

Company Registration No. 07907463 (England and Wales)

THE LAURUS TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



THE LAURUS TRUST

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THE LAURUS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Graham
C Nevin
J Singleton
M Turnpenney
Law Family Educational Trust

Trustees

L Magrath (CEO, Executive Head Secondary) (Resigned 27 February 2019)
L Elias
P Benton
D Brown
C Fisher
A Little (Chair of Trustees)
C Nevin
L Woolley
W Mason
D Kershaw
J Singleton (Resigned 13 November 2019)
R Kumar (Appointed 17 October 2018)
V Horsfield (Appointed 1 September 2019)

Senior management team

L Magrath	CEO & Executive Head Teacher, Secondary
W Mason	Chief Financial Officer
L Woolley	Executive Head Primary
D Brown	Head of School, Cheadle Hulme High School
J Maguire	Head of School, Gorsey Bank Primary School
E Drake	Head of School, Cheadle Hulme Primary School
G Theobald	Head of School, Laurus Cheadle Hulme
M Vevers	Head of School, Laurus Ryecroft
D Woolley	Head of School, Didsbury High School

Principal and registered office

Cheadle Hulme High School
Woods Lane
Stockport
Cheshire
SK8 7JY

Company secretary

N Burgess

Company registration number

07907463 (England and Wales)

THE LAURUS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Cheadle Hulme High School
Gorsey Bank Primary School
Cheadle Hulme Primary School
Laurus Cheadle Hulme
Laurus Ryecroft

Location

Stockport
Cheshire East
Stockport
Cheadle
Droylsden

Head

L Magrath
J Maguire
E Drake
G Theobald
M Vevers

Independent auditor

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Bankers

Lloyds Banking Group
2 Great Underbank
Stockport
SK1 1LW

Solicitors

Eversheds Sutherland
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

THE LAURUS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of The Laurus Trust ('the company', 'charitable company' or 'the academy trust') for the year ended 31 August 2019. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The academy trust operated the following schools during the year:

School	Pupil capacity	Number on roll at October 2018 census
Cheadle Hulme High School (11-18)	1,650	1,672
Laurus Cheadle Hulme* (11-16)	210	210
Laurus Ryecroft* (11-18)	150	154
Gorsey Bank Primary School (4-11)	420	417
Cheadle Hulme Primary School*^ (3-11)	60	60

*Free school opened September 2018

^Excludes nursery places

In September 2019 the academy trust opened a new school, Didsbury High School (for students aged 11-18) and also Hazel Grove High School, a single academy trust for students aged 11-18, transferred to the academy trust.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Laurus Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Cheadle Hulme High School, Gorsey Bank Primary School, Laurus Cheadle Hulme, Laurus Ryecroft and Cheadle Hulme Primary School.

All schools have a local academy committee which is comprised of parent governors, staff governors, other appointed governors and some of the trustees listed on page 1.

Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administration details on page 1.

Members' liability

Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required not exceeding £10 for the debt and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The academy trust is a member of the Department for Education's Risk Protection Arrangement to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Details of the costs can be found in note 12 of the accounts.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of trustees

The members of the academy trust are responsible for the appointment of trustees. The number of trustees shall not be less than three but shall not be subject to any maximum. The academy trust will have up to 4 trustees appointed by the members by ordinary resolution. The Law Family Education Trust may appoint up to 6 trustees.

Policies and procedures adopted for the induction and training of trustees

Trustees and school governors are appointed based on the skills that they will bring to the board of trustees or local academy committee or based on a proposal to the trustees or local academy committee by representative groups. Prior to appointment each potential trustee or governor is asked to undertake a skills audit. On appointment, trustees and governors receive information relating to the trust, attend a briefing, and receive an induction pack on their role and responsibilities.

During the year, trustees and school governors are offered all necessary training.

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education. The Scheme of Delegation document details what decisions are reserved for the board of trustees, and those that are delegated to sub committees, local academy bodies or management. There are three trustee sub-committees:

1. Audit, Finance and Resources Committee which reports to the Board on finance, audit, property and IT related issues.
2. The Pay & Remuneration Committee reports to the Board on the setting of pay and remuneration for all Senior Management and teaching staff.
3. The Governance Oversight and Standards Committee reports to the Board on monitoring of the individual Local Academy Committees and policy approvals.

The Trust Board met on three occasions during the year.

Terms of reference exist for each committee and are reviewed annually.

The day to day running of the trust is delegated by the trustees to management under the leadership of the Chief Executive Officer, who is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Pay and Remuneration Committee for the Trust meets annually to review and approve pay for key management personnel in the Trust including staff trustees. The committee is comprised of trustees and sets pay based on available benchmarks in the sector and local area.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	1.85

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time (£'000)	1
Total pay bill (£'000)	12,740
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	20%
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Related parties and other connected charities and organisations

The trust works closely with Alder Community High School, Altrincham College of Arts, Aquinas College, Ashdene Primary School, Beaver Road Primary School, Castle Hill High School, Cheadle & Marple College, Chorlton High School, Co-op Academy North Manchester, Didsbury C of E Primary School, Hursthead Junior School, Manchester Metropolitan University, Marple Hall High School, The Pendlebury Centre, Priestnall School, Reddish Vale High School, St James' Catholic High School, St Patrick's RC High School, Stockport School, Styal Primary School, Werneth School, Manchester Health Academy and West Didsbury Primary School. None of these organisations are considered to constitute formal related parties.

The Law Family Educational Trust (LFET), a charitable trust, is considered a related party as it is a member of the academy trust. LFET's aim is to help raise all-round educational attainment levels in state schools. Its approach is rooted in a belief that personal development and aspiration are promoted by participation in a whole range of activities, not just academic ones. During the course of the year, LFET has made charitable donations to the Laurus Trust in support of capital projects, facilitating growth and the Cornerstones and Electives programmes. LFET is not considered to have attached any clauses or conditions to their funding that has materially changed the operations of Laurus Trust and as such, the details of the donations have not been disclosed.

See note 22 for further details of related party transactions that have occurred during the year.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The Laurus Trust's vision is for everyone regardless of background or circumstance to be inspired, to thrive in all environments, to recognise what it takes to succeed, to set aspirational goals and work hard to achieve them. The vision is embodied in the Laurus Trust's four cornerstones: Academic Aspiration, Leadership & Service, Culture, Creativity & Rhetoric, Competition & Physical Endeavour.

The trust benefits from support provided by The Law Family Education Trust (LFET) to effectively enable all students within the Laurus Trust to have the same access to high quality enrichment as those students who attend private schools. The trust and LFET believe that the all-round educational attainment of individual students is substantially promoted by their participation in a whole range of activities, not just classroom based academic ones. Inspiring students through these activities will enable them to become better motivated, as well as being more respected by their peers.

Training in the use of voice, and performing arts generally, will inspire confidence and enhance the presentation skills of the pupils. Other extra-curricular activities, together with regular sport and exercise, and a sense of competitive spirit, will increase personal well-being, health and concentration levels. The trust will also promote team building skills, leadership, and a passion to perform to the best of one's ability in all disciplines. These higher levels of individual betterment will be achieved across all ability levels through a wide scope of activities. Leadership is a skill to be learned and cultivated. Students will learn about the importance of success, and how to cope with setbacks, not as failure but as a springboard to better achievement. There will be a focus on developing presentation skills and self-confidence in general. Inspiring students to broaden their horizons and believe that 'anything is possible', is absolutely key to post-education success. From nursery through to sixth form we will strive to provide the best all-round educational experience.

Objectives, strategies and activities

The main objectives of the trust during the year ended 31 August 2019 are summarised below:

- Academic focus: Headline performance and curriculum development.
- Management of growth: Transfer of an established school into the trust, Free school openings, management of capital projects, professional development of our employees, retention and recruitment.
- SCITT: Development of a Primary offering and a continued high recruitment rate for graduates from the programme.
- Reputational development: Establishing a strong brand with appropriate Quality Assurance and accountability. Oversubscribed schools.

Public benefit

The academy trust trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The catchment areas of Cheadle Hulme High School and Gorsey Bank Primary School are designated by the Local Authority and have not changed since academy status. The three new free schools do not have a catchment area and those living nearest to the schools have priority. The trustees have reviewed the pupil admission policies and consider there to be no barriers to entry on the grounds of gender, ethnicity or family circumstances.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Outlined below are the main headlines for schools within the trust with end of key stage results.

Gorsey Bank Primary School

Pupils achieving the Expected Standard (Scaled Score 100+)						
	School 2019	National 2019	School 2018	National 2018	School 2017	National 2017
Reading at Expected	93%	73%	93%	75%	83%	71%
Writing at Expected (TA)	92%	78%	93%	78%	84%	76%
Maths at Expected	97%	79%	93%	76%	85%	75%
R/W/M at Expected	92%	65%	90%	64%	73%	61%

Cheadle Hulme High School

Year 11 Results	CHHS 2019	National 2019	CHHS 2018	National 2018	CHHS 2017	National 2017
Progress 8	+0.75	0	+0.81	0	+0.70	0
Attainment 8	58.0	46.6	57.7	44.3	58.8	44.6
5+ in English & maths	67.3%	43%	66%	40%	68%	40%
4+ in English & maths	82%	64%	84%	60%	83%	59%

In 2019 the national progress for disadvantaged students was -0.44, at Cheadle Hulme High School this was +0.24, a difference of +0.8. This equates to Cheadle Hulme High School disadvantaged students making +0.8 grades more progress than their peers nationally.

Cheadle Hulme High School Sixth Form

A-Level	2019	2018	2017
Average A- level Grade	B	B	B
Average Point Score	41.21	41.00	38.94
A*-A	37%	50%	36%
A*-B	73%	77%	70%
AAB in 2x Facilitating	24.2%	29.3%	26.7%

In 2019, over 60% of our A-level students achieved places at Russell Group universities. Three of our students achieved places at Oxbridge.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

At our secondary schools, the co-curricular offer has continued to expand with many students having access to 30 different Electives provided by specialist coaches and our own staff including sports such as Boxing, Rugby Union, Netball and Lacrosse to more cultural and creative activities such as Fashion Design, Debating, Drama and the Laurus Scholars programme. The schools have also competed against each other in inaugural Laurus varsity matches. During the year, both our new secondary schools, Laurus Ryecroft and Laurus Cheadle Hulme were awarded the Gold Sports Mark, rewarding the schools for their commitment to the development of competition across the school and into the community. The award includes students officiating and leading, as well as competing in various different sports across the academic year.

In the Performing Arts, the first Laurus Musician of the Year competition was held and over 400 students had the opportunity to play a musical instrument during the year. Both Laurus Ryecroft and Laurus Cheadle Hulme were nominated for the Music Mark award in recognition of "a commitment to providing high quality music education for all children and young people".

Technology is a key curriculum driver in our primary schools. Investment in this area both in terms of infrastructure and in terms of professional development resulted in Gorsey Bank being awarded the prestigious NAACE Award. The assessor commented in her report that, 'There is a tangible sense of shared excitement in the school about the role that technology is playing. Opportunities to develop 'awe and wonder' and 'stretch and challenge' through the use of technology are taken wherever and whenever they are appropriate. This is not a superficial approach, but one which is developing depth and breadth in learning experiences.'

Meanwhile our pupils at Cheadle Hulme Primary School are benefitting from the trust's links with Manchester City by participating in their award winning 'City in the Community' programme which promotes health and confidence. They had a memorable very first school trip to Manchester City's stadium where the children were inspired by the players and coaches during an action packed day of fun activities. Physical Education is an important part of our core curriculum and through initiatives like this, pupils are taught about the importance of a healthy lifestyle.

The Altius Alliance continued to produce accomplished qualified secondary teachers during the year, with 34 successfully gaining their PGCE and recommended for qualified teacher status. 100% went into employment in the education sector with 18 employed by the trust. Much of the year was spent developing the primary SCITT offering and we were delighted to welcome, in September 2019, 13 new associate teachers ready to start their primary teaching careers alongside the 30 undertaking the secondary programme.

Club Laurus, the community sports facilities at Laurus Cheadle Hulme, opened in April 2019 to continue the trust's commitment to providing affordable activities to the local community that improves physical and mental wellbeing.

Our success in any year is down to the quality and commitment of our colleagues and we are incredibly proud of the calibre of staff we have in each of our schools and within the central services team. A recent staff survey highlighted that 95% would recommend working at the Laurus Trust to a friend and 87% felt that they had the opportunity to learn and develop in the last year. We have continued to focus on Professional Learning with 11 teachers completing their Masters in Education. We have also commenced Leadership programmes for our non-teaching staff as well as offering a number of apprenticeships.

The trustees are pleased that due to the growing strength of the reputation of the trust, coupled with the need to provide additional school places for children in Stockport and Tameside, all three of the trust's free schools that opened in September 2018 continue to be oversubscribed. We also opened Didsbury High School, an 11-18 free school in Manchester in September 2019, which was also oversubscribed. The expansion of the trust has led to an additional 147 new employees, excluding TUPE transfers.

A significant amount of due diligence, support and investment was carried out in the latter part of the financial year on the transfer of Hazel Grove High School into the trust. This was effective from 1 September 2019 and the board of trustees are delighted to welcome the 175 members of staff, all the students and their parents/carers into the Laurus Trust family.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

The trustees consider the following key performance indicators when assessing performance:

- Basic measures 9-5 Maths and English GCSE
Cheadle Hulme High School: 67% (2018: 66%)
- Key Stage 2 SATs Expected Standard
Gorsey Bank Primary School: Reading 93% (2018: 93%) Writing 92% (2018: 93%) Maths 97% (2018: 93%)
- Student Attendance
Cheadle Hulme Primary School: 98.2%
Gorsey Bank Primary School: 97%
Cheadle Hulme High School: 96.3%
Laurus Cheadle Hulme: 96.8%
Laurus Ryecroft: 97.7%
- Income (percentage derived from GAG) – 65% (2018: 58%)

Staff costs as a percentage of income – 66% (2018: 69%)

Going concern

After making appropriate enquiries, the board of trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Principal Accounting Policies.

Financial review

The Trust's financial position demonstrates total income of £58,406k (2018: £14,988k) with net incoming resources at the 31 August 2019 of £38,907k (2018: net incoming resources of £1,798k).

The primary income stream for the Trust is the funding received from the ESFA through the General Annual Grant (the 'GAG'). The total income recognised in the year from GAG was £11,771k (2018: £8,690k). The significant increase was due to the opening of three new schools in September 2018.

The principal financial management policies adopted in the year are:

- conducting regular financial reviews of income and expenditure versus planned budgets through the management accounts and at the Audit, Finance & Resources Committee meetings; and
- consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the academy trust's educational obligations.

Reserves policy

The level of reserves held at 31 August 2019 total £58,664k (2018: £19,757k). Total reserves excluding pension liability were £62,998k (2018: £21,793k). Total reserves excluding pension liability and restricted fixed asset reserves were £566k (2018: £507k). The reserves carried forward will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of school buildings, plant equipment and contents.

A strategic capital plan is prepared and reviewed each year by the Audit, Finance & Resources Committee in order that reserves can be prioritised and spent according to the needs of each school in the academy trust.

The deficit on the Local Government Pension Schemes of £4,334k at 31 August 2019 (2018: £2,036k) does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the academy trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Investment policy

A formal investment policy was adopted by the trustees in December 2012.

The aim of the policy is to ensure funds that the trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The trust does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

The trust will, after constructing and reporting forecasts versus budgets, consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the trust not to invest funds in this manner.

Principal risks and uncertainties

The trustees maintain and regularly monitor risks via a risk register. The objectives are to identify risk, assess each risk in terms of its inherent risk, and then its residual risk after the effect of controls in place have been taken into consideration. The trustees then assess if the controls in place are effective to mitigate each risk and set actions for the senior management to progress.

The principal risks are the loss of reputation through falling standards, falling student rolls, failure to safeguard the students of our schools and failure to recruit and retain the required calibre of staff and teachers to meet the strategic objectives.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the sub-committees of the trust board and the Local Academy Committees;
- professional learning programme in place for all staff;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- annual Health & Safety audits and a full compliance programme of inspections and maintenance of the trust estate;
- formal induction programme and written and published policies for employees; and
- vetting procedures as required by law for the protection of the vulnerable.

The Trust's employees are members of three defined benefit pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Schemes for Greater Manchester and Cheshire (LGPS). The Trust has recognised its share of the LGPS assets and liabilities in accordance with Financial Reporting Standard 102, Section 28. A deficit of £4,334k (2018: £2,036k) has been recognised at 31 August 2019. The TPS has been accounted for as a defined contribution scheme. Further details of the accounting policy adopted for each scheme are included in note 1 to the financial statements.

Due to the nature of the pension schemes there is an underlying risk to the Trust, which relates primarily to the uncertainty of the future funding requirements of each scheme, the results of which impact on the contribution rates for future employer contributions to each scheme. The Trustees have given due consideration to these risks.

Fundraising

The academy trust carried out a limited amount of fundraising events during the year including non-uniform days, fairs, cake sales and activities linked to national events such as Macmillan's Coffee Morning. The academy trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Any complaints are handled and monitored through the trust's complaints procedure.

THE LAURUS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The aim is to provide a structure for continuous improvement and achievement at all key stages and for the results at Key Stages 2, 3 and 4 to demonstrate year on year improvements. The trust also aims to have successful Ofsted inspection outcomes.

The trust has opened three free schools in September 2018 in Stockport and Tameside and one in Manchester in September 2019 and the aim is to ensure all these schools fulfil their remit of providing high quality school places in the communities they serve. Two of these schools offer future sixth form provision and the trust has approval to open an alternative provision free school in Stockport.

There is a school improvement plan in place for Hazel Grove High School, which transferred to the trust on 1 September 2019, with core aims of improving its financial position and improving the outcomes for students.

A capital works programme is regularly updated to ensure the schools are maintained and updated to the highest of standards within funding constraints. The newly opened schools are either in brand new purpose built accommodation or in temporary accommodation whilst the permanent buildings are constructed.

The trust continues to look at strategic opportunities for further growth assessing their potential impact on the trust's vision and the opportunity to deliver economies of scale.

Funds held as custodian trustee on behalf of others

No funds are held on behalf of other organisations.

Auditor

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a Strategic report, was approved by order of the members of the Trust on 4 December 2019 and signed on its behalf by:



L Elias
Trustee

THE LAURUS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the Laurus 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 only provide reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Laurus Trust and the Secretary of State for Education. They are also responsible for reporting to the local academy committee any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustee has formally met three times during the year. Attendance during the year at meetings of the Trust board was as follows:

Trustees	Meetings attended	Out of possible
L Magrath (CEO, Executive Head Secondary) (Resigned 27 February 2019)	2	2
L Elias	3	3
P Benton	3	3
D Brown	3	3
C Fisher	3	3
A Little (Chair of Trustees)	3	3
C Nevin	3	3
L Woolley	3	3
W Mason	3	3
D Kershaw	3	3
J Singleton (Resigned 13 November 2019)	0	3
R Kumar (Appointed 17 October 2018)	3	3
V Horsfield (Appointed 1 September 2019)	0	0

The board assesses the effectiveness of the trust's governance model on an annual basis particularly in light of the continued growth of the trust. During the year to 31 August 2019 the board maintained effective oversight of funds via the three board meetings and the delegation of certain authorities to the sub-committees according to the Scheme of Delegation.

T Little was appointed Chair of Trustees on 6 November 2018.

THE LAURUS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Audit, Finance & Resources Committee is a sub-committee of the Trust Board. Its purpose is to advise the board on all strategic financial management related issues. Attendance at meetings in the year was as follows:

Committee Member		Meetings Attended	Out of a possible
L Elias (Chair)		3	3
P Benton		3	3
C Nevin		3	3
C Fisher		2	2
D Brown		3	3
R Kumar		1	1

The Pay and Remuneration Committee is a sub-committee of the Trust Board. Its purpose is to approve the pay of all Leadership and teaching staff. Attendance at meetings in the year was as follows:

Committee Member		Meetings Attended	Out of a possible
P Benton		1	1
C Fisher		1	1
T Little		1	1
C Nevin		1	1

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money in the year by:

- Using the trust's purchasing power to negotiate some favourable rates for supplies and services. Trust wide catering, cleaning and printing contracts have been procured during the year.
- Further development of integrated curriculum and financial planning tools to maximise use of resources. KPIs are monitored as part of the monthly management accounts process. The trust also benefitted from a School Resource Management Advisor visit to identify further opportunities for efficiencies.
- Employment of a dedicated centrally employed team to proactively identify efficiencies and focus on individual school requirements.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

THE LAURUS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit, Finance & Resources Committee with any recommendations for changes being made to the board of trustees.

The risk and control framework

The Academy 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 of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Haines Watts as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included

- Expenditures system and controls
- Bank systems and controls
- Governance
- Website compliance
- Risk management

On a termly basis, Haines Watts the internal auditor reports to the board of trustees, through the Audit, Finance & Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

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

- work of the internal auditor
- financial management and governance self-assessment process
- work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

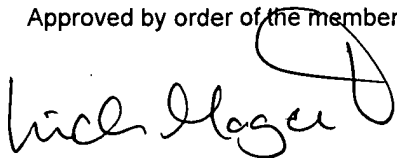
THE LAURUS TRUST

GOVERNANCE STATEMENT (CONTINUED)

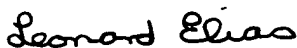
FOR THE YEAR ENDED 31 AUGUST 2019

The Accounting Officer has considered of the implications of the result of their review of the system of internal control by the Audit, Finance & Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members board of trustees on 04 December 2019 and signed on its behalf by:



L Magrath
CEO, Executive Head Secondary



L Elias
Trustee

THE LAURUS TRUST

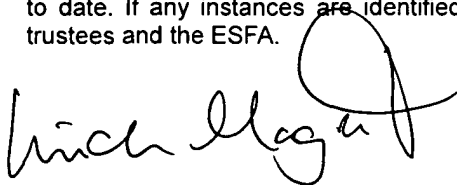
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As Accounting Officer of The Laurus Trust, I have considered my responsibility to notify the Academy Trust Board and the Education and Skills Funding Authority (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy Trust Board are able to identify any material irregularity or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



L Magrath
Accounting Officer

04 December 2019

THE LAURUS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of The Laurus Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 04 December 2019 and signed on its behalf by:



L Elias
Trustee

THE LAURUS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAURUS TRUST FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of The Laurus Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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 Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

THE LAURUS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAURUS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

THE LAURUS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAURUS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

4/12/19

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

THE LAURUS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LAURUS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Laurus Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Laurus Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Laurus Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Laurus Trust for the year ended 31 August 2019 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

THE LAURUS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LAURUS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Dated:4/12/19.....

THE LAURUS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted	Restricted funds:		Total	Restated
	Notes	Funds	General	Fixed asset	2019	Total
		£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	-	1,198	42,146	43,344	3,021
Charitable activities:						
- Funding for educational operations	4	-	13,113	-	13,113	10,087
- Funding for teaching school	25	-	1,051	-	1,051	1,221
Other trading activities	5	523	372	-	895	658
Investments	6	3	-	-	3	1
Total		<u>526</u>	<u>15,734</u>	<u>42,146</u>	<u>58,406</u>	<u>14,988</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	526	15,265	1,094	16,885	12,756
- Teaching school	25	-	1,012	-	1,012	1,158
Total	7	<u>526</u>	<u>16,277</u>	<u>1,094</u>	<u>17,897</u>	<u>13,914</u>
Net income/(expenditure)		-	(543)	41,052	40,509	1,074
Transfers between funds	17	-	(94)	94	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(1,602)	-	(1,602)	724
Net movement in funds		-	(2,239)	41,146	38,907	1,798
Reconciliation of funds						
Total funds brought forward		-	(1,529)	21,286	19,757	17,959
Total funds carried forward		-	(3,768)	62,432	58,664	19,757

THE LAURUS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information		Restated		Restated	Restated
Year ended 31 August 2018		Unrestricted		Restricted funds:	Total
	Notes	Funds	General	Fixed asset	2018
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	-	736	2,285	3,021
Charitable activities:					
- Funding for educational operations	4	-	10,087	-	10,087
- Funding for teaching school	25	-	1,221	-	1,221
Other trading activities	5	319	339	-	658
Investments	6	1	-	-	1
Total		<u>320</u>	<u>12,383</u>	<u>2,285</u>	<u>14,988</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	835	11,205	716	12,756
- Teaching school	25	-	1,158	-	1,158
Total	7	<u>835</u>	<u>12,363</u>	<u>716</u>	<u>13,914</u>
Net income/(expenditure)		(515)	20	1,569	1,074
Transfers between funds	17	-	(281)	281	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	724	-	724
Net movement in funds		<u>(515)</u>	<u>463</u>	<u>1,850</u>	<u>1,798</u>
Reconciliation of funds					
Total funds brought forward		515	(1,992)	19,436	17,959
Total funds carried forward		<u>-</u>	<u>(1,529)</u>	<u>21,286</u>	<u>19,757</u>

THE LAURUS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		Restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		62,432		21,286
Current assets					
Debtors	14	825		407	
Cash at bank and in hand		1,222		1,423	
		<u>2,047</u>		<u>1,830</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,481)		(1,323)	
Net current assets			566		507
Net assets excluding pension liability			62,998		21,793
Defined benefit pension scheme liability	19		(4,334)		(2,036)
Total net assets			<u>58,664</u>		<u>19,757</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			62,432		21,286
- Restricted income funds			566		507
- Pension reserve			(4,334)		(2,036)
Total restricted funds			<u>58,664</u>		<u>19,757</u>
Unrestricted income funds	17		-		-
Total funds			<u>58,664</u>		<u>19,757</u>

The accounts on pages 23 to 48 were approved by the trustees and authorised for issue on 04 December 2019 and are signed on their behalf by:

Leonard Elias

L Elias
Trustee

Company Number 07907463

THE LAURUS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(110)	316
Cash flows from investing activities			
Interest from investments		3	1
Capital grants from DfE Group		41,449	482
Capital funding received from sponsors and others		697	1,802
Purchase of tangible fixed assets		(42,240)	(2,561)
Net cash used in investing activities		(91)	(276)
Net (decrease)/increase in cash and cash equivalents in the reporting period		(201)	40
Cash and cash equivalents at beginning of the year		1,423	1,383
Cash and cash equivalents at end of the year		<u>1,222</u>	<u>1,423</u>

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Laurus Trust meets the definition of a public benefit entity under FRS 102.

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

1.3 Income

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

Sponsorship income

Sponsorship income provided to the academy 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.

Donations

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

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Other income

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 academy trust's accounting policies.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 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.

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 and assets held under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Buildings	6 - 50 years
Computer equipment	3 years
Fixtures, fittings & equipment	3 - 10 years

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leased assets

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

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The academy 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 academy 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 LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

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

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

1.12 Fund accounting

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

Restricted 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 and Skills Funding Agency.

1.13 Restatement of comparatives

The Trustees have reviewed the allocation of income and expenditure between funds and have corrected some misallocations made in prior years. Therefore the prior year comparatives have been restated. There is no overall impact on total funds.

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.

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

Critical accounting estimates and assumptions

The academy 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 19, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgement

The academy trust has assessed the financial statements for areas which may be considered critical areas of judgement, of which none have been identified.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	42,146	42,146	2,285
Other donations	-	1,198	1,198	736
	<u>-</u>	<u>43,344</u>	<u>43,344</u>	<u>3,021</u>

Included in Capital grants is £40,148k of donations from DFE in relation to the free school programme.

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	11,771	11,771	8,690
Start up grants	-	272	272	611
Other DfE group grants	-	733	733	567
	-	12,776	12,776	9,868
Other government grants				
Local authority grants	-	277	277	195
Other funding				
Other incoming resources	-	60	60	24
Total funding	-	13,113	13,113	10,087

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	179	-	179	166
Catering income	30	66	96	72
Trip income	-	306	306	267
Parental contributions	314	-	314	153
	523	372	895	658

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	3	-	3	1

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	9,188	1,094	1,466	11,748	8,755
- Allocated support costs	2,953	1,199	985	5,137	4,001
Teaching school					
- Direct costs	564	-	339	903	949
- Allocated support costs	73	-	36	109	209
	<u>12,778</u>	<u>2,293</u>	<u>2,826</u>	<u>17,897</u>	<u>13,914</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	18	16
- Other services	2	2
Operating lease rentals	34	38
Depreciation of tangible fixed assets	1,094	716
Net interest on defined benefit pension liability	64	62

8 Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- educational support services;
- estates and IT support services.

The academy trust charges for these services on a flat 5% of GAG income.

The amounts charged during the year were as follows:

	2019 £'000	2018 £'000
Cheadle Hulme High School	376	369
Gorse Bank Primary School	70	68
Cheadle Hulme Primary School	21	-
Laurus Cheadle Hulme	65	-
Laurus Ryecroft	55	-
	<u>587</u>	<u>437</u>

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	302	11,446	11,748	8,741
Teaching school	-	903	903	949
Support costs				
Educational operations	224	4,913	5,137	4,015
Teaching school	-	109	109	209
	<u>526</u>	<u>17,371</u>	<u>17,897</u>	<u>13,914</u>
	Teaching School £'000	Educational operations £'000	Total 2019 £'000	Total 2018 £'000
Analysis of support costs				
Support staff costs	73	2,953	3,026	2,616
Technology costs	-	135	135	72
Premises costs	-	1,199	1,199	822
Other support costs	36	787	823	662
Governance costs	-	63	63	52
	<u>109</u>	<u>5,137</u>	<u>5,246</u>	<u>4,224</u>

10 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	9,618	7,803
Social security costs	940	766
Pension costs	2,182	1,725
Staff costs	<u>12,740</u>	<u>10,294</u>
Staff development and other staff costs	38	20
Total staff expenditure	<u>12,778</u>	<u>10,314</u>

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	180	135
Administration and support	156	137
Management	9	9
	<u>345</u>	<u>281</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	3	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	1
£160,001 - £170,000	1	1
	<u>12</u>	<u>11</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,009,572 (2018: £828,838).

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

L Magrath (CEO and Trustee):

- Remuneration £80,000 - £90,000 (2018: £150,000 - £160,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £25,000 - £30,000)

D Brown (Staff Trustee):

- Remuneration £90,000 - £100,000 (2018: £90,000 - £100,000)
- Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

L Woolley (Staff Trustee):

- Remuneration £70,000 - £80,000 (2018: £70,000 - £80,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

W Mason (CFO and Trustee):

- Remuneration £80,000 - £90,000 (2018: £70,000 - £80,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

L Magrath resigned as trustee 27 February 2019, the amounts disclosed above for 2019 is for the period 1 September 2018 to their date of resignation.

During the year ended 31 August 2019, travel and subsistence payments totalling £826 were reimbursed or paid directly to five trustees (2018: £756 to four trustees).

12 Trustees and officers insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2018	23,781	962	722	25,465
Additions	38,040	1,330	2,870	42,240
At 31 August 2019	61,821	2,292	3,592	67,705
Depreciation				
At 1 September 2018	3,203	705	271	4,179
Charge for the year	710	291	93	1,094
At 31 August 2019	3,913	996	364	5,273
Net book value				
At 31 August 2019	57,908	1,296	3,228	62,432
At 31 August 2018	20,578	257	451	21,286

The academy trusts transactions relating to land and buildings included:

- the granting of a leasehold on Cheadle Hulme Primary School at a value of £4,448k over 125 years;
- the granting of a leasehold on Laurus Cheadle Hulme at a value of £14,048k over 125 years;
- the granting of a leasehold on Didsbury High School at a value of £19,045k over 125 years.

14 Debtors

	2019 £'000	2018 £'000
Trade debtors	119	15
VAT recoverable	148	104
Other debtors	8	1
Prepayments and accrued income	550	287
	825	407

15 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	483	184
Other taxation and social security	245	201
Other creditors	-	1
Accruals and deferred income	753	937
	1,481	1,323

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred income	2019	2018
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	522	647
		<u> </u>	<u> </u>
	Deferred income at 1 September 2018	647	696
	Released from previous years	(647)	(696)
	Resources deferred in the year	522	647
		<u> </u>	<u> </u>
	Deferred income at 31 August 2019	522	647
		<u> </u>	<u> </u>
	At the balance sheet date the academy trust was holding the following funds		
	• £236k was received in advance for school trips booked for 2019/20;		
	• £174k was received in advance from the Law Family Educational Trust;		
	• £60k was received in advance in relation to UIFSM;		
	• The remaining £52k consists of other small balances.		

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	444	11,771	(11,657)	(94)	464
Start up grants	-	272	(272)	-	-
Other DfE / ESFA grants	-	733	(733)	-	-
Other government grants	-	277	(277)	-	-
Teaching school	63	1,051	(1,012)	-	102
Other restricted funds	-	1,630	(1,630)	-	-
Pension reserve	(2,036)	-	(696)	(1,602)	(4,334)
	<u>(1,529)</u>	<u>15,734</u>	<u>(16,277)</u>	<u>(1,696)</u>	<u>(3,768)</u>
Restricted fixed asset funds					
Inherited on conversion	9,975	-	-	-	9,975
DfE group capital grants	5,117	41,449	(1,000)	-	45,566
Capital expenditure from GAG	834	-	(94)	94	834
Private sector capital sponsorship	5,360	697	-	-	6,057
	<u>21,286</u>	<u>42,146</u>	<u>(1,094)</u>	<u>94</u>	<u>62,432</u>
Total restricted funds	<u>19,757</u>	<u>57,880</u>	<u>(17,371)</u>	<u>(1,602)</u>	<u>58,664</u>
Unrestricted funds					
General funds	-	526	(526)	-	-
Total funds	<u>19,757</u>	<u>58,406</u>	<u>(17,897)</u>	<u>(1,602)</u>	<u>58,664</u>

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

Restricted general funds

Restricted general funds comprise all other restricted funds received and include grants received from the Education Skills Funding Agency and the Department for Education. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that could be carried forward at 31 August 2019.

Restricted fixed asset funds

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

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

Restated comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	235	8,690	(8,200)	(281)	444
Start up grants	-	611	(611)	-	-
Other DfE / ESFA grants	-	567	(567)	-	-
Other government grants	-	195	(195)	-	-
Teaching school	-	1,221	(1,158)	-	63
Other restricted funds	-	1,099	(1,099)	-	-
Pension reserve	(2,227)	-	(533)	724	(2,036)
	<u>(1,992)</u>	<u>12,383</u>	<u>(12,363)</u>	<u>443</u>	<u>(1,529)</u>
Restricted fixed asset funds					
DfE group capital grants	4,809	483	(175)	-	5,117
Capital expenditure from GAG	572	-	(19)	281	834
Donations on conversion	9,975	-	-	-	9,975
Private sector capital sponsorship	4,080	1,802	(522)	-	5,360
	<u>19,436</u>	<u>2,285</u>	<u>(716)</u>	<u>281</u>	<u>21,286</u>
Total restricted funds	<u>17,444</u>	<u>14,668</u>	<u>(13,079)</u>	<u>724</u>	<u>19,757</u>
Unrestricted funds					
General funds	<u>515</u>	<u>320</u>	<u>(835)</u>	<u>-</u>	<u>-</u>
Total funds	<u>17,959</u>	<u>14,988</u>	<u>(13,914)</u>	<u>724</u>	<u>19,757</u>

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds (Continued)

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
Cheadle Hulme High School	246	325
Gorsey Bank Primary School	233	177
Cheadle Hulme Primary School	55	-
Laurus Cheadle Hulme	84	-
Laurus Ryecroft	57	-
Central services	(109)	5
Total before fixed assets fund and pension reserve	566	507
Restricted fixed asset fund	62,432	21,286
Pension reserve	(4,334)	(2,036)
Total funds	58,664	19,757

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
Cheadle Hulme High School	5,998	1,313	1,391	1,200	9,902	10,574
Gorsey Bank Primary School	1,126	282	110	325	1,843	1,699
Cheadle Hulme Primary School	347	93	57	121	618	-
Laurus Cheadle Hulme	822	185	108	256	1,371	-
Laurus Ryecroft	734	158	100	165	1,157	-
Central services	686	1,059	41	220	2,006	396
	9,713	3,090	1,807	2,287	16,897	12,669

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Restricted funds:		Total Funds
	General	Fixed asset	
	£'000	£'000	£'000
Fund balances at 31 August 2019 are represented by:			
Tangible fixed assets	-	62,432	62,432
Current assets	2,047	-	2,047
Creditors falling due within one year	(1,481)	-	(1,481)
Defined benefit pension liability	(4,334)	-	(4,334)
Total net assets	(3,768)	62,432	58,664
	Restricted funds:		Total Funds
	General	Fixed asset	
	£'000	£'000	£'000
Fund balances at 31 August 2018 are represented by:			
Tangible fixed assets	-	21,286	21,286
Current assets	1,830	-	1,830
Creditors falling due within one year	(1,323)	-	(1,323)
Defined benefit pension liability	(2,036)	-	(2,036)
Total net assets	(1,529)	21,286	19,757

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The employers contribution will increase to 23.6% from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,027k (2018: £872k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

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 2019 are as noted below. The agreed contribution rates for future years are 16.7 - 31.3% for employers and 5.5 - 12.5% for employees.

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	2019 £'000	2018 £'000
Employer's contributions	513	250
Employees' contributions	181	94
Total contributions	694	344

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.9	2.4
Rate of increase for pensions in payment/inflation	2.3	2.9
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.5	21.9
- Females	23.8	24.3
Retiring in 20 years		
- Males	23.0	23.8
- Females	25.7	26.4

Combined sensitivity analysis	Approximate % increase to Employer Liability	Approximate monetary amount
Change in assumptions at 31 August 2019		£,000
0.5% decrease in real discount rate	13-14%	1,423
0.5% increase in the salary increase rate	2%	191
0.5% increase in the pension increase rate	11-12%	1,202

The academy trust's share of the assets in the scheme

	2019 Fair value £'000	2018 Fair value £'000
Equities	4,044	3,455
Bonds	1,028	895
Property	491	370
Cash	498	424
Total market value of assets	6,061	5,144

The actual return on scheme assets was £277,000 (2018: £467,000).

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	1,055	846
Past service cost	90	3
Interest income	(153)	(116)
Interest cost	217	178
Total operating charge	1,209	911
Changes in the present value of defined benefit obligations		2019 £'000
At 1 September 2018		7,180
Current service cost		1,055
Interest cost		217
Employee contributions		181
Actuarial loss		1,726
Benefits paid		(54)
Past service cost		90
At 31 August 2019		10,395
Changes in the fair value of the academy trust's share of scheme assets		2019 £'000
At 1 September 2018		5,144
Interest income		153
Actuarial gain		124
Employer contributions		513
Employee contributions		181
Benefits paid		(54)
At 31 August 2019		6,061

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Reconciliation of net income to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	40,509	1,077
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(42,146)	(2,297)
Investment income receivable	(3)	(1)
Defined benefit pension costs less contributions payable	632	(328)
Defined benefit pension net finance cost	64	1,573
Depreciation of tangible fixed assets	1,094	474
(Increase)/decrease in debtors	(418)	1,705
Increase/(decrease) in creditors	158	(1,808)
Net cash (used in)/provided by operating activities	(110)	395

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	50	34
Amounts due in two and five years	112	26
	162	60

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The trustees have agreed that no purchases of goods or services may take place from organisations in which trustees have an interest.

During the year The Law Family Educational Trust (a trust member) donated £1,695k (2018: £2,620k) to the academy trust.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2019*

23 Post balance sheet events

The Trust opened a free school (Didsbury High School) on 2 September 2019.

On 1 September 2019, Hazel Grove High School and all its assets and liabilities transferred to the Laurus Trust.

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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 £10 for the debts and liabilities contracted before he or she ceases to be a member.

THE LAURUS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Teaching school trading account	2019		2018	
	£'000	£'000	£'000	£'000
Direct income				
Government grants		561		858
Other income		490		363
		<u>1,051</u>		<u>1,221</u>
Direct costs				
ITT bursaries	564		535	
Direct Staff Costs	264		365	
Staff development	-		20	
Other direct costs	75		29	
	<u>903</u>		<u>949</u>	
Other costs				
Support staff costs	73		164	
Technology costs	-		1	
Recruitment and support	3		3	
Rent and rates	-		13	
Catering	-		2	
Other support costs	33		22	
Share of governance costs	-		4	
	<u>109</u>		<u>209</u>	
Total expenditure		(1,012)		(1,158)
Surplus/(deficit) from all sources		39		63
Teaching school balances at 1 September 2018		63		-
Teaching school balances at 31 August 2019		<u>102</u>		<u>63</u>

Included within teaching schools is the Altius Alliance SCITT which was approved for accreditation as a provider of Initial Teacher Training by the National College of Teaching and Leadership (now DFE) in July 2014 in order to start in September 2015 under the name of the Atticus Alliance SCITT.

The Altius Alliance SCITT offers Qualified Teacher Status for trainees of primary and secondary education.