 2,736,839          | 2,712,385          |
| Capital grants      |                            | -                                   | 662,424                                    | 662,424            | 579,556            |
| Other donations     |                            | 1,500                               | -                                          | 1,500              | 34,499             |
|                     |                            | <u>2,738,339</u>                    | <u>662,424</u>                             | <u>3,400,763</u>   | <u>3,326,440</u>   |

The income from donations and capital grants was £3,400,763 (2019: £3,326,440) of which £2,738,339 was restricted (2019: £2,746,884) and £662,424 was restricted fixed assets (2019: £579,556).

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

**4 Funding for the Trust's educational operations**

|                                | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>       |                            |                          |                    |                    |
| General annual grant (GAG)     | -                          | 24,188,993               | 24,188,993         | 20,888,240         |
| Pupil Premium                  | -                          | 2,530,711                | 2,530,711          | 2,320,866          |
| Other DfE / ESFA grants        | -                          | 1,990,111                | 1,990,111          | 801,115            |
|                                | <u>-</u>                   | <u>28,709,815</u>        | <u>28,709,815</u>  | <u>24,010,222</u>  |
| <b>Other government grants</b> |                            |                          |                    |                    |
| Local authority grants         | -                          | 1,290,777                | 1,290,777          | 1,324,878          |
|                                | <u>-</u>                   | <u>1,290,777</u>         | <u>1,290,777</u>   | <u>1,324,878</u>   |
| <b>Total funding</b>           | <u>-</u>                   | <u>30,000,592</u>        | <u>30,000,592</u>  | <u>25,335,100</u>  |

The income from funding for educational operations was £30,000,592 (2019: £25,335,100) of which £30,000,592 was restricted (2019: £25,335,100).

The funding agreements of the Trust are not subject to a limit on the GAG available to carry forward.

**5 Other trading activities**

|                  | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|------------------|----------------------------|-------------------------------------|--------------------|--------------------|
| Lettings income  | 56,251                     | -                                   | 56,251             | 71,203             |
| Catering income  | 212,076                    | -                                   | 212,076            | 375,186            |
| Insurance income | 6,333                      | -                                   | 6,333              | 41,615             |
| Other income     | 246,567                    | -                                   | 246,567            | 338,329            |
|                  | <u>521,227</u>             | <u>-</u>                            | <u>521,227</u>     | <u>826,333</u>     |

The income from other trading activities was £521,227 (2019: £826,333) of which £521,227 was unrestricted (2019: £826,333).

**6 Investment income**

|          | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|----------|----------------------------|-------------------------------------|--------------------|--------------------|
| Interest | 24,417                     | -                                   | 24,417             | 32,343             |
|          | <u>24,417</u>              | <u>-</u>                            | <u>24,417</u>      | <u>32,343</u>      |

The investment income was £24,417 (2019: £32,343) of which £24,417 was unrestricted (2019: £32,343).

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

**7 Expenditure**

|                                   | Staff<br>Costs<br>£ | Premises<br>&<br>equipment<br>£ | Other<br>costs<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-----------------------------------|---------------------|---------------------------------|---------------------|--------------------|--------------------|
| Expenditure on raising funds      |                     |                                 |                     |                    |                    |
| Direct costs                      | -                   | -                               | 212,076             | 212,076            | 375,186            |
| Academies' educational operations |                     |                                 |                     |                    |                    |
| Direct costs                      | 18,513,451          | 1,923,263                       | 1,635,966           | 22,072,680         | 19,410,962         |
| Allocated support costs           | 8,810,614           | -                               | 4,558,885           | 13,369,499         | 10,697,572         |
| <b>Total expenditure</b>          | <b>27,324,065</b>   | <b>1,923,263</b>                | <b>6,406,927</b>    | <b>35,654,255</b>  | <b>30,483,720</b>  |

The expenditure on raising funds was £212,076 (2019: £375,186) of which £212,076 was unrestricted (2019: £375,186).

**Net income/(expenditure) for the year includes:**

|                                                               | 2020<br>£ | 2019<br>£ |
|---------------------------------------------------------------|-----------|-----------|
| Fees payable to auditor                                       |           |           |
| Audit                                                         | 28,850    | 26,350    |
| Other services                                                | -         | -         |
| Audit related- assurance services                             | -         | 6,800     |
| Other assurance services                                      | -         | 5,250     |
| Internal assurance services                                   | 7,875     | 5,700     |
| Operating lease rentals                                       | 102,392   | 125,340   |
| Payment in respect of a property subject to a PFI arrangement | 171,525   | -         |
| Net interest on defined benefit pension liability             | 173,000   | 110,000   |
| Depreciation of tangible fixed assets                         | 1,923,263 | 1,876,435 |

**Central services**

The Trust provided central services to its Academies for HR, financial and other services during the year.

The amounts charged during the year, being 2.5% (2019: 2%) of GAG, were as follows:

|                                | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--------------------------------|--------------------|--------------------|
| Excelsior Academy              | 231,620            | 177,506            |
| Atkinson Road Primary Academy  | 50,841             | 40,081             |
| Thomas Walling Primary Academy | 44,167             | 35,495             |
| South Hylton Primary Academy   | 26,804             | 23,051             |
| Westgate Hill Primary Academy  | 68,751             | 55,623             |
| Academy 360                    | 112,764            | 83,469             |
| Sedgefield Community College   | -                  | -                  |
|                                | <b>534,947</b>     | <b>415,225</b>     |



**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

**8 Charitable activities**

|                                        | 2020<br>£         | 2019<br>£         |
|----------------------------------------|-------------------|-------------------|
| <b>All from restricted funds:</b>      |                   |                   |
| Direct costs – educational operations  | 22,072,680        | 19,410,962        |
| Support costs – educational operations | 13,369,499        | 10,697,572        |
|                                        | <u>35,442,179</u> | <u>30,108,534</u> |

The expenditure on educational operations was £35,442,179 (2019: £30,108,534) of which £33,519,916 was restricted (2019: £28,232,099) and £1,923,263 was in respect of depreciation restricted tangible fixed assets (2019: £1,876,435).

|                                  | 2020<br>£         | 2019<br>£         |
|----------------------------------|-------------------|-------------------|
| <b>Analysis of support costs</b> |                   |                   |
| Support staff costs              | 8,810,614         | 6,959,510         |
| Technology costs                 | 555,358           | 676,051           |
| Premises costs                   | 2,298,358         | 1,681,061         |
| Other support costs              | 1,624,071         | 1,294,574         |
| Governance costs                 | 81,098            | 86,376            |
|                                  | <u>13,369,499</u> | <u>10,697,572</u> |

**9 Staff costs**

Staff Costs during the period were:

|                                            | 2020<br>£         | 2019<br>£         |
|--------------------------------------------|-------------------|-------------------|
| Wages and salaries                         | 18,900,460        | 16,958,687        |
| Social security costs                      | 1,775,788         | 1,530,851         |
| Other pension costs                        | 5,704,058         | 3,229,165         |
|                                            | <u>26,380,306</u> | <u>21,718,703</u> |
| Total staff costs                          | 26,380,306        | 21,718,703        |
| Supply staff costs                         | 585,898           | 607,453           |
| Staff restructuring costs                  | 137,939           | 235,933           |
| Staff development and other staff costs    | 219,922           | 189,128           |
|                                            | <u>27,324,065</u> | <u>22,751,217</u> |
| <b>Staff restructuring costs comprise:</b> |                   |                   |
| Severance payments                         | 137,939           | 194,593           |
| Redundancy costs                           | -                 | 41,340            |
|                                            | <u>137,939</u>    | <u>235,933</u>    |

Funding of £68,970 from the sponsor has been received towards the restructuring payments.

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

**9 Staff costs (continued)**

**Staff numbers**

The average number of persons (including senior management team) employed by the Academies during the year ended 31 August 2020 was as follows:

|                        | 2020<br>Number | 2019<br>Number |
|------------------------|----------------|----------------|
| Teachers               | 325            | 273            |
| Administration support | 451            | 424            |
| Management             | 19             | 16             |
|                        | 795            | 712            |

The number of employees whose employee benefits (excluding national insurance and employer pension contributions) exceeded £60,000 was:

**Higher paid staff**

|                     | 2020<br>Number | 2019<br>Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000   | 10             | 6              |
| £70,001 - £80,000   | 5              | 2              |
| £80,001 - £90,000   | 2              | 1              |
| £90,001 - £100,000  | 2              | 2              |
| £110,001 - £120,000 | -              | 1              |
| £120,001 - £130,000 | 1              | -              |
| £130,001 - £140,000 | 1              | -              |
| £140,001 - £150,000 | 1              | -              |
| £180,001 - £190,000 | -              | 1              |
| £190,001 - £200,000 | 1              | -              |

**Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling 2020: £66,999 (2019: £121,052). Individually, the payments were as follows: £21,517, £20,602, £10,693, £8,590, £4,583 and £1,014.

**Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Trust was 2020: £597,907 (2019: £498,195).

**10 Trustees' remuneration and expenses**

None of the Trustees (other than the CEO) has been paid remuneration or has received other benefits from an employment with the Trust. The CEO only receives remuneration in respect of services provided undertaking the role of CEO under her contract of employment and not in respect of her services as trustee.

Jane Spence, the CEO received remuneration of £191,312 (2019: £186,981), other benefits received in the year of £nil and employer pension contributions of £44,790 (2019: £30,814). In excess of 50% of her total remuneration is funded directly by Laidlaw Foundation.

During the year, travel and subsistence expenses totalling £663 (2019: £1,740) were reimbursed to one Trustee.

Related party transactions involving the Trustees are set out in Note 24.

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

**11 Trustees and Officers insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £12,000,000 on any one claim and the cost for the year ended 31 August 2020 was £1,219 (2019: £1,227). The cost of this insurance is included in the total insurance cost.

**12 Tangible fixed assets**

|                          | Leasehold<br>Land &<br>Buildings<br>£ | Freehold<br>Land &<br>Buildings<br>£ | Fixtures<br>fittings &<br>equipment<br>£ | IT<br>£          | Total<br>£        |
|--------------------------|---------------------------------------|--------------------------------------|------------------------------------------|------------------|-------------------|
| <b>Cost</b>              |                                       |                                      |                                          |                  |                   |
| At 1 September 2019      | 39,055,309                            | 32,318,469                           | 5,389,939                                | 2,625,160        | 79,388,877        |
| Additions                | -                                     | -                                    | 304,748                                  | 427,689          | 732,437           |
| Disposals                | -                                     | -                                    | -                                        | -                | -                 |
| Transfer in (Note 26)    | -                                     | 18,783,784                           | -                                        | -                | 18,783,784        |
| <b>At 31 August 2020</b> | <b>39,055,309</b>                     | <b>51,102,253</b>                    | <b>5,694,687</b>                         | <b>3,052,849</b> | <b>98,905,098</b> |
| <b>Depreciation</b>      |                                       |                                      |                                          |                  |                   |
| At 1 September 2019      | 1,732,704                             | 6,998,482                            | 4,805,624                                | 2,215,170        | 15,751,980        |
| Charge in year           | 781,107                               | 646,369                              | 283,700                                  | 212,087          | 1,923,263         |
| Disposals                | -                                     | -                                    | -                                        | -                | -                 |
| Reallocation             | -                                     | -                                    | -                                        | -                | -                 |
| <b>At 31 August 2020</b> | <b>2,513,811</b>                      | <b>7,644,851</b>                     | <b>5,089,324</b>                         | <b>2,427,257</b> | <b>17,675,243</b> |
| <b>Net book value</b>    |                                       |                                      |                                          |                  |                   |
| At 31 August 2020        | 36,541,498                            | 43,457,402                           | 605,363                                  | 625,592          | 81,229,855        |
| At 31 August 2019        | 37,322,605                            | 25,319,987                           | 584,315                                  | 409,989          | 63,636,896        |

**13 Debtors**

|                                | 2020<br>£        | 2019<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 39,092           | 25,447           |
| Other debtors                  | 29,775           | 75,293           |
| Prepayments and accrual income | 2,177,810        | 1,954,563        |
|                                | <b>2,246,677</b> | <b>2,055,303</b> |

**THE LAIDLAW SCHOOLS TRUST**  
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|           |                                                       |                  |                  |
|-----------|-------------------------------------------------------|------------------|------------------|
| <b>14</b> | <b>Creditors: amounts falling due within one year</b> | <b>2020</b>      | <b>2019</b>      |
|           |                                                       | <b>£</b>         | <b>£</b>         |
|           | Trade creditors                                       | 428,656          | 628,135          |
|           | Other taxation and social security                    | 99,885           | 203,392          |
|           | Other creditors                                       | 537,214          | 417,061          |
|           | Other loans                                           | 54,241           | -                |
|           | Accruals and deferred income                          | 2,362,126        | 1,546,417        |
|           |                                                       | <u>3,482,122</u> | <u>2,795,005</u> |

|           |                                                                |                |             |
|-----------|----------------------------------------------------------------|----------------|-------------|
| <b>15</b> | <b>Creditors: amounts falling due after more than one year</b> | <b>2020</b>    | <b>2019</b> |
|           |                                                                | <b>£</b>       | <b>£</b>    |
|           | Other loans                                                    | <u>169,518</u> | <u>-</u>    |
|           | <b>Analysis of loan</b>                                        |                |             |
|           | Wholly repayable within five years                             | <u>223,759</u> | <u>-</u>    |
|           | <b>Loan Maturity</b>                                           |                |             |
|           | Debt due in one year or less                                   | 54,241         | -           |
|           | Due in more than one but less than five years                  | <u>169,518</u> | <u>-</u>    |

Loan inherited from Durham County Council LA on the conversion of Sedgfield Community College.

Loan of £223,759 from Durham County Council which is provided on the following terms. Interest rate of 2.06%, maturity date 31 August 2024.

|                         |         |
|-------------------------|---------|
| <b>Payment Schedule</b> |         |
| 2020/21                 | £54,241 |
| 2021/22                 | £55,358 |
| 2022/23                 | £56,499 |
| 2023/24                 | £57,661 |

|           |                                          |                |                |
|-----------|------------------------------------------|----------------|----------------|
| <b>16</b> | <b>Deferred income</b>                   | <b>2020</b>    | <b>2019</b>    |
|           |                                          | <b>£</b>       | <b>£</b>       |
|           | Deferred income is included within:      |                |                |
|           | Creditors due within one year            | <u>565,716</u> | <u>568,040</u> |
|           | Deferred income at 1 September 2019      | 568,040        | 296,317        |
|           | Released from previous                   | (568,040)      | (296,317)      |
|           | Amounts deferred in the year             | <u>565,716</u> | <u>568,040</u> |
|           | <b>Deferred income at 31 August 2020</b> | <u>565,716</u> | <u>568,040</u> |

**THE LAIDLAW SCHOOLS TRUST**  
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**16 Deferred Income (continued)**

At the Balance Sheet date, the Trust was holding funds received in advance in relation to: Early Years funding, Universal Infant free school meals, Primary PE funding, Children in Need, British Council, other charitable donations, Hardship funding, Sponsor Donation, Greggs Breakfast Club and other smaller items. The amounts will be utilised in the year ended 31 August 2021.

**17 Funds**

|                                                                              | Balance at<br>1 September<br>2019<br>£ | Income<br>£       | Expenditure<br>£    | Gains, losses<br>And<br>transfers<br>£ | Balance at<br>31 August<br>2020<br>£ |
|------------------------------------------------------------------------------|----------------------------------------|-------------------|---------------------|----------------------------------------|--------------------------------------|
| <b>Restricted general fund</b>                                               |                                        |                   |                     |                                        |                                      |
| General Annual Grant                                                         | 1,392,950                              | 24,188,993        | (23,098,478)        | (522,686)                              | 1,960,779                            |
| Pupil Premium                                                                | -                                      | 2,530,711         | (2,530,711)         | -                                      | -                                    |
| Other DfE / ESFA grants                                                      | 109,488                                | 1,990,111         | (1,990,111)         | -                                      | 109,488                              |
| Other government grants                                                      | -                                      | 1,290,777         | (1,290,777)         | -                                      | -                                    |
| School standards fund                                                        | 918,034                                | -                 | -                   | -                                      | 918,034                              |
| Other restricted funds                                                       | 2,015,450                              | 2,514,580         | (2,736,839)         | -                                      | 1,793,191                            |
|                                                                              | <u>4,435,922</u>                       | <u>32,515,172</u> | <u>(31,646,916)</u> | <u>(522,686)</u>                       | <u>4,781,492</u>                     |
| Funds excluding pension                                                      | (8,900,900)                            | (1,575,000)       | (1,872,000)         | (5,063,000)                            | (17,410,900)                         |
| Pension reserve                                                              | <u>(4,464,978)</u>                     | <u>30,940,172</u> | <u>(33,518,916)</u> | <u>(5,585,686)</u>                     | <u>(12,629,408)</u>                  |
| <b>Restricted fixed asset funds</b>                                          |                                        |                   |                     |                                        |                                      |
| DfE / ESFA capital grants                                                    | 1,766,480                              | 662,424           | (33,564)            | -                                      | 2,395,340                            |
| Capital expenditure from GAG                                                 | 655,025                                | -                 | (882,207)           | 522,686                                | 295,504                              |
| Assets transferred from Newcastle,<br>Sunderland and Durham City<br>Councils | 37,443,558                             | 18,786,595        | (198,471)           | -                                      | 56,031,682                           |
| Sponsorship of Laidlaw<br>Foundation                                         | 749,242                                | -                 | (41,870)            | -                                      | 707,372                              |
| Other restricted fixed asset funds                                           | 23,805,867                             | -                 | (767,151)           | -                                      | 23,038,716                           |
|                                                                              | <u>64,420,172</u>                      | <u>19,449,019</u> | <u>(1,923,263)</u>  | <u>522,686</u>                         | <u>82,468,614</u>                    |
| <b>Total restricted funds</b>                                                | <u>59,955,194</u>                      | <u>50,389,191</u> | <u>(35,442,179)</u> | <u>(5,063,000)</u>                     | <u>69,839,206</u>                    |
| <b>Unrestricted funds</b>                                                    |                                        |                   |                     |                                        |                                      |
| General funds                                                                | 1,903,476                              | 600,851           | (212,076)           | -                                      | 2,292,251                            |
| <b>Total funds</b>                                                           | <u>61,858,670</u>                      | <u>50,990,042</u> | <u>(35,654,255)</u> | <u>(5,063,000)</u>                     | <u>72,131,457</u>                    |

**THE LAIDLAW SCHOOLS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 August 2020**

**17 Funds (continued)**  
**Prior year**

|                                                                   | Balance at<br>1 September<br>2018<br>£ | Income<br>£       | Expenditure<br>£    | Gains, losses<br>And<br>transfers<br>£ | Balance at<br>31 August<br>2019<br>£ |
|-------------------------------------------------------------------|----------------------------------------|-------------------|---------------------|----------------------------------------|--------------------------------------|
| <b>Restricted general fund</b>                                    |                                        |                   |                     |                                        |                                      |
| General Annual Grant                                              | 1,559,185                              | 20,888,240        | (20,672,855)        | (381,620)                              | 1,392,950                            |
| Pupil Premium                                                     | -                                      | 2,320,866         | (2,320,866)         | -                                      | -                                    |
| Other DfE / ESFA grants                                           | 109,488                                | 801,115           | (801,115)           | -                                      | 109,488                              |
| Other government grants                                           | -                                      | 1,324,878         | (1,324,878)         | -                                      | -                                    |
| School standards fund                                             | 918,034                                | -                 | -                   | -                                      | 918,034                              |
| Other restricted funds                                            | 1,980,950                              | 2,746,885         | (2,712,385)         | -                                      | 2,015,450                            |
|                                                                   | <u>4,567,657</u>                       | <u>28,081,984</u> | <u>(27,832,099)</u> | <u>(381,620)</u>                       | <u>4,435,922</u>                     |
| Funds excluding pension                                           | 4,567,657                              | 28,081,984        | (27,832,099)        | (381,620)                              | 4,435,922                            |
| Pension reserve                                                   | (4,790,900)                            | -                 | (400,000)           | (3,710,000)                            | (8,900,900)                          |
|                                                                   | <u>(223,243)</u>                       | <u>28,081,984</u> | <u>(28,232,099)</u> | <u>(4,091,620)</u>                     | <u>(4,464,978)</u>                   |
| <b>Restricted fixed asset funds</b>                               |                                        |                   |                     |                                        |                                      |
| DfE / ESFA capital grants                                         | 1,220,488                              | 579,556           | (33,564)            | -                                      | 1,766,480                            |
| Capital expenditure from GAG                                      | 1,108,784                              | -                 | (835,379)           | 381,620                                | 655,025                              |
| Assets transferred from Newcastle<br>and Sunderland City Councils | 37,642,029                             | -                 | (198,471)           | -                                      | 37,443,558                           |
| Sponsorship of Lord Laidlaw of<br>Rothiemay                       | 791,112                                | -                 | (41,870)            | -                                      | 749,242                              |
| Other restricted fixed asset funds                                | 24,573,018                             | -                 | (767,151)           | -                                      | 23,805,867                           |
|                                                                   | <u>65,335,431</u>                      | <u>579,556</u>    | <u>(1,876,435)</u>  | <u>381,620</u>                         | <u>64,420,172</u>                    |
| <b>Total restricted funds</b>                                     | <u>65,112,188</u>                      | <u>28,661,540</u> | <u>(30,108,534)</u> | <u>(3,710,000)</u>                     | <u>59,955,194</u>                    |
| <b>Unrestricted funds</b>                                         |                                        |                   |                     |                                        |                                      |
| General funds                                                     | 1,419,986                              | 858,676           | (375,186)           | -                                      | 1,903,476                            |
| <b>Total funds</b>                                                | <u>66,532,174</u>                      | <u>29,520,216</u> | <u>(30,483,720)</u> | <u>(3,710,000)</u>                     | <u>61,858,670</u>                    |

**THE LAIDLAW SCHOOLS TRUST**  
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**17 Funds (continued)**

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

General Annual Grant (GAG) must be used for the normal running costs of the Trust.

Other DfE/ESFA grants relates to sponsor capacity grants received, Pupil Premium and other grants from DfE/ESFA.

Other government grants relate to SEN funding and other local authority grants received and expended in the financial period.

School standards fund - recurrent standard funds which were received to provide a contribution to the schools' development and improvement agenda, including personalised learning. It was calculated based on pupil numbers. Standard funds are now paid as a 'maintenance grant' included within GAG income.

Other restricted funds relate to funding from Sponsor and other restricted donations received and expended in the financial period for agreed project.

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

DfE/ESFA capital grants, these arrangements allow Academies to decide how to fund local priorities. It can only be used for capital expenditure on premises/building projects or the purchase of ICT equipment.

Capital expenditure from GAG - the balance represents the total capital expenditure from the GAG. Depreciation is charged to the fund over the life of the related assets.

Sponsorship from Irvine Laidlaw Foundation - Lord Laidlaw provided funding to support the work of the Trust and its Academies.

Other Restricted Fixed Assets Fund – the balance is the value of school premises for Excelsior Academy to be depreciated over the remaining useful economic life of the building.

**Total funds analysis by Academy**

|                                                                   | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|-------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Fund balances at 31 August 2020 were allocated as follows:</b> |                             |                             |
| Excelsior Academy                                                 | 2,098,981                   | 1,770,130                   |
| Atkinson Road Primary Academy                                     | 1,045,187                   | 1,039,571                   |
| Thomas Walling Primary Academy                                    | 693,575                     | 720,195                     |
| South Hylton Primary Academy                                      | (645)                       | 13,101                      |
| Westgate Hill Primary Academy                                     | 161,649                     | 52,020                      |
| Academy 360                                                       | 2,090,456                   | 2,117,562                   |
| Sedgefield Community College                                      | 14,453                      | -                           |
| Central Services                                                  | 970,087                     | 626,819                     |
| Total before fixed assets fund and pension reserve                | 7,073,743                   | 6,339,398                   |
| Restricted fixed asset fund                                       | 82,468,614                  | 64,420,172                  |
| Pension reserve                                                   | (17,410,900)                | (8,900,900)                 |
| <b>Total funds</b>                                                | <b>72,131,457</b>           | <b>61,858,670</b>           |

**THE LAIDLAW SCHOOLS TRUST**  
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**17 Funds (continued)**

**Total cost analysis**

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

|                                | Teaching &<br>educational<br>support<br>staff costs<br>£ | Other<br>support<br>staff costs<br>£ | Educational<br>Supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--------------------------------|----------------------------------------------------------|--------------------------------------|------------------------------|-----------------------------------------------|--------------------|--------------------|
| Excelsior Academy              | 7,214,226                                                | 1,266,055                            | 559,498                      | 1,343,697                                     | 10,383,476         | 10,430,915         |
| Atkinson Road Primary Academy  | 2,071,132                                                | 302,703                              | 92,127                       | 420,982                                       | 2,886,944          | 2,924,907          |
| Thomas Walling Primary Academy | 1,572,287                                                | 512,585                              | 111,355                      | 382,721                                       | 2,578,948          | 2,586,709          |
| South Hylton Primary Academy   | 1,088,282                                                | 107,085                              | 38,639                       | 327,965                                       | 1,561,971          | 1,868,560          |
| Westgate Hill Primary Academy  | 2,495,467                                                | 487,874                              | 133,555                      | 375,486                                       | 3,492,382          | 3,672,166          |
| Academy 360                    | 3,879,224                                                | 681,070                              | 231,506                      | 979,662                                       | 5,771,462          | 5,497,177          |
| Sedgefield Community College   | 1,964,243                                                | 197,133                              | 135,999                      | 720,423                                       | 3,017,798          | -                  |
| Central Services               | 107,966                                                  | 1,386,188                            | 29,540                       | 642,315                                       | 2,166,009          | 1,495,712          |
|                                | <u>20,392,827</u>                                        | <u>4,940,693</u>                     | <u>1,332,219</u>             | <u>5,193,251</u>                              | <u>31,858,990</u>  | <u>28,476,146</u>  |

**18 Analysis of net assets between funds**

|                                                            | Unrestricted<br>funds<br>£ | Restricted<br>General<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2020<br>£ |
|------------------------------------------------------------|----------------------------|-------------------------------------|-----------------------------------------|--------------------|
| <b>Fund balances at 31 August 2020 are represented by:</b> |                            |                                     |                                         |                    |
| Tangible fixed assets                                      | -                          | -                                   | 81,229,855                              | 81,229,855         |
| Current assets                                             | 2,292,251                  | 8,433,132                           | 1,238,759                               | 11,964,142         |
| Creditors falling due within one year                      | -                          | (3,482,122)                         | -                                       | (3,482,122)        |
| Creditors falling due after one year                       | -                          | (169,518)                           | -                                       | (169,518)          |
| Defined benefit pension liability                          | -                          | (17,410,900)                        | -                                       | (17,410,900)       |
|                                                            | <u>2,292,251</u>           | <u>(12,629,408)</u>                 | <u>82,468,614</u>                       | <u>72,131,457</u>  |

|                                                            | Unrestricted<br>funds<br>£ | Restricted<br>General<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2019<br>£ |
|------------------------------------------------------------|----------------------------|-------------------------------------|-----------------------------------------|--------------------|
| <b>Fund balances at 31 August 2019 are represented by:</b> |                            |                                     |                                         |                    |
| Tangible fixed assets                                      | -                          | -                                   | 63,636,896                              | 63,636,896         |
| Current assets                                             | 1,903,476                  | 7,230,929                           | 783,286                                 | 9,917,679          |
| Creditors falling due within one year                      | -                          | (2,795,005)                         | -                                       | (2,795,005)        |
| Creditors falling due after one year                       | -                          | -                                   | -                                       | -                  |
| Defined benefit pension liability                          | -                          | (8,900,900)                         | -                                       | (8,900,900)        |
|                                                            | <u>1,903,476</u>           | <u>(4,464,978)</u>                  | <u>64,420,172</u>                       | <u>61,858,670</u>  |



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**19 Commitments under operating leases and payments in respect of a property subject to a PFI arrangement**

At 31 August 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

|                                        | Land &<br>Building<br>PFI<br>2020<br>£ | Operating lease<br>2020<br>£ | Operating lease<br>2019<br>£ |
|----------------------------------------|----------------------------------------|------------------------------|------------------------------|
| Amounts due within one year            | 411,661                                | 77,633                       | 102,392                      |
| Amounts due between one and five years | 1,646,444                              | 4,331                        | 81,964                       |
| Amounts due after five years           | 4,287,615                              | -                            | -                            |
|                                        | <u>6,345,670</u>                       | <u>81,964</u>                | <u>184,356</u>               |

**20 Reconciliation of net expenditure to net cash flows from operating activities**

|                                                                | 2020<br>£        | 2019<br>£        |
|----------------------------------------------------------------|------------------|------------------|
| Net income/(expenditure) for the reporting period              | 15,335,787       | (963,504)        |
| Adjusted for:                                                  |                  |                  |
| Capital grants from DfE/ESFA                                   | (662,424)        | (579,556)        |
| Interest receivable                                            | (24,417)         | (32,343)         |
| Net Surplus on conversion                                      | (17,043,043)     | -                |
| Defined benefit pension scheme cost less contributions payable | 1,699,000        | 290,000          |
| Defined benefit pension scheme finance cost/(income)           | 173,000          | 110,000          |
| Depreciation of tangible fixed assets                          | 1,923,263        | 1,876,435        |
| (Increase)/decrease in debtors                                 | (191,374)        | (1,109,842)      |
| Increase/(decrease) in creditors                               | 687,117          | (172,565)        |
| Net cash provided by/ (used in) operating activities           | <u>1,896,909</u> | <u>(581,374)</u> |

**21 Contingent liabilities**

There are no contingent liabilities as at 31 August 2020 (or 31 August 2019).

**22 Members' liability**

Each member of the Trust undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceases to be a member.

**THE LAIDLAW SCHOOLS TRUST**  
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**23 Pensions and similar obligations**

The Trust's employees belong to two principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tyne and Wear Pension Fund. Both are multi- employer defined benefit schemes.

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

Outstanding contributions as at 31 August 2020 were £483,947 (2019: £344,650) and are included in creditors.

**Teachers' Pension Scheme**

**Introduction**

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

***Valuation of the Teachers' Pension Scheme***

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

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

The employer's pension costs paid to the TPS in the period amounted to £2,768,058 (2019: £1,669,165).

A copy of the valuation report and supporting documentation is on Teacher Pension website

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

**THE LAIDLAW SCHOOLS TRUST**  
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**23 Pensions and similar obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2020 was £1,553,666 (2019: £1,531,260), of which employer's contributions totalled £1,213,084 (2019: £1,227,323) and employees' contributions totalled £340,582 (2019: £309,937). The agreed contribution rates for future years are from 5.5% - 12.5% for employees and between September 2019 – March 2020 the employer rate was 24.1 %, this reduced to 17.6% from April 2020 for the Tyne and Wear pension fund. The employer rate with Durham County Council pension fund is 22.9%, in addition to this a lump sum of £45,000 is paid.

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

**Total contributions made**

|                          | 2020<br>£        | 2019<br>£        |
|--------------------------|------------------|------------------|
| Employer's contributions | 1,237,000        | 1,270,000        |
| Employees' contributions | 340,000          | 300,000          |
|                          | <u>1,577,000</u> | <u>1,570,000</u> |

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2020 by a qualified independent actuary:

|                                          | Durham CC<br>2020<br>% | Tyne & Wear<br>2020<br>% | 2019<br>% |
|------------------------------------------|------------------------|--------------------------|-----------|
| Rate of increases in salaries            | 3.3                    | 3.8                      | 3.6       |
| Rate of increase for pensions in payment | 2.3                    | 2.3                      | 2.1       |
| Discount rate                            | 1.7                    | 1.7                      | 1.9       |
| Inflation assumption (CPI)               | 2.3                    | 2.3                      | 2.1       |

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

|                      | Durham CC<br>2020<br>Years | Tyne & Wear<br>2020<br>Years | 2019<br>Years |
|----------------------|----------------------------|------------------------------|---------------|
| Retiring today       |                            |                              |               |
| Males                | 22.2                       | 21.8                         | 21.9          |
| Females              | 23.2                       | 23.5                         | 25.1          |
| Retiring in 20 years |                            |                              |               |
| Males                | 24.2                       | 25                           | 23.6          |
| Females              | 25.7                       | 26.8                         | 26.9          |

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

**23 Pensions and similar obligations (continued)**

**The Trust's share of the assets in the scheme**

|                                | Durham CC<br>2020<br>£ | Tyne &<br>Wear<br>2020<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--------------------------------|------------------------|-----------------------------|--------------------|--------------------|
| Equity                         | 595,000                | 11,670,000                  | 12,265,000         | 13,637,100         |
| Government bond                | 287,000                | 520,000                     | 807,000            | 853,620            |
| Corporate Bond                 | 177,000                | 4,990,000                   | 5,167,000          | 2,373,480          |
| Cash                           | 59,000                 | 410,000                     | 469,000            | 437,220            |
| Property                       | 85,000                 | 2,000,000                   | 2,085,000          | 1,790,520          |
| Other                          | -                      | 2,200,000                   | 2,200,000          | 1,728,060          |
| <b>Total</b>                   | <b>1,203,000</b>       | <b>21,790,000</b>           | <b>22,993,000</b>  | <b>20,820,000</b>  |
| Actual return on scheme assets |                        |                             | 137,000            | 1,410,000          |

**Amounts recognised in the Statement of Financial Activities**

|                      | 2020<br>£        | 2019<br>£        |
|----------------------|------------------|------------------|
| Current service cost | 2,451,000        | 1,520,000        |
| Net interest cost    | 173,000          | 110,000          |
| Past Service Cost    | 485,000          | 40,000           |
|                      | <u>3,109,000</u> | <u>1,670,000</u> |

**Changes in the present value of defined benefit obligations**

|                                 | 2020<br>£                |
|---------------------------------|--------------------------|
| Obligations at 1 September 2019 | 29,720,900               |
| Transfer                        | 2,626,000                |
| Current Service cost            | 2,451,000                |
| Interest cost                   | 582,000                  |
| Actuarial (gain)/loss           | 4,791,000                |
| Employee contributions          | 340,000                  |
| Benefits paid                   | (592,000)                |
| Past service cost               | 485,000                  |
| <b>At 31 August 2020</b>        | <u><b>40,403,900</b></u> |

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020**

**23 Pensions and similar obligations (continued)**

**Changes in the fair value of the Trust's share of scheme assets**

|                                                                                     | <b>2020</b>       |
|-------------------------------------------------------------------------------------|-------------------|
|                                                                                     | <b>£</b>          |
| Assets at 1 September 2019                                                          | 20,820,000        |
| Transfer                                                                            | 1,051,000         |
| Interest income                                                                     | 409,000           |
| Return on plan assets (excluding net interest on the net defined pension liability) | (272,000)         |
| Employer contributions                                                              | 1,237,000         |
| Employee contributions                                                              | 340,000           |
| Benefits paid                                                                       | (592,000)         |
| <b>At 31 August 2020</b>                                                            | <b>22,993,000</b> |

**24 Related party transactions**

All transactions involving related or connected parties are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Michael Sehgal & Sons Limited – a company in which P Sehgal (a Trustee) is a director:

- The Trust purchased student uniforms totalling £3,975 (2019: £10,841). At 31 August 2020 the amount outstanding was £0 (2019: £115).
- The Trust made the purchases at arm's length following competitive tendering in accordance with its financial regulations, which took place before P Sehgal or the Academy itself was involved with the Trust. Therefore, neither party participated in or influenced any decision.
- In entering into the transactions, the Trust has complied with the requirements of the Academies Financial Handbook 2019.
- The element above £2,500 has been provided "at no more than cost" and Michael Sehgal & Sons Limited provided a statement of assurance confirming this.

During the year, the Trust recognised sponsorship income from the Laidlaw Foundation of £2,736,839 (2019: £2,712,385), an amount of which, £1,357,508 (2019: £1,380,975) was expected at 31 August 2020.

**25 Agency arrangements**

The Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £25,628 (2019: £16,170). The full funds of £25,628 (2019: £25,032) remain in Creditors at the year end, awaiting distribution (see Note 16).

**THE LAIDLAW SCHOOLS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**26 Conversion on transfer to an Academy Trust**

**Current year**

On 1 March 2020, Sedgefield Community College converted to Academy status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to the Trust from Durham County Council Local Authority for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

| <b>Sedgefield Community College</b> | <b>£</b>          |
|-------------------------------------|-------------------|
| <b>Net assets transferred:</b>      |                   |
| Freehold building                   | 18,783,784        |
| Surplus on conversion               | 58,018            |
| Long term loan                      | (223,759)         |
| LGPS pension deficit                | (1,575,000)       |
|                                     | <u>17,043,043</u> |

**Total - Transfer from LA on conversion (Sedgefield Community College)**

|                                              | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>General<br/>funds<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|----------------------------------------------|-------------------------------------|-----------------------------------------------|---------------------------------------------------|-----------------------------|
| <b>Funds surplus/ (deficit) transferred:</b> |                                     |                                               |                                                   |                             |
| Fixed asset funds                            | -                                   | -                                             | 18,783,784                                        | 18,783,784                  |
| Long term loan                               | -                                   | (223,759)                                     | -                                                 | (223,759)                   |
| LGPS pension funds                           | -                                   | (1,575,000)                                   | -                                                 | (1,575,000)                 |
| Other funds                                  | 55,207                              | -                                             | 2,811                                             | 58,018                      |
|                                              | <u>55,207</u>                       | <u>(1,798,759)</u>                            | <u>18,786,595</u>                                 | <u>17,043,043</u>           |

The total income and net income/(expenditure) comprise of total income of £3,279,721 and net income/(expenditure) of £183,005 contributed by Sedgefield Community College between the date of transfer and 31 August 2020.