

Company Registration No. 05735093 (England and Wales)

THE LAIDLAW SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

TUESDAY



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COMPANIES HOUSE

THE LAIDLAW SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Founding Sponsor	Lord Laidlaw of Rothiemay
Chair of trustees and Sponsor's representative	P Fair OBE
	P Marshall (resigned 31/12/15)
	G Robertson (appointed 01/01/16)

Board of directors and trustees

P Fair OBE (Chair of trustees and Sponsor's representative)
J Spence
C Jobe (Accounting Officer)
Dr M Farsi
A Hunter
E Bolton
L Conlon
G Ward (Resigned 31 January 2016)
P Sehgal
F Okukusie
M Martin (Resigned 30 December 2015)
P Solly (Appointed 3 March 2016)
J Owens (Appointed 21 June 2016)

Senior management team

- Business Manager	P Snowdon (resigned as Business Manager 31 March 2016)
- Excelsior Academy	P Marshall (Executive Principal - resigned 31 December 2015)
- Excelsior Academy	C Taylor (Executive Principal - appointed 31 December 2015)
- Atkinson Road Primary Academy	A O'Neill (Principal)
- Thomas Walling Primary Academy	J Scott (Principal to 31 st December 2015)
- Thomas Walling Primary Academy	L Greensides (Principal) from 1 st February 2016

Company secretary

P Snowdon

Company registration number

05735093 (England and Wales)

Registered office

Excelsior Academy
Denton Road
Newcastle upon Tyne
NE15 6AF

Academies operated

Excelsior Academy
Atkinson Road Primary Academy
Thomas Walling Primary Academy

Location

Newcastle upon Tyne
Newcastle upon Tyne
Newcastle upon Tyne

Principal

C Taylor
A O'Neill
E R Greensides

Independent auditor

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

THE LAIDLAW SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

Solicitors

Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities", the Academies: Accounts Direction 2015 issued by the Education Funding Agency and Companies Act 2006.

The academy trust operates three academies for pupils aged 2 to 18.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee with no share capital (registration no. 05735093) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. Members of the charitable company are nominated by Lord Laidlaw, the main sponsor of the Trust. The articles of association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust. The articles of association were last amended on 22 September 2016.

The trustees of The Laidlaw Schools Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees and trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each 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 £1, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

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

Policies and procedures adopted for the induction and training of trustees

During the year under review the trustees held 3 meetings. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new trustees will be given a tour of the Academies within the Trust and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

Laidlaw Schools Trust

Lord Laidlaw (Founding Sponsor)

P Fair OBE (Chair of trustees and Sponsor's representative)

P Marshall (resigned 31/12/15)

G Robertson (joined 01/01/16)

Board of Trustees and Directors

P Fair OBE (Chair of trustees and Sponsor's representative)

C Jobe

M Farsi

A Hunter

E Bolton

L Conlon

G Ward (resigned 31/01/16)

P Sehgal

J Spence

F Okukusie

P Solly (appointed 03/03/16)

J Owens (appointed 21/06/16)

M Martin (resigned 30/12/15)

Thomas Walling Local Advisory Board

E Bolton

C Denley

J Scott (resigned 31/12/15)

L Greensides (appointed 01/02/16)

V Rook

L Coombs

I Gallagher

A Dyson

L Jerahuni

F Orrock

L Foster

J Spence

Atkinson Road Local Advisory Board

L Conlon

A O'Neill

P Jarvis

G Ward

S Bone

C Shaw

C Wood

P Thompson

A Turnbull

A Harding

A Raven

S McGurk

J Owens (joined 21/06/16)

Excelsior Academy Local Advisory Board

M Farsi

F Okukusie

G Graham

H Sorely

A Wynn

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

Excelsior Academy opened in September 2008 with a structure of four 11-16 schools and a sixth form (Excelsior College). The structure consists of the senior leadership group and the senior team of each of the four 11-16 schools. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. In September 2013 the Trust moved to three 11-16 schools and introduced a primary phase for children aged 4-11. In January 2015 a change of age range saw the admission of nursery children aged 3 years.

Atkinson Road Primary Academy joined the Trust on 1 June 2012. It is a traditional primary school for children aged 4-11 with a principal and a deputy principal.

Thomas Walling Primary Academy joined the Trust on 1 April 2014. It is a primary school for children aged 3-11 with a principal and two deputy principals. Provision for 2 year old pupils was put in place from January 2015.

The board of trustees is responsible for setting general policy, adopting an annual plan and budget, monitoring each academy by the use of budgets and making major decisions about the direction of the academies, capital expenditure and senior staff appointments.

On the 31 August 2016 the senior leadership group at Excelsior Academy consisted of the executive principal, three secondary school principals, a primary school principal, the director of Excelsior College, a business manager and a lead welfare professional. These managers control the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. The executive principal is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the management team always contain at least one trustee. Some spending control is devolved to members of the management team.

The school team of each school includes the school principal, the standards manager and the welfare manager. These managers are responsible for the day to day operation of the academies, in particular organising the teaching staff, facilities and students.

At Atkinson Road Primary Academy and Thomas Walling Primary Academy the day to day management is carried out by the principals and their deputies.

Arrangements for setting pay and remuneration of key management personnel

The pay of the Trust's principals, school principals at Excelsior Academy and senior Trust staff will be determined by the trustees. Decisions will be taken based on the individual Academy's circumstances, the responsibilities involved and market conditions to attract and retain quality professionals to drive improvement. The Trust set salary levels based on the responsibilities of the posts. It does not operate school groups as prescribed the STPCD. Trust principals and Excelsior Academy school principals are awarded spot salaries that are reviewed on an annual basis - they are not awarded a pay range. There is no automatic progression. The Trust may award any salary as it sees fit to fill these posts.

Each principal must demonstrate sustained high quality of performance in respect of academy leadership and management and pupil progress, and is subject to a review of the totality of their performance as agreed with their performance manager as part of their annual appraisal before any discretionary pay increases can be awarded.

Annual pay progression is not automatic. The Trust's Chair may choose to award a pay increase, or an annual bonus, or both or neither.

Other senior leaders must demonstrate sustained high quality or performance in respect of academy or subject leadership and management and pupil progress, and is subject to a review of the totality of their performance as agreed with their performance manager as part of their annual appraisal before any discretionary pay increases can be awarded.

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties and co-operation with other organisations

During the year, the Trust recognised sponsorship income from Lord Laidlaw of Rothiemay, who is a member of the Trust:

Capital income - £nil (2015: £104,264)

Other income - £830,468 (2015: £747,599)

At 31st August 2016, £195,622 (2015: £314,294) was due to be received from the Sponsor of the Trust on submission of a claim and is included within other debtors.

Further details are stated in note 25 to the financial statements.

OBJECTIVES AND ACTIVITIES

The principal object and activity of the charitable company is the operation of the Trust to advance for the public benefit education for pupils of different abilities at Atkinson Road Primary Academy and Thomas Walling Primary Academy (which joined the Trust on 1st April 2014) for pupils aged between 2 and 11 and at Excelsior Academy (an all through Academy) for pupils between 3 and 18 years of age.

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

The main objectives of the Trust during the year ended 31 August 2016 are summarised below:

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

Public benefit

The trustees confirm, that to the best of their knowledge and belief, they have complied with section 4 of the Charities Act 2006 in respect of having due regard to public benefit guidance published by the Charity Commission.

Equal opportunities policy

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

Disabled persons

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

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Excelsior Academy is now in its ninth year of operation and there is more evidence that the organisation, ethos and leadership of the Academy continue to have a positive effect on attainment, behaviour and attendance. Results in year 1 were broadly in line with the predecessor school but since then standards have improved year on year. In August 2013 Excelsior Academy achieved above National Floor targets for 5+ GCSE grades including English and maths for the first time. In 2014 Excelsior was one of the highest performing secondary school/academies for both attainment and progress of the 149 in the north east region despite having the most complex and challenging secondary intake and this position was achieved again in 2015 and 2016. Best ever results in 2016 included the 8th highest progress 8 score of the 149 secondary schools in the north east region. A level results have also improved year on year and have been above floor for both academic A levels and Vocational. Each year record numbers of pupils have progressed to University. Excelsior Academy's new primary provision, Rainbird, has quickly established and grown. It has also achieved or exceeded all targets.

Atkinson Road Primary Academy continues to achieve well despite the exceptional challenges it faces through the complex and turbulent nature of its intake. While published figures look low, they are not able to reflect the uniqueness of Atkinson Road. Its constant cohort of pupils which represents only around half of its intake achieve at or above national expectations in the main.

Thomas Walling Primary Academy is now making good progress after experiencing a turbulent period last year. A recent OfSTED inspection in September 2016 summarised that the leadership and management provided by the headteacher, trustees and LST are good.

Financial review

Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academies also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2016, total expenditure of £15,631,954 (excluding depreciation of £1,021,647) was more than covered by the recurrent grant funding from the EFA together with other incoming resources including donations from the Sponsor. The excess of income over expenditure for the year (excluding depreciation) was £199,454.

Including depreciation and adjustments for FRS 102, the net movement in funds was a deficit of £4,702,193.

At 31st August 2016 the net book value of fixed assets was £33,455,344 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

As at 31st August 2016 the FRS 102 pension deficit amounted to £6,480,900. This is a large increase from 2015 but mirrors the picture across the country due to low or zero interest rates and is arguably affected by the vote to leave the EU.

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

Financial and risk management objectives and policies

The board takes seriously its responsibilities to implement financial controls to an extremely high standard and ensures that the provision and prescription laid down in EFA documentation is in place. The board works to ensure the financial health of the Trust and since its first academy opened in 2008 sound financial management and governance has resulted in a position where there is a positive position in terms of reserves to fund future projects e.g. ICT replacement. Trustees and the finance team have worked diligently to embed financial systems that are robust ensuring that resources go to where they are best spent and that all control systems are in place and probity is secure.

In 2011 following an audit by YPLA the Trust was awarded an 'outstanding' grade for financial management and governance. This was again awarded by EFA in 2012. Although this grading system no longer exists the directors continue to monitor financial management and performance closely.

There is a comprehensive risk register in place that is reviewed annually with the top risks being reviewed at each meeting of the audit committee.

Reserves policy

The board review the reserve levels of the academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board has determined that the appropriate level of free reserves should be equivalent to two months expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academies' current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £452,969 which is less than is needed. The Trust intends to continue building up free reserves to the level needed.

Investment policy

The operations director and business managers liaise closely with Barclays Bank to ensure the best available rate of return on no risk investments.

Key performance indicators

LST is pleased to report the good progress made by all its academies during 2015 – 2016 against the key academic, behaviour and attendance set for pupils and the performance targets set for staff.

None of the academies were subject to an OfSTED inspection during the academic year, all 3 are rated as good. The performance of all academies is subject to a termly review conducted by an external consultants.

Consultants support the assessment made by LST Academy Principals that the quality of teaching overall is good in all academies, with much that is outstanding. Where the performance of teachers is not good there is robust and effective support in place.

In terms of attendance, all academies sustained their focus on ensuring that all pupils have good attendance and achieved overall attendance at or close to national average. Persistent absence remains a challenge for a minority of pupils, but it is recognised by OfSTED, DFE and external consultants that all academies are employing an extensive range of strategies to address this.

In terms of pupils' behaviour and support for welfare, all external reviews commissioned by Principals and LST support Principals' assessment that behaviour and support for welfare is at least good and often described as exemplary.

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

In terms of academic outcomes. None of LST academies were below DfE floor standards for 2015 – 2016. Excelsior Academy's GCSE progress 8 score, the most relevant of the new DfE Performance indicators for KS4 outcomes was within the top 10 of all 148 secondary schools/ academies in the north east region. Outcomes at A Levels were also mainly at or above targets set from GCSE outcomes for both vocational and academic GCSE and record numbers of pupil secured a place at the university of their choice.

Progress and attainment for LST Primary academes was at close to or slightly better than targets. Atkinson Road's published results need to be closely analysed as the pupil turbulence for Atkinson Road is exceptionally high. Only 35/61 year 6 children had been at ARPA throughout their school experience.

The table below shows that when the results of the constant cohort of pupils is taken into account the attainment for those pupils is close to or above national average.

LST – KS2 SAT Results

Percentage of pupils to Achieve Age Related Expectations (ARE) and Greater Depth (GD)

Atkinson Road	Reading ARE	Reading GD	Writing ARE	Writing GD	Maths ARE	Maths GD	SPAG ARE	SPAG GD	Combined
Total Cohort	30%	3%	53%	28%	47%	2%	55%	2%	22%
Constant Cohort	53%	6%	75%	47%	72%	3%	81%	3%	42%
National Avg.	66%		74%		70%		72%		53%

Thomas Walling	Reading ARE	Reading GD	Writing ARE	Writing GD	Maths ARE	Maths GD	SPAG ARE	SPAG GD	Combined
Total Cohort	54%	11%	75%	14%	63%	16%	77%	23%	48%
Constant Cohort	67%	12.5%	69%	9%	76%	19%	72%	31%	56%
National Avg.	66%		74%		70%		72%		53%

The table below shows the outcomes for Excelsior Academy GCSE over time against previous external performance indicators.

However, new headline indicators were introduced for 2016, with a greater emphasis on progress for all pupils. Excelsior's outcome for this was well above National Average and well above DfE floor standards and placed Excelsior within the top 10 schools/ academies in the 12 Local authorities in the north east region.

	2008 Westgate	2009	2010	2011	2012	2013	2014	2015	2016
C+ En	18%	22%	35%	38 %	47%	44%	48%	53%	62%
C+ Ma	21%	17%	32%	38%	49%	65%	65%	65%	62%
5+ *- CEM	14%	12%	25.24%	30%	37%	42%	41%	45%	46%
3 + LP En	25%	26%	49%	47%	63%	64%	64%	75%	82%
3 + LP Ma	9%	15%	41%	38%	55%	76%	65%	68%	73%

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students improve attendance and get jobs or a place in higher education once they leave. The three academies will work very closely together for the benefit of pupils and families. The Trust changed the age range at Excelsior Academy to 3-18 and in Thomas Walling to 2-11 within the 15/16 financial year.

The Trust has been working closely with the DfE and the Regional Schools Commissioner (RSC) for the North who has asked LST to become sponsor at Academy 360 in Sunderland. LST has also submitted an application to open an Alternative Provision Free School in the west of Newcastle. The application has been approved and the Trust is currently working closely with the DfE in developing the new provision for an opening probably in September 2018.

Overall the strategic direction of LST is towards a small local Multi Academy Trust based on a "hub and spoke model". Discussions with RSC have focused on the possibility of three or four of these hubs with an all through academy and its associated primary schools.

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

Principal risks and uncertainties

Principal risks are centred on pupil numbers and cuts to public funding. There are many secondary surplus places in the City of Newcastle. Numbers coming through from primary will increase in time and over the next few years there is a need for proactive budget forecasting and management to ensure potential reductions in budgets are planned for in a timely manner.

Excelsior Academy became an all through academy (4 – 19 years) in September 2013 with the introduction of reception and year 1 classes. A new reception intake started school in September 2014 and a nursery class commenced in 2014/15. Rainbird Primary (the name given to the nursery and primary element of the Academy) is proving to be very successful and now takes in pupils in all primary year groups from nursery to year 6.

Risk management

The board has assessed the major risks to which the academies are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academies, and their finances. The board has implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academies have effective systems of internal financial controls and this is later explained in more detail.

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

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

Statement as to disclosure of information to auditor

In so far as the trustees are aware:

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

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 14/12/16 and signed on its behalf by:



.....
P Fair OBE
Chair

THE LAIDLAW SCHOOLS TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to one of its trustees, Chris Jobe, 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 Trust and the Secretary of State for Education. He is also responsible for reporting to the board of trustees 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 trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
P Fair OBE (Chair of trustees and Sponsor's representative)	3	3
J Spence	1	3
C Jobe (Accounting Officer)	3	3
Dr M Farsi	3	3
A Hunter	2	3
E Bolton	3	3
L Conlon	2	3
G Ward (Resigned 31 January 2016)	0	1
P Sehgal	3	3
F Okukusie	3	3
M Martin (Resigned 30 December 2015)	1	1
P Solly (Appointed 3 March 2016)	1	2
J Owens (Appointed 21 June 2016)	0	0

The finance, personnel and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to oversee the Trusts' financial affairs and assist the decision making of the board of trustees.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P Fair OBE (Chair of trustees and Sponsor's representative)	4	6
J Spence	6	6
C Jobe (Accounting Officer)	6	6
P Sehgal	6	6

THE LAIDLAW SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

The audit committee is a sub-committee of the main board of trustees. Its purpose is to oversee the Trusts' financial affairs and assist the decision making of the board of trustees.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P Fair OBE (Chair of trustees and Sponsor's representative)	2	3
J Spence	3	3
C Jobe (Accounting Officer)	3	3
P Sehgal	3	3
M Martin (Resigned 30 December 2015)	1	1
P Solly (Appointed 3 March 2016)	1	1

Review of value for money

As accounting officer, Chris Jobe, 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 during the year by:

- One of the staff at Excelsior Academy has changed role from catering manager to purchasing and funding manager. The role requires the postholder to obtain best value in all purchases and ensure maximum income from any available grants. This has proved very effective and this will be rolled out across the Trust. This has produced £25,000 of savings in just a few months.
- At Thomas Walling Primary Academy an unused toilet area was converted into additional provision for two year old pupils. Starting education as early as possible is extremely important so the change of use of this area is benefitting the Academy and the pupils and their families.
- At Excelsior Academy an unused area has been converted into an engineering base to support students with vocational studies and qualifications. This was excellent use of the money and benefits students directly and makes excellent use of what was previously a storage area.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees and the audit committee has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE LAIDLAW SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- the monitoring of financial management and performance by the accounting officer;
- regular reviews by the finance, personnel 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 by the audit committee with recommendations to the board.

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

- the type of risks the Trust faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Trust's ability to reduce the incidence and impact on the academies' operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the management team to implement the governors' policies and to identify and evaluate risks for the trustees' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Trust's operations so that it becomes part of the culture of the Trust;
- developed systems to respond quickly to evolving risks arising from factors within the Trust and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the trustees together with details of corrective action being undertaken.

In line with the provisions of the Academies Financial Handbook an audit committee has been established to enhance financial management and increase checks and balances.

The board of trustees has considered a need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed RSM Risk Assurance Services LLP to perform additional checks.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

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

THE LAIDLAW SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

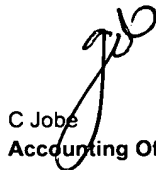
Terms of reference have been agreed for the audit committee to support financial probity. The committee manages and monitors risk, receives reports from external auditors and considers documentation received from the EFA.

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

Approved by order of the board of trustees on 14/12/16 and signed on its behalf by:



P Fair OBE
Chair of trustees



C Jobe
Accounting Officer

THE LAIDLAW SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Laidlaw Schools Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular 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 2015.

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 EFA.


C Jobe
Accounting Officer

14/12/16

THE LAIDLAW SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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


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

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

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

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

Approved by order of the members of the board of trustees on 14/12/16 and signed on its behalf by:



P Fair OBE
Chair of trustees

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

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of The Laidlaw Schools Trust for the year ended 31 August 2016 set out on pages 20 to 43. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/16 issued by the Education Funding Agency.

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.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 17, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/16 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the trustees' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAIDLAW SCHOOLS TRUST (CONTINUED)

YEAR ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

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

RSM UK Audit LLP

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

Dated: 19/12/16.....

THE LAIDLAW SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2016	Total 2015
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	-	921,183	49,802	970,985	3,006,327
Charitable activities:						
- Funding for educational operations	4	-	14,545,937	-	14,545,937	14,324,185
Other trading activities	5	304,389	-	-	304,389	267,103
Investments	6	10,097	-	-	10,097	12,580
Total income and endowments		314,486	15,467,120	49,802	15,831,408	17,610,195
Expenditure on:						
Raising funds	7	250,981	-	-	250,981	220,466
Charitable activities:						
- Educational operations	8	-	15,380,973	1,021,647	16,402,620	17,771,003
Total expenditure	7	250,981	15,380,973	1,021,647	16,653,601	17,991,469
Net income/(expenditure)		63,505	86,147	(971,845)	(822,193)	(381,274)
Transfers between funds	18	-	(273,435)	273,435	-	-
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	24	-	(3,880,000)	-	(3,880,000)	370,000
Net movement in funds		63,505	(4,067,288)	(698,410)	(4,702,193)	(11,274)
Reconciliation of funds						
Total funds brought forward		389,464	(119,579)	34,153,754	34,423,639	34,434,913
Total funds carried forward		452,969	(4,186,867)	33,455,344	29,721,446	34,423,639

THE LAIDLAW SCHOOLS TRUST**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	12		33,455,344		34,153,754
Current assets					
Debtors	13	1,222,398		1,034,583	
Cash at bank and in hand		4,065,597		3,913,708	
		5,287,995		4,948,291	
Current liabilities					
Creditors: amounts falling due within one year	14	(2,537,993)		(2,113,006)	
Net current assets			2,750,002		2,835,285
Total assets less current liabilities			36,205,346		36,989,039
Creditors: amounts falling due after more than one year	15		(3,000)		(4,500)
Net assets excluding pension liability			36,202,346		36,984,539
Defined benefit pension liability	24		(6,480,900)		(2,560,900)
Net assets			29,721,446		34,423,639
Funds of the academy trust:					
Restricted funds	18				
- Restricted fixed asset funds			33,455,344		34,153,754
- Restricted general funds			2,294,033		2,441,321
- Pension reserve			(6,480,900)		(2,560,900)
Total restricted funds			29,268,477		34,034,175
Unrestricted income funds	18		452,969		389,464
Total funds			29,721,446		34,423,639

The financial statements set out on pages 20 to 43 were approved by the board of trustees and authorised for issue on 14/12/16 and are signed on its behalf by:


 P Fair OBE
 Trustee

THE LAIDLAW SCHOOLS TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21		536,846		1,720,210
Cash flows from investing activities					
Interest received		10,097		12,580	
Capital grants from DfE and EFA		49,802		41,764	
Capital funding from sponsors and others		-		353,347	
Payments to acquire tangible fixed assets		(443,356)		(577,494)	
			(383,457)		(169,803)
Cash flows from financing activities					
New Salix loan		-		6,000	
Repayment of Salix loan		(1,500)		-	
			(1,500)		6,000
Change in cash and cash equivalents in the reporting period			151,889		1,556,407
Cash and cash equivalents at beginning of the year			3,913,708		2,357,301
Cash and cash equivalents at end of the year			4,065,597		3,913,708

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

The Laidlaw Schools Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These financial statements are the first financial statements of The Laidlaw Schools Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of The Laidlaw Schools Trust for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

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

Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 financial statements 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 financial statements.

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.

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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

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

Sponsorship income

Sponsorship income provided to the 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.

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 goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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.

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.

Expenditure on raising funds

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

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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.

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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Fixtures, fittings and equipment	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

Leased assets

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

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 LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the 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 net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/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.

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 Funding Agency/Department for Education.

Agency arrangements

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

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies (Continued)

Financial instruments

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

Financial assets and liabilities

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Private sponsorship	-	830,468	830,468	851,863
DfE contribution for roof	-	-	-	1,788,503
Capital grants	-	49,802	49,802	290,847
Other donations	-	90,715	90,715	75,114
	-	970,985	970,985	3,006,327

The income from donations and capital grants was £970,985 (2015: £3,006,327) of which £921,183 was restricted (2015: £2,611,216) and £49,802 was restricted fixed assets (2015: £395,111).

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	12,535,013	12,535,013	12,463,342
Start up grants	-	-	-	19,111
Other DfE / EFA grants	-	1,621,077	1,621,077	1,410,643
	-	14,156,090	14,156,090	13,893,096
Other government grants				
Local authority grants	-	389,847	389,847	431,089
Total funding	-	14,545,937	14,545,937	14,324,185

The income from funding for educational operations was £14,545,937 (2015: £14,324,185) of which £14,545,937 was restricted (2015: £14,324,185).

Under the funding agreement with the Secretary of State, Excelsior Academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

Excelsior Academy did not exceed the limits during the year ended 31 August 2016.

The funding agreements of Atkinson Road and Thomas Walling Primary Academies are not subject to a limit on the GAG available to carry forward.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Lettings income	41,833	-	41,833	48,276
Catering income	238,027	-	238,027	211,446
Other income	24,529	-	24,529	7,381
	304,389	-	304,389	267,103

The income from other trading activities was £304,389 (2015: £267,103) of which £304,389 was unrestricted (2015: £267,103).

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	10,097	-	10,097	12,580

The income from funding for investment income was £10,097 (2015: £12,580) of which £10,097 was unrestricted (2015: £12,580).

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	-	-	250,981	250,981	220,466
Academy's educational operations					
- Direct costs	8,925,142	1,021,647	855,748	10,802,537	10,410,683
- Allocated support costs	3,198,029	692,958	1,709,096	5,600,083	7,360,320
Total expenditure	12,123,171	1,714,605	2,815,825	16,653,601	17,991,469

The expenditure on raising funds was £250,981 (2015: £220,466) of which £250,981 was unrestricted (2015: £220,466).

Remedial works to the Excelsior Academy roof were undertaken in the prior year resulting in exceptional costs of £1,629,536 being incurred by the Trust.

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor		
- Audit	14,750	15,100
- Other services	15,030	7,335
Operating lease rentals	181,153	140,783
Net interest on defined benefit pension liability	80,000	100,000
Depreciation of tangible fixed assets	1,021,647	1,000,559

Central services

The Academy Trust provided central services to its Academies during the year.

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Expenditure (Continued)

The amounts charged during the year were as follows:

	Total £
Excelsior Academy	35,580
Atkinson Road Primary Academy	41,833
Thomas Walling Primary Academy	38,500
	<u>115,913</u>

8 Charitable activities

	2016 £	2015 £
All from restricted funds:		
Direct costs - educational operations	10,802,537	10,410,683
Support costs - educational operations	5,600,083	7,360,320
	<u>16,402,620</u>	<u>17,771,003</u>

The expenditure on educational operations was £16,402,620 (2015: £17,771,003) of which £15,380,973 was restricted (2015: £16,770,444) and £1,021,647 was restricted fixed assets (2015: £1,000,559).

	2016 £	2015 £
Analysis of support costs		
Support staff costs	3,198,029	3,016,518
Technology costs	398,171	451,741
Premises costs	692,958	2,389,428
Other support costs	1,209,347	1,412,514
Governance costs	101,578	90,119
	<u>5,600,083</u>	<u>7,360,320</u>

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs

	2016 £	2015 £
Wages and salaries	9,374,668	9,472,797
Social security costs	764,676	698,562
Other pension costs	1,445,677	1,328,142
Total staff costs	11,585,021	11,499,501
Supply staff costs	326,196	37,331
Staff restructuring costs	92,960	18,000
Staff development and other staff costs	118,994	207,462
	12,123,171	11,762,294

Staff numbers

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

	2016 Number	2015 Number
Teachers	152	153
Administration and support	254	264
Management	8	8
	414	425

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	3	5
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£170,001 - £180,000	-	1

Non statutory/ non contractual staff severance payments

Included in staff restructuring costs are non-statutory/ non contractual severance payments totalling £117,960. Individually the payments were: £9,500, £46,460, £1,500, £33,500, £13,000 and £14,000.

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 national insurance and pension contributions) received by key management personnel for their services to the academy trust was £460,135 (2015: £697,778).

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Trustees' remuneration and expenses

None of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principals only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The Chair and Accounting Officer are not remunerated by the Trust.

During the year, travel and subsistence expenses totalling £2,485 (2015: £2,775) were reimbursed to trustees.

Related party transactions involving the trustees are set out in note 25.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £12,000,000 on any one claim and the cost for the year ended 31 August 2016 was £2,083 (2015: £1,702). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 September 2015	38,224,797	6,926,343	45,151,140
Additions	15,262	307,975	323,237
At 31 August 2016	38,240,059	7,234,318	45,474,377
Depreciation			
At 1 September 2015	4,636,488	6,360,898	10,997,386
Charge for the year	764,135	257,512	1,021,647
At 31 August 2016	5,400,623	6,618,410	12,019,033
Net book value			
At 31 August 2016	32,839,436	615,908	33,455,344
At 31 August 2015	33,588,309	565,445	34,153,754

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Debtors	2016 £	2015 £
Trade debtors	8,774	7,580
Other debtors	601,159	628,934
Prepayments and accrued income	612,465	398,069
	<u>1,222,398</u>	<u>1,034,583</u>
14 Creditors: amounts falling due within one year	2016 £	2015 £
Other loans	1,500	1,500
Trade creditors	824,810	450,833
Other taxation and social security	222,174	55,828
Other creditors	1,103,492	943,029
Accruals and deferred income	386,017	661,816
	<u>2,537,993</u>	<u>2,113,006</u>
Other loans relates to a Salix loan received from the EFA.		
15 Creditors: amounts falling due after more than one year	2016 £	2015 £
Other loans	<u>3,000</u>	<u>4,500</u>
Analysis of loans		
Wholly repayable within five years	4,500	6,000
Less: included in current liabilities	(1,500)	(1,500)
Amounts included above	<u>3,000</u>	<u>4,500</u>
Loan maturity		
Debt due in one year or less	1,500	1,500
Due in more than one year but not more than two years	3,000	4,500
	<u>4,500</u>	<u>6,000</u>

Other loans relates to a Salix loan received from the EFA.

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16	Deferred income	2016	2015
		£	£
	Deferred income is included within:		
	Creditors due within one year	203,483	284,369
		<u> </u>	<u> </u>
	Deferred income at 1 September 2015	284,369	93,933
	Released from previous years	(230,169)	(93,933)
	Amounts deferred in the year	149,283	284,369
		<u> </u>	<u> </u>
	Deferred income at 31 August 2016	203,483	284,369
		<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds received in advance of early years funding (£86,299), free school meals (£35,296) and the Ballinger Trust (£81,888), all relating to the year ended 31 August 2017.

17	Financial instruments	2016	2015
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	4,429,048	4,583,438
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Financial liabilities measured at amortised cost	(1,925,679)	(1,777,309)
		<u> </u>	<u> </u>

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds

	Balance at 1 September 2015	Income	Expenditure	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	1,523,287	12,535,013	(12,518,354)	(273,435)	1,266,511
Other DfE / EFA grants	-	1,621,077	(1,511,589)	-	109,488
Other government grants	-	389,847	(389,847)	-	-
School standards fund	918,034	-	-	-	918,034
Other restricted funds	-	921,183	(921,183)	-	-
	<u>2,441,321</u>	<u>15,467,120</u>	<u>(15,340,973)</u>	<u>(273,435)</u>	<u>2,294,033</u>
Funds excluding pensions	(2,560,900)	-	(40,000)	(3,880,000)	(6,480,900)
	<u>(119,579)</u>	<u>15,467,120</u>	<u>(15,380,973)</u>	<u>(4,153,435)</u>	<u>(4,186,867)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	798,799	49,802	(33,564)	-	815,037
Capital expenditure from GAG	449,745	-	(18,388)	273,435	704,792
Assets transferred from Newcastle City Council	5,241,814	-	(288,471)	-	4,953,343
Sponsorship from Lord Laidlaw of Rothiemay	916,722	-	(41,870)	-	874,852
Other restricted fixed asset fund	26,746,674	-	(639,354)	-	26,107,320
	<u>34,153,754</u>	<u>49,802</u>	<u>(1,021,647)</u>	<u>273,435</u>	<u>33,455,344</u>
Total restricted funds	<u>34,034,175</u>	<u>15,516,922</u>	<u>(16,402,620)</u>	<u>(3,880,000)</u>	<u>29,268,477</u>
Unrestricted funds					
General funds	389,464	314,486	(250,981)	-	452,969
Total funds	<u>34,423,639</u>	<u>15,831,408</u>	<u>(16,653,601)</u>	<u>(3,880,000)</u>	<u>29,721,446</u>

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds (Continued)

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

General Annual Grant must be used for the normal running costs for the Trust. Excelsior Academy is allowed to carry forward up to 12% of the current (GAG). Within the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Trust, but any balance over 2% must be for capital purposes.

Other DfE/EFA grants - pupil premium funds received and expended in the financial period.

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

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

Other restricted funds - grants from sponsors and other restricted donations received and expended in the financial period.

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

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

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

Assets transferred from Newcastle City Council - these balances are the main school premises for Atkinson Road and Thomas Walling to be depreciated over the remaining useful economic life of the building.

Sponsorship from Lord Laidlaw of Rothiemay - during the previous year, Lord Laidlaw provided capital funding to improve the building and facilities at the Trust's Academies.

Other restricted fixed assets fund - this balance is the main school premises for the Excelsior Academy to be depreciated over the remaining useful economic life of the building.

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds (Continued)

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
Excelsior Academy	1,783,933
Atkinson Road Primary Academy	669,570
Thomas Walling Primary Academy	275,166
Central services	18,333
	<hr/>
Total before fixed assets fund and pension reserve	2,747,002
Restricted fixed asset fund	33,455,344
Pension reserve	(6,480,900)
	<hr/>
Total funds	29,721,446
	<hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Excelsior Academy	6,695,435	1,350,810	455,537	1,777,052	10,278,834
Atkinson Road Primary Academy	1,834,035	349,168	154,461	282,665	2,620,329
Thomas Walling Primary Academy	1,630,672	303,051	285,420	364,480	2,583,623
Central services	-	-	-	109,168	109,168
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,160,142	2,003,029	895,418	2,533,365	15,591,954
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	33,455,344	33,455,344
Current assets	452,969	4,835,026	-	5,287,995
Creditors falling due within one year	-	(2,537,993)	-	(2,537,993)
Creditors falling due after one year	-	(3,000)	-	(3,000)
Defined benefit pension liability	-	(6,480,900)	-	(6,480,900)
	<u>452,969</u>	<u>(4,186,867)</u>	<u>33,455,344</u>	<u>29,721,446</u>

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	147,097	154,882
Amounts due between one and five years	121,970	267,425
Amounts due after five years	-	1,642
	<u>269,067</u>	<u>423,949</u>

21 Reconciliation of net expenditure to net cash flows from operating activities

	2016 £	2015 £
Net expenditure for the reporting period	(822,193)	(381,274)
Adjusted for:		
Capital grants from DfE/EFA	(49,802)	(41,764)
Capital funding from sponsors and others	-	(353,347)
Interest receivable	(10,097)	(12,580)
Defined benefit pension scheme cost less contributions payable	(40,000)	(10,000)
Defined benefit pension scheme finance cost/(income)	80,000	100,000
Depreciation of tangible fixed assets	1,021,647	1,000,559
(Increase)/decrease in debtors	(187,815)	680,976
Increase/(decrease) in creditors	545,106	737,640
Net cash provided by operating activities	<u>536,846</u>	<u>1,720,210</u>

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Contingent liabilities

In the event that during the year of the funding agreement, the Trust sells or disposes of any asset for which a capital grant was received, the Trust shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Trust for its charitable purposes.

23 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 £1 for the debts and liabilities contracted before he or she ceases to be a member.

24 Pensions 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 Tyne and Wear Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Outstanding contributions as at 31 August 2016 were £178,056.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

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 (currently 14.1%))
- 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%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £925,677 (2015: £778,142).

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution 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 are as noted below. The agreed contribution rates for future years are from 5.5% - 12.5% for employers.

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	2016 £	2015 £
Employer's contributions	560,000	560,000
Employees' contributions	150,000	150,000
Total contributions	<u>710,000</u>	<u>710,000</u>

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2016 by a qualified independent actuary.

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.5	3.5
Rate of increase for pensions in payment	2	2
Discount rate	2	3.8
Inflation assumption (CPI)	<u>2</u>	<u>2</u>

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	23.2	23.1
- Females	24.8	24.7
Retiring in 20 years		
- Males	25.3	25.1
- Females	27.1	27

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

	2016 Fair value £	2015 Fair value £
Equities	5,376,930	4,336,100
Government bonds	308,180	235,800
Corporate bonds	932,650	759,800
Cash	243,300	209,600
Property	811,000	609,150
Other assets	437,940	399,550
Total fair value of assets	8,110,000	6,550,000

Actual return on scheme assets - gain	1,220,000	190,000
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Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost	520,000	550,000
Net interest cost	80,000	100,000

Changes in the present value of defined benefit obligations

	2016 £
Obligations at 1 September 2015	9,110,900
Current service cost	520,000
Interest cost	340,000
Employee contributions	150,000
Actuarial loss	4,840,000
Benefits paid	(370,000)
At 31 August 2016	14,590,900

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Pensions and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets	2016 £
Assets at 1 September 2015	6,550,000
Interest income	260,000
Return on plan assets (excluding net interest on the net defined pension liability)	960,000
Employer contributions	560,000
Employee contributions	150,000
Benefits paid	(370,000)
At 31 August 2016	8,110,000

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year, the Trust recognised sponsorship income from Lord Laidlaw of Rothiemay, who is a member of the Trust:

Capital income - £nil (2015: £104,264)
Other income - £830,468 (2015: £747,599)

At 31 August 2016, £195,622 (2015: £314,294) was due to be received from the Sponsor on submission of a claim by the Trust and is included within other debtors.

26 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £46,470 (2015: £48,845). The funds remain in creditors at the year end, awaiting distribution (2015 - funds included within creditors).

27 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds at the transition date and the comparative year end and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	34,434,913	34,423,639

THE LAIDLAW SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

27 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of net loss for the previous financial period

	Notes	2015 £
Net expenditure as reported under previous UK GAAP		(201,274)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS	(A)	(180,000)
Net expenditure reported under FRS 102		<u>(381,274)</u>

Notes to reconciliations on adoption of FRS 102

(A) Change in recognition of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to decrease the credit to income and increase the debit to expense by £180,000 in total and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.