

THE LAIDLAW SCHOOLS TRUST
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014



THE LAIDLAW SCHOOLS TRUST

COMPANY INFORMATION

Year ended 31 August 2014

Board of Trustees (Laidlaw Schools Trust Board)

	Date of appointment	Position
Lord Laidlaw of Rothiemay	9 March 2006	Member
Mr P C Fair	9 March 2006	Chair
Mrs P Marshall	1 April 2007	Member

Board of Directors

Lord Laidlaw of Rothiemay
Mr Peter C Fair*#
Mrs P Marshall
Mr Chris Jobe
Dr Mohammad Farsi (appointed 6 November 2014)
Mr Mark Strudwick
Mr Andrew Hunter
Prof John Wilson (appointed 6 November 2014)
Mrs Eileen Bolton (appointed 30 April 2014)
Mrs Linda Conlon
Mrs Glynis Ward * (appointed 26 November 2013)
Mrs Penny Sehgal *#
Mr Fidelis Okukusie
Mrs Michaela Martin #

* Members of the Finance, Personnel and General Purposes Committee

#Members of the Audit Committee

Company Secretary

Mr P Snowdon

Principal and Registered Office:

Denton Road
Newcastle upon Tyne
NE15 6AF

Company Registration number:

05735093

Independent Auditor:

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

Bankers:

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

Solicitors:

Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

THE LAIDLAW SCHOOLS TRUST

GOVERNORS' REPORT

Year ended 31 August 2014

The Governors present their report together with the financial statements of the charitable company for the year ended 31 August 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Laidlaw Schools Trust (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 four governors 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 June 2012.

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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceases to be a member.

Principal 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 4 and 11 and at Excelsior Academy (an all through Academy) for pupils between 4 and 18 years of age.

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

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

The governors who were in office at 31 August 2014 and served throughout the year, except where shown are listed on page 1.

During the year under review the governors held 4 meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academies and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

THE LAIDLAW SCHOOLS TRUST
GOVERNORS' REPORT
Year ended 31 August 2014

Organisational Structure

Laidlaw Schools Trust

Lord Laidlaw
Peter Fair
Philomena Marshall

Board of Directors

Peter Fair (CEO)
Lord Laidlaw of Rothiemay
Mr Chris Jobe
Dr Mohammad Farsi
Mr Mark Strudwick
Mr Andrew Hunter
Prof. John Wilson
Mrs Eileen Bolton
Mrs Linda Conlon
Mrs Glynis Ward
Mrs Penny Sehgal
Mr Fidelis Okukusie
Mrs Michaela Martin

**Atkinson Road Local
Advisory Board**

Peter Fair
Phil Marshall
Andrea O'Neill
Pauline Jarvis
Glynis Ward
Alice O'Brien
Claire Wand
Emma Dafter
Susan Bone
Christine Shaw
Christine Wood
Paulette Thompson
Andy Turnbull
Alison Harding

**Excelsior Academy
Local Advisory Board**

Mohammad Farsi
Peter Fair
Philomena Marshall
Fidelis Okukusie
Stoica Ion
Kay Murray
Gaye Graham
Hannah Sorely

**Thomas Walling Local Advisory
Board**

Eileen Bolton
Peter Fair
Phil Marshall
Julie Scott
Violet Rook
Lianne Coombs
Ian Gallagher
Alison Dyson
Sylvia Wilson
Lawrence Jerahuni
Caroline Denley

THE LAIDLAW SCHOOLS TRUST

GOVERNORS' REPORT

Year ended 31 August 2014

Organisational Structure (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.

Atkinson Road Primary Academy joined the Trust on 1st June 2012. It is a traditional Primary School with a Head Teacher and a Deputy Head Teacher

Thomas Walling Primary Academy joined the Trust on 1st April 2014. It is also a traditional Primary School with a Head Teacher and a Deputy Head Teacher.

The Board of Directors 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 31st August 2014 the Senior Leadership Group at Excelsior Academy consisted of the Executive Principal, three School Principals, the Director of Excelsior College and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership Group 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 Governor. 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 Academy, 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 Head Teachers and their Deputies.

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 explained in more detail on page 9.

Connected organisations including related parties

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

	2014	2013
	£	£
Capital	464,256	249,989
Other	282,816	169,713
	<u>747,072</u>	<u>419,702</u>

THE LAIDLAW SCHOOLS TRUST

GOVERNORS' REPORT

Year ended 31 August 2014

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

Objects and aims

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 for pupils aged between 4 and 11 and at Excelsior Academy (an all through Academy with effect from 1 September 2013) for pupils between 4 and 18 years of age.

Objectives, strategies and activities

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

Objectives, strategies and activities (continued)

The main objectives of the Trust during the year ended 31 August 2014 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; and
- to conduct business in accordance with the highest standards of integrity, probity and openness.

Equal opportunities policy

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

Public benefit

The directors 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.

STRATEGIC REPORT

Achievements and performance

Excelsior Academy is now in its seventh 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 after five years we have seen a huge improvement in the percentage of pupils achieving 5 A*-C grades including English and Maths. In August 2013 Excelsior Academy achieved the National Floor targets for 5+ GCSE grades including English and Maths for the first time and improvement has continued with the best ever results being achieved once again in August 2014. Atkinson Road and Thomas Walling continue to achieve good results at Key Stages 1 and 2. All three Academies are classified as 'Good' by Ofsted and are striving for an 'Outstanding' grade at their next inspections.

THE LAIDLAW SCHOOLS TRUST

GOVERNORS' REPORT

Year ended 31 August 2014

FINANCIAL REVIEW

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. Governors 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 which is reviewed annually with the top risks being reviewed at each meeting of the Audit Committee.

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 has changed to an all through Academy taking in pupils in September 2013 in Reception and Year 1 classes. A new Reception intake started school in September 2014 and there are plans to open a Nursery class in 2014/15.

Financial report for the year

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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academies also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2014, total expenditure of £12,778,379 (excluding depreciation of £858,908) was more than covered by the recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding depreciation and actuarial gain) was £5,117,469 which includes the exceptional voluntary income re Thomas Walling of £3,938,343.

Including depreciation and adjustments for FRS17, the net movement in funds was a surplus of £4,338,561.

At 31 August 2014 the net book value of fixed assets was £34,456,700 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 Academies.

As at 31 August 2014 the FRS17 pension deficit amounted to £2,840,900.

THE LAIDLAW SCHOOLS TRUST

GOVERNORS' REPORT

Year ended 31 August 2014

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 month's 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 £330,247 which is less than is needed. The Trust intends to continue building up free reserves to the level needed.

Going Concern

After reviewing financial and other information available, the governors consider that the 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.

Financial position

The Trust held fund balances at 31 August 2014 of £34,434,913.

Investment policy

The Business Manager liaises closely with Barclays Bank to ensure the best available rate of return on no risk investments.

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 4-18 with effect from September 2013.

The Trust aims to be at the centre of the regeneration of the area in the years to come and will work closely with the City Council and other partner organisations to achieve this.

AUDITORS

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

Approved by order of the Governing Board at its meeting on 9 December 2014 and signed on its behalf by:



Peter Fair
Chair & Chief Executive Officer

THE LAIDLAW SCHOOLS TRUST

GOVERNANCE STATEMENT

Year ended 31 August 2014

Scope of responsibility

As Directors, 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 Governing Body has delegated the day-to-day responsibility to one of its Directors, 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. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
Lord Laidlaw of Rothiemay	2	4
Mr Peter C Fair	4	4
Mrs P Marshall	4	4
Mr Chris Jobe	4	4
Mr Mohammad Farsi (appointed 6 November 2014)	3	4
Mr Mark Strudwick	2	4
Mr Andrew Hunter	2	4
Mr John Wilson (appointed 6 November 2014)	3	4
Mrs Eileen Bolton (appointed 30 April 2014)	1	1
Mrs Linda Conlon	4	4
Mrs Glynis Ward (appointed 26 November 2013)	1	3
Mrs Penny Sehgal	3	4
Mr Fidelis Okukusie	4	4
Mrs Michaela Martin	4	4

Governance review

The Finance, Personnel and General Purposes Committee and Audit Committee are committees of the Board of Directors. Their purpose is to oversee the Trusts' financial affairs and assist the decision making of the Board of Directors. Attendance at meetings in the year was as follows:

Finance, Personnel and General Purposes Committee	Meetings attended	Out of possible
Mr Peter C Fair (CEO)	5	5
Mr Chris Jobe	2	2
Mrs Penny Sehgal	5	5
Mrs Glynis Ward (appointed 26 November 2013)	2	3

Audit Committee

Mr Peter C Fair (CEO)	2	2
Mr Chris Jobe (in attendance)	1	1
Mrs Penny Sehgal	2	2
Mrs Michaela Martin	1	2

THE LAIDLAW SCHOOLS TRUST

GOVERNANCE STATEMENT

Year ended 31 August 2014

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 Academy 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 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors 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 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 governors' 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 governors 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 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
Year ended 31 August 2014

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 provider
- 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 members of the Governing Body on 9 December 2014 and signed on its behalf by:



Peter Fair
Chair & Chief Executive Officer



Chris Jobe
Accounting Officer

THE LAIDLAW SCHOOLS TRUST
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2014

As Accounting Officer of The Laidlaw Sschools Trust I have considered my responsibility to notify the Trust governing body 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregular, 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 Governors and EFA.



Chris Jobe
Accounting Officer

9 December 2014

THE LAIDLAW SCHOOLS TRUST
STATEMENT DIRECTORS' RESPONSIBILITIES
Year ended 31 August 2014

The Directors (who act as trustees for charitable activities of the Laidlaw Schools Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report (incorporating the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Charitable Company and of its incoming resources and application of resources, including its income and, expenditure, for that period. In preparing these financial statements, the Directors are required to:

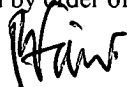
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

The Directors 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 governing body on 9 December 2014 and signed on its behalf by:



Peter Fair
Chair & Chief Executive Officer

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

We have audited the financial statements of the Laidlaw Schools Trust for the year ended 31 August 2014 on pages 14 to 38. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 to 2014 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 directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors (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 2014 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 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Directors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE14AD

17 December 2014

THE LAIDLAW SCHOOLS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2014

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2014	Total 2013
	Note	£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
- Voluntary income	4	-	425,762	691,723	1,117,485	443,301
- Voluntary income – transfer from local authority on conversion	25	198,343	(370,000)	4,110,000	3,938,343	-
- Activities for generating funds	5	168,952	-	-	168,952	188,455
- Investment income	6	10,138	-	-	10,138	9,592
Incoming resources from charitable activities:						
- Trust's educational operations	2	-	12,660,930	-	12,660,930	11,772,263
Total incoming resources		<u>377,433</u>	<u>12,716,692</u>	<u>4,801,723</u>	<u>17,895,848</u>	<u>12,413,611</u>
Resources expended						
Costs of Generating Funds:						
- Costs of activities for generating funds	8	132,566	-	-	132,566	145,674
Charitable activities:						
- Trust's educational operations	9	-	12,552,851	858,908	13,411,759	12,585,737
Governance costs	10	-	92,962	-	92,962	52,868
Total resources expended		<u>132,566</u>	<u>12,645,813</u>	<u>858,908</u>	<u>13,637,287</u>	<u>12,784,279</u>
Net incoming/(outgoing) resources before transfers		<u>244,867</u>	<u>70,879</u>	<u>3,942,815</u>	<u>4,258,561</u>	<u>(370,668)</u>
Gross transfer between funds	16	-	(47,935)	47,935	-	-
Net income/(expenditure) for the year		<u>244,867</u>	<u>22,944</u>	<u>3,990,750</u>	<u>4,258,561</u>	<u>(370,668)</u>
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	15	-	80,000	-	80,000	150,000
Net movement in funds		<u>244,867</u>	<u>102,944</u>	<u>3,990,750</u>	<u>4,338,561</u>	<u>(220,668)</u>
Reconciliation of funds						
Total fund balances brought forward at 1 September 2013		<u>85,380</u>	<u>(460,096)</u>	<u>30,471,068</u>	<u>30,096,352</u>	<u>30,317,020</u>
Total fund balances carried forward at 31 August 2014	16	<u>330,247</u>	<u>(357,152)</u>	<u>34,461,818</u>	<u>34,434,913</u>	<u>30,096,352</u>

All of the Trust's activities are derived from continuing activities during the above two financial periods.

THE LAIDLAW SCHOOLS TRUST

(Company Number: 05735093)

BALANCE SHEET

at 31 August 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	34,456,700	30,471,068
Current assets			
Debtors	13	1,715,559	1,005,923
Cash at bank and in hand		2,357,301	2,566,765
		4,072,860	3,572,688
Liabilities			
Creditors: amounts falling due within one year	14	(1,253,747)	(1,486,504)
Net current assets		2,819,113	2,086,184
Total assets less current liabilities (excluding pension liability)		37,275,813	32,557,252
Pension scheme liability	15	(2,840,900)	(2,460,900)
Net assets		34,434,913	30,096,352
Funds of the Trust			
Restricted funds			
Restricted Fixed Asset fund	16/17	34,461,818	30,471,068
Restricted General fund	16/17	2,483,748	2,000,804
Pension fund	15/16	(2,840,900)	(2,460,900)
Total restricted funds		34,104,666	30,010,972
General fund			
Unrestricted fund	16/17	330,247	85,380
Total funds	16/17	34,434,913	30,096,352

The financial statements on pages 14 to 38 were approved by the Trustees and authorised for issue on 9 December 2014 and signed on its behalf by:



Peter Fair
Chair & Chief Executive Officer

THE LAIDLAW SCHOOLS TRUST
CASHFLOW STATEMENT
for the year ended 31 August 2014

	Note	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	24	<u>(375,128)</u>	<u>929,642</u>
Returns on investments and servicing of finance			
Interest received		10,138	9,592
		<u>10,138</u>	<u>9,592</u>
Capital income/(expenditure)			
Capital grants from DfE		40,018	23,599
Capital sponsorship and income		651,705	249,989
Purchase of tangible fixed assets		<u>(734,540)</u>	<u>(279,056)</u>
		<u>(42,817)</u>	<u>(5,468)</u>
Cash balance transferred from Thomas Walling	24/25	<u>198,343</u>	<u>-</u>
Net (decrease)/increase in cash		<u>(209,464)</u>	<u>933,766</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year		<u>(209,464)</u>	<u>933,766</u>
Change in net funds			
Net funds at 1 September 2013		<u>2,566,765</u>	<u>1,632,999</u>
Net funds at 31 August 2014		<u>2,357,301</u>	<u>2,566,765</u>
	At 1 September 2013 £	Cash Flows £	At 31 August 2014 £
Cash at bank and in hand	<u>2,566,765</u>	<u>(209,464)</u>	<u>2,357,301</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year are:

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

After reviewing financial and other information available, the governors consider that the 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.

Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school, Thomas Walling Primary, to the Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 25.

Fund accounting

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

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed funders, where the asset acquired or created is held for a specific purpose.

Incoming resources

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

1 ACCOUNTING POLICIES (continued)

Sponsorship

The value of sponsorship provided to the Trust is recognised in the statement of financial activities in the year in which it is receivable and the amount can be reliably measured.

Other income

Other income including letting income is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable by the balance sheet date.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Resources expended

Resources expended are recognised in which the year in a liability is incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Charitable activities expenditure includes both the costs that can be allocated directly to the Trust's educational operations and those costs out of an indirect nature necessary to support them.

Governance costs

Governance costs include the costs attributable to the Trust's compliance with statutory requirements, including audit, strategic management and governance meetings.

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Depreciation is charged on a straight line basis beginning in the year in which the asset is brought into use at the following annual rates:-

Freehold property	2% p.a.
Equipment, fixtures and fittings (incl. computer equipment)	25% p.a.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Impairment

A review for the impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Recognition of a Liability

Liabilities are recognised within creditors in the balance sheet when there is an obligation at the year-end for the Trust to transfer benefits.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

1 ACCOUNTING POLICIES (continued)

Deferred Income

Deferred income is included as a creditor within the balance sheet and relates to restricted funding received in advance but where the related expenditure can only take place in a future accounting period.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Investments

In accordance with FRS 2, the activities of Excel 5 Limited are not consolidated into the Trust accounts because the Trust does not control these activities.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Pensions

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 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 quinquennial valuations using a prospective benefit method. As stated in note 15, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Agency arrangements

The Trust acts as an agent in the administering 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 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
for the year ended 31 August 2014

2 FUNDING OF THE ACADEMIES EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Restricted Fixed Assets Fund	2014 Total	2013 Total
	£	£	£	£	£
DfE/YPLA REVENUE GRANTS					
General annual grant (GAG) (note 3)	-	11,056,768	-	11,056,768	10,708,922
Start-up grant	-	44,111	-	44,111	48,416
Pupil premium	-	1,144,872	-	1,144,872	761,408
Other DfE grants	-	-	-	-	54,448
	<u>-</u>	<u>12,245,751</u>	<u>-</u>	<u>12,245,751</u>	<u>11,573,194</u>
 OTHER GOVERNMENT GRANTS					
Other Government Funding	-	415,179	-	415,179	199,069
	<u>-</u>	<u>415,179</u>	<u>-</u>	<u>415,179</u>	<u>199,069</u>
	<u>-</u>	<u>12,660,930</u>	<u>-</u>	<u>12,660,930</u>	<u>11,772,263</u>

3 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State, Excelsior Academy was subject to limits at 31 August 2014 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 2014.

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

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

4 VOLUNTARY INCOME

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Fund	Total 2014	Total 2013
	£	£	£	£	£
Private sponsorship	-	282,816	464,256	747,072	419,702
Other capital income	-	-	187,449	187,449	-
Devolved formula capital	-	-	40,018	40,018	23,599
DfE contribution for roof	-	142,946	-	142,946	-
	<u>-</u>	<u>425,762</u>	<u>691,723</u>	<u>1,117,485</u>	<u>443,301</u>

5 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Restricted General Funds	Total 2013	Total 2012
	£	£	£	£
Catering income	124,803	-	124,803	139,985
Letting income	44,149	-	44,149	44,735
Other income	-	-	-	3,735
	<u>168,952</u>	<u>-</u>	<u>168,952</u>	<u>188,455</u>

6 INVESTMENT INCOME

	Unrestricted Funds	Restricted General Funds	Total 2014	Total 2013
	£	£	£	£
Bank interest	10,138	-	10,138	9,592
	<u>10,138</u>	<u>-</u>	<u>10,138</u>	<u>9,592</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

7 RESOURCES EXPENDED

	Staff Costs £	Premises costs £	Other £	Total 2014 £	Total 2013 £
Costs of activities for generating funds	-	-	132,566	132,566	145,674
Trust's Educational Operations					
Direct	7,091,036	858,908	829,234	8,779,178	8,091,584
Allocated support	2,624,738	847,266	1,160,577	4,632,581	4,494,153
Governance including allocated support	-	-	92,962	92,962	52,868
	<u>9,715,774</u>	<u>1,706,174</u>	<u>2,215,339</u>	<u>13,637,287</u>	<u>12,784,279</u>

Net incoming/(outgoing) resources for the year are stated after deducting:

	2014 £	2013 £
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- Audit	15,100	10,450
- Other services	8,240	6,125
Operating lease costs:	<u>121,801</u>	<u>64,066</u>

8 COST OF GENERATING FUNDS

	Unrestricted Funds £	Restricted General Funds £	Total 2014 £	Total 2013 £
Catering expenses	124,803	-	124,803	139,985
Other costs	7,763	-	7,763	5,689
	<u>132,566</u>	<u>-</u>	<u>132,566</u>	<u>145,674</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

9 CHARITABLE ACTIVITIES – TRUST’S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted General Funds	Res. Fixed Asset Funds	Total 2014	Total 2013
	£	£	£	£	£
Direct costs					
Teaching and education support staff costs	-	7,091,036	-	7,091,036	6,517,746
Depreciation	-	-	858,908	858,908	818,204
Books, apparatus and stationery	-	330,477	-	330,477	181,442
Examination fees	-	148,363	-	148,363	204,319
Staff development	-	78,006	-	78,006	85,993
School development	-	75,865	-	75,865	58,921
Education consultancy	-	-	-	-	777
Alternative education	-	87,125	-	87,125	98,126
Other direct costs	-	109,398	-	109,398	126,056
Total direct costs	-	7,920,270	858,908	8,779,178	8,091,584
Allocated support costs					
Personnel costs					
Support staff costs	-	2,624,738	-	2,624,738	2,474,188
Recruitment costs	-	16,634	-	16,634	5,992
	-	2,641,372	-	2,641,372	2,480,180
Establishment Expenses					
Maintenance of premises and equipment	-	239,675	-	239,675	187,709
Exceptional roof repair costs (see overleaf)	-	17,000	-	17,000	150,454
Rent & Rates	-	156,937	-	156,937	149,104
Heat & Light	-	242,644	-	242,644	237,271
Insurance	-	66,401	-	66,401	136,372
Security	-	124,609	-	124,609	120,651
	-	847,266	-	847,266	981,561
General Expenses					
Cleaning	-	37,370	-	37,370	27,920
Transport	-	73,755	-	73,755	66,569
Catering	-	200,037	-	200,037	176,625
Technology costs	-	291,680	-	291,680	208,892
Bank charges	-	143	-	143	197
FRS 17 finance costs	-	-	-	-	30,000
Public relations / advertising	-	99,018	-	99,018	123,179
Other support costs	-	441,940	-	441,940	399,030
	-	1,143,943	-	1,143,943	1,032,412
Total allocated support costs	-	4,632,581	-	4,632,581	4,494,153
Total direct and support costs	-	12,552,851	858,908	13,411,759	12,585,737

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

9 CHARITABLE ACTIVITIES – TRUST’S EDUCATIONAL OPERATIONS (continued)

Exceptional roof repair costs

Significant faults in the Excelsior Academy roof were identified in previous years resulting in current year exceptional costs of £17,000 (2013: £150,454) being incurred by the Trust. The current year costs relate to scaffolding. In the prior year, costs related to temporary repairs, consultancy and legal fees associated with the rectification of the fault. During the current year, the DfE reimbursed the Academy with £142,946 as disclosed in note 4: Voluntary Income.

10 GOVERNANCE COSTS

	2014 £	2013 £
Auditor’s remuneration		
Audit of financial statements	15,100	10,450
Other services	8,240	6,125
Legal and professional	65,204	32,837
Governors expenses	4,418	3,456
	<u>92,962</u>	<u>52,868</u>

11 STAFF COSTS

The average number of persons (including senior management team) employed by the Academies during the year ended 31 August 2014 was as follows:

	2014 No.	2013 No.
Charitable Activities		
Teachers	131	122
Administration and support	206	179
Management	9	8
	<u>346</u>	<u>309</u>

Staff costs comprise:

	2014 £	2013 £
Wages and salaries	7,877,968	7,366,865
Social security costs	603,489	568,241
Other pension costs	1,138,567	992,830
	<u>9,620,024</u>	<u>8,927,936</u>
Contracted out staffing costs	83,250	63,998
Staff restructure costs	12,500	-
	<u>9,715,774</u>	<u>8,991,934</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

11 STAFF COSTS (continued)

Seven employees earned more than £60,000 during the year ended 31 August 2014 (including taxable benefits but excluding employers' pension contributions). The total emoluments of these employees were in the following ranges:

	2014	2013
	No.	No.
£60,001 - £70,000	1	2
£70,001 - £80,000	4	4
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£140,000 - £150,000	-	1
£150,000 - £160,000	1	-

6 of the 7 employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £62,925 (2013: £84,617). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £18,115 (2012: £13,074).

Governors and Principals remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff governors and not in respect of their services as governors.

The value of staff governors remuneration was £nil (2013: £nil)

The value of the Principal's remuneration (excluding pension contributions) was £157,606 in 2014 (2013: £140,760).

During the year ended 31 August 2014, travel and subsistence expenses totalling £4,418 (2013: £3,456) were reimbursed to governors.

Related party transactions involving the trustees are set out in note 21.

Governors' and Officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £12,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,652 (2013: £1,652).

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

12 TANGIBLE FIXED ASSETS

	Land & Buildings £	Equipment, fixtures & fittings £	Total £
Cost			
At 1 September 2013	33,626,470	5,982,517	39,608,987
Transfer on conversion (note 25)	4,110,000	-	4,110,000
Additions	470,277	264,263	734,540
At 31 August 2014	<u>38,206,747</u>	<u>6,246,780</u>	<u>44,453,527</u>
Depreciation			
At 1 September 2013	3,199,371	5,938,548	9,137,919
Charge in year	675,798	183,110	858,908
At 31 August 2014	<u>3,875,169</u>	<u>6,121,658</u>	<u>9,996,827</u>
Net book value			
At 31 August 2014	<u>34,331,578</u>	<u>125,122</u>	<u>34,456,700</u>
At 31 August 2013	<u>30,427,099</u>	<u>43,969</u>	<u>30,471,068</u>

13 DEBTORS

	2014 £	2013 £
Trade debtors	38,530	12,477
Prepayments	392,062	269,553
Sundry debtors	1,284,967	723,893
	<u>1,715,559</u>	<u>1,005,923</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	518,182	920,724
Other creditors	100,292	30,800
Accruals and deferred income	578,977	488,513
Other tax and social security	56,296	46,467
	<u>1,253,747</u>	<u>1,486,504</u>

	2014	2013
	£	£
Accruals and deferred income comprises:		
Deferred income at 1 September 2013	242,353	75,014
Amount released from previous year	(242,353)	(75,014)
Incoming resources deferred in the year	93,933	242,353
	<u>93,933</u>	<u>242,353</u>
Deferred income at 31 August 2014	93,933	242,353
	<u>93,933</u>	<u>242,353</u>
Accruals	485,044	246,160
	<u>485,044</u>	<u>246,160</u>
Total accruals and deferred income	<u>578,977</u>	<u>488,513</u>

£69,800 (2013: £50,988) of deferred income at the year end relates to income from The Ballinger Charitable Trust received in advance of related expenditure.

£19,352 (2013: £28,873) of deferred income at the year end relates to school funds income received in advance of related expenditure.

£4,781 (2013: £4,723) of deferred income at the year end relates other capital funding received in advance of related expenditure.

£nil (2013: £76,401) of deferred income at the year end relates to capital maintenance income received in advance of related expenditure.

£nil (2013: £81,368) of deferred income at the year end relates to Special Educational Needs income received in advance of related expenditure.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

15 PENSIONS AND SIMILAR OBLIGATIONS

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

As described in note 25, the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the Thomas Walling Primary and new employees who were eligible to and did join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
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15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer contribution rate of 16.4% from September 2015 and an employer cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £718,567 (2013: £662,375).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Trust has set out above the information available on the scheme and the implications for the Trust in terms of the anticipated rates.

THE LAIDLAW SCHOOLS TRUST
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15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £440,000 (2013: £350,000), of which employer's contributions totalled £330,000 (2013: £250,000) and employees' contribution totalled £110,000 (2013: £100,000). The expected contributions for 2015 are £420,000. The agreed rates for future years are 23.6% per cent for employers.

Principal actuarial assumptions

	2014 £	2013 £
Rate of increase in salaries	3.6	4.7
Rate of increase for pensions in payment	2.1	2.8
Discount rate	3.7	4.5
Inflation (CPI)	2.1	2.8

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

	2014	2013
Retiring today:		
Males	23.0	21.7
Females	24.6	23.9
Retiring in 20 years:		
Males	25.0	23.5
Females	26.9	25.8

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
Equities	7.5	3,864,000	7.9	2,923,740
Property	6.8	523,250	7.4	390,710
Government bonds	2.9	207,000	3.4	158,040
Corporate bonds	3.3	661,250	4.1	509,240
Cash	1.1	149,500	0.9	100,970
Other	7.5	345,000	7.9	307,300
TOTAL MARKET VALUE OF ASSETS		5,750,000		4,390,000
Present value of scheme liabilities		(8,590,900)		(6,850,900)
- Funded				
DEFICIT IN THE SCHEME		(2,840,900)		(2,460,900)

The actual return on scheme assets was £310,000 (2013: £430,000).

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to general higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2014.

Amounts recognised in the statement of financial activities	2014 £	2013 £
Current service cost	420,000	350,000
Total operating charge	420,000	350,000
Analysis of pension finance costs/(income)		
Interest on pension liabilities	340,000	270,000
Expected return on pension scheme assets	(340,000)	(240,000)
Pension finance costs	-	30,000

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £1,252,900 (2013: £1,332,900).

Movements in the present value of defined benefit obligations were as follows:	2014 £	2013 £
Opening defined benefit obligation	6,850,900	6,140,900
Transfer from Thomas Walling (note 25)	1,050,000	-
Current service cost	420,000	350,000
Interest cost	340,000	270,000
Employee contributions	110,000	100,000
Actuarial (gain)/loss	(110,000)	40,000
Benefits paid out	(70,000)	(50,000)
At 31 August	8,590,900	6,850,900

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Movements in the fair value of Trust's share of scheme assets:	2014	2013
	£	£
Opening fair value of scheme assets	4,390,000	3,660,000
Transfer from Thomas Walling (note 25)	680,000	-
Expected return on assets	340,000	240,000
Actuarial (loss)/gain	(30,000)	190,000
Employer contributions	330,000	250,000
Employee contributions	110,000	100,000
Benefits paid out	(70,000)	(50,000)
	<u>5,750,000</u>	<u>4,390,000</u>
At 31 August	<u>5,750,000</u>	<u>4,390,000</u>

The history of experience adjustments is as follows:

	2014	2013	2012	2011	2010
	£	£	£	£	£
Present value of defined benefit obligations	(8,590,900)	(6,850,900)	(6,140,900)	(4,020,900)	(3,400,900)
Fair value of share of scheme assets	5,750,000	4,390,000	3,660,000	2,670,000	2,160,000
	<u>(2,840,900)</u>	<u>(2,460,900)</u>	<u>(2,480,900)</u>	<u>(1,350,900)</u>	<u>(1,240,900)</u>
Experience adjustments on share of scheme assets	(0.5%) (30,000)	4.3% 190,000	1.1% 40,000	1.5% 40,000	5.6% 120,000
Experience adjustments on scheme liabilities: Amount	(0.6%) (50,000)	0.0% -	0.0% -	(8.2%) (330,000)	0.0% -

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

16 FUNDS

	Balance at 31 August 2013 £	Incoming resources £	Expenditure £	Gains, losses And Transfers £	Balance at 31 August 2014 £
Restricted General Fund					
GAG – Excelsior	925,034	8,486,198	(8,384,886)	(9,285)	1,017,061
GAG – Atkinson Road	157,736	1,842,537	(1,616,640)	(38,650)	344,983
GAG – Thomas Walling	-	728,033	(674,363)	-	53,670
Pension reserve	(2,460,900)	(370,000)	(90,000)	80,000	(2,840,900)
	<u>(1,378,130)</u>	<u>10,686,768</u>	<u>(10,765,889)</u>	<u>32,065</u>	<u>(1,425,186)</u>
Other DfE Grants:					
Start Up Grant	-	44,111	(44,111)	-	-
School standards fund	918,034	-	-	-	918,034
Pupil Premium – Excelsior	-	676,618	(669,564)	-	7,054
Pupil Premium – Atkinson Rd	-	314,062	(314,062)	-	-
Pupil Premium – Thomas Walling	-	154,192	(154,192)	-	-
Other Government funding:					
SEN funding	-	128,700	(128,700)	-	-
Other funding	-	286,479	(286,479)	-	-
DfE contribution for roof	-	142,946	-	-	142,946
Sponsorship from Lord Laidlaw of Rothiemay	-	282,816	(282,816)	-	-
Restricted General Funds	<u>(460,096)</u>	<u>12,716,692</u>	<u>(12,645,813)</u>	<u>32,065</u>	<u>(357,152)</u>
Restricted Fixed Asset Fund					
Land & building transfer from Council – Atkinson Rd	1,515,903	-	(138,002)	-	1,377,901
Land & building transfer from Council – Thomas Walling	-	4,110,000	-	-	4,110,000
Other restricted fixed assets fund	28,113,482	-	(688,470)	-	27,425,012
Fixed assets funding from Council – Atkinson Road	7,980	-	(726)	-	7,254
Devolved formula capital	313,324	40,018	(7,673)	-	345,669
Sponsorship from Lord Laidlaw of Rothiemay – Excelsior	249,989	147,709	(6,122)	-	391,576
Sponsorship from Lord Laidlaw of Rothiemay – Atkinson Rd	157,428	168,372	(14,332)	-	311,468
Sponsorship from Lord Laidlaw of Rothiemay – Thomas Walling	-	148,175	(817)	-	147,358
Capital expenditure from GAG – Excelsior	112,962	-	(2,766)	9,285	119,481
Capital expenditure from GAG – Atkinson Road	-	-	-	38,650	38,650
Academies Maintenance Fund – Atkinson Road	-	187,449	-	-	187,449
Total Restricted Fixed Asset Fund	<u>30,471,068</u>	<u>4,801,723</u>	<u>(858,908)</u>	<u>47,935</u>	<u>34,461,818</u>
Total Restricted funds	<u>30,010,972</u>	<u>17,518,415</u>	<u>(13,504,721)</u>	<u>80,000</u>	<u>34,104,666</u>
Total Unrestricted funds	<u>85,380</u>	<u>377,433</u>	<u>(132,566)</u>	<u>-</u>	<u>330,247</u>
Total funds	<u><u>30,096,352</u></u>	<u><u>17,895,848</u></u>	<u><u>(13,637,287)</u></u>	<u><u>80,000</u></u>	<u><u>34,434,913</u></u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

16 FUNDS (continued)

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

General Annual Grant

General Annual Grant must be used for the normal running costs of the Trust. The Trust is allowed to carry forward up to 12% of the current (GAG). Of 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 used for capital purposes.

Pension reserve

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.

School Standard Funds

Recurrent standard funds 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 the GAG income.

DfE Contribution for Roof

Monies received in the year in relation to costs incurred and expensed in the prior year. Funding is now available to replenish the Excelsior Academy reserves.

Land and Building transfer from 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.

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.

Devolved Formula Capital Funding

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.

Sponsorship from Lord Laidlaw of Rothiemay

During the year, Lord Laidlaw provided capital funding to improve the building and facilities at the Trust's Academies.

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.

Academies Maintenance Fund

Funds received during the year were utilised for the purpose intended. Depreciation is charged to the fund over the life of the related assets.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
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16a ANALYSIS OF ACADEMIES BY FUND BALANCE

	Total 2014 £
Excelsior Academy	2,126,166
Atkinson Road Primary Academy	432,297
Thomas Walling Primary Academy	255,532
Total before fixed assets and pension reserve	<u>2,813,995</u>
Restricted fixed asset fund	34,461,818
Pension reserve	(2,840,900)
Total before fixed assets and pension reserve	<u>34,434,913</u>

16b ANALYSIS OF ACADEMIES BY COST

	Teaching and Educational Support Staff Costs £	Support Staff Costs (excluding FRS17 impact) £	Educational Supplies £	Other Costs (excluding Depreciation and FRS17 impact) £	Total 2014 £
Excelsior Academy	4,857,888	2,227,470	515,176	1,790,749	9,391,283
Atkinson Road Primary Academy	1,651,492	200,122	248,727	249,525	2,349,866
Thomas Walling Primary Academy	581,656	107,146	65,331	193,097	947,230
Total	<u>7,091,036</u>	<u>2,534,738</u>	<u>829,234</u>	<u>2,233,371</u>	<u>12,688,379</u>

16c CENTRAL SERVICES

No central services were provided by the Trust to its Academies during the period and no central charges arose.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2014 £	Total 2013 £
Tangible fixed assets	-	-	34,456,700	34,456,700	30,471,068
Current assets	330,247	3,737,495	5,118	4,072,860	3,572,688
Current liabilities	-	(1,253,747)	-	(1,253,747)	(1,486,504)
Pension liability	-	(2,840,900)	-	(2,840,900)	(2,460,900)
	<u>330,247</u>	<u>(357,152)</u>	<u>34,461,818</u>	<u>34,434,913</u>	<u>30,096,352</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
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18 CAPITAL COMMITMENTS

	Total 2014 £	Total 2013 £
Contracted for but not provided for in the financial statements	-	-
Authorised by the Governors but not yet contracted	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

19 OPERATING LEASE COMMITMENTS

At 31 August 2014, the Trust was committed to making the following payments during the next year in respect of operating leases for motor vehicles:

	Total 2014 £	Total 2013 £
Leases which expire:		
Within 0-1 years	3,114	687
Within 2-5 years	116,541	70,284
	<u>119,655</u>	<u>70,971</u>

20 ULTIMATE CONTROLLING PARTY

The Academy Trust is a charitable company limited by guarantee, has no share capital and is controlled by its members.

21 RELATED PARTY TRANSCATIONS

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn, inter alia, 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 governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

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

	2014 £	2013 £
Capital	464,256	249,989
Other	282,816	169,713
	<u>747,072</u>	<u>419,702</u>

At 31 August 2013 £853,161 (2013: £504,529) was owed by the Sponsor to the Trust and is included in sundry debtors.

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.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
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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/she is member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for debts and liabilities contracted before he/she ceases to be a member.

24 RECONCILIATION OF NET INCOME/(EXPENDITURE) AND NET CASHFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net income/(expenditure)	4,258,561	(370,668)
Cash impact of transfer from Thomas Walling	(198,343)	-
Depreciation	858,908	818,204
Interest receivable	(10,138)	(9,592)
FRS 17 – Transfer of opening liability	370,000	-
FRS 17 – Finance costs	-	30,000
FRS 17 – Staff costs	90,000	100,000
Increase in debtors	(709,636)	(225,785)
(Decrease)/increase in creditors	(232,757)	861,071
Transfer of tangible fixed assets from Council	(4,110,000)	-
Capital grants from DfE	(40,018)	(23,599)
Capital sponsorship and income	(651,705)	(249,989)
	<u>(375,128)</u>	<u>929,642</u>

CASH TRANSFERRED ON TRANSFER OF THOMAS WALLING

Cash balance transferred from Thomas Walling	<u>198,343</u>	<u>-</u>
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THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

25 TRANSFER OF THOMAS WALLING

On 1 April 2014 Thomas Walling converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from the Newcastle City Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2014 £
Voluntary income analysis:				
Tangible fixed assets	-	-	4,110,000	4,110,000
School funds	-	-	-	-
County Council				
- Revenue	198,343	-	-	198,343
- Capital	-	-	-	-
LGPS pension deficit from Newcastle City Council	-	(370,000)	-	(370,000)
	<u>198,343</u>	<u>(370,000)</u>	<u>4,110,000</u>	<u>3,938,343</u>

The above assets include £198,343 that was transferred as cash.

26 AGENCY ARRANGEMENTS

The 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 £6,334 (2013: £6,384) The funds were fully distributed in the year.