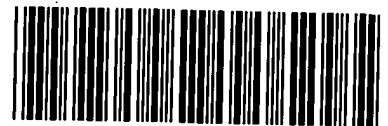


Registered Company number: 05735093

THE LAIDLAW SCHOOLS TRUST
(a Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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THE LAIDLAW SCHOOLS TRUST

COMPANY INFORMATION

Year ended 31 August 2023

Members

Founding Sponsor

Lord Laidlaw of Rothiemay
P C Fair OBE (Retired 26 June 2023)
G A Robertson
S V Kempe
M J Waugh
N Santamaria (appointed 16 June 2023)

Board of Directors and Trustees

S V Kempe, Chair of Trustees
L Conlon MBE
P Sehgal JP
P Solly
G E O Stanford
P West
N Stefanou
P Foster
N Clark (Co-opted wef 15 May 2022, appointed 14 September 2023)
N Palmarini (Co-opted wef 15 May 2022, appointed 14 September 2023)

Senior Management Team

Chief Executive Officer and Accounting Officer
Deputy CEO
Co-CEO and Accounting Officer
Director of School Improvement
Co-CEO and Director of Education
Chief Finance Officer

I W Simpson (AO 01 September until resigned 06 March 2023)
R Hughes (wef 24 October 2023 until 06 March 2023)
R Hughes (wef 07 March 2023)
S Newton (wef 01 September 2022 until 06 March 2023)
S Newton (wef 07 March 2023)
L J Doyle

Company Secretary

L J Doyle

Company Registration Number

05735093 (England and Wales)

Registered Office

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

Academies operated

Academy 360 (A360)
Atkinson Road Primary Academy (ARP)
Excelsior Academy (EXA)
South Hylton Primary Academy (SHP)
Sedgefield Community College (SCC)
Sedgefield Hardwick Primary
Thomas Walling Primary Academy (TWP)
Westgate Hill Primary Academy (WHP)

Location

Sunderland
Newcastle upon Tyne
Newcastle upon Tyne
Sunderland
County Durham
County Durham
Newcastle upon Tyne
Newcastle upon Tyne

Principals

R Donohue
L Macauley
J Andriot
C Mitchinson
P Fleming
P Taylor
R Hann
K Ellerbrook/N Watson

THE LAIDLAW SCHOOLS TRUST
COMPANY INFORMATION
Year ended 31 August 2023

Independent Auditor

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

Bankers

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

Solicitors

Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

THE LAIDLAW SCHOOLS TRUST

TRUSTEES' REPORT

Year ended 31 August 2023

The Trustees of The Laidlaw Schools Trust (the Trust) present their Annual Report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

As at 31 August 2023 the Trust operated eight Academies for pupils aged 2 to 18 across the North East of England. This consists of five Primaries, one Secondary and two all through Academies. The total pupil capacity across all the Academies is 6,404 with 5,613 on roll as at 31 August 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

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

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

Trustees

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

The Trustees who were in office at 31 August 2023 and served throughout the year, except where shown, are listed on the next page.

Policies and procedures adopted for the induction and training of Trustees

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

In addition to the Trust Board four formal meetings, the Operations Committee also met on six occasions where financial matters were reviewed and discussed at each meeting.

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

Organisational Structure

Laidlaw Schools Trust Members

Lord Laidlaw of Rothiemay
P C Fair OBE (Retired 26 June 2023)
G Robertson
S V Kempe
M J Waugh
N Santamaria (appointed 16 June 2023)

**Board of Trustees and Directors as at
31 August 2023**

S V Kempe, Chair of Trustees
L Conlon MBE
P Sehgal JP
P Solly
G E O Stanford
P West
N Stefanou
P Foster
N Clark (wef 15 May 2023)
N Palmarini (wef 15 May 2023)

Operations Committee

P Solly
P Sehgal JP
N Stefanou

Audit Committee

P Sehgal JP, Chair
P Solly
N Clark (wef 15 May 2023)

People Committee

L Conlon MBE, Chair
S V Kempe
P Sehgal JP

Standards Committee

P West, Chair
S V Kempe
G E O Stanford
N Palmarini (wef 15 May 2023)
S McCready (additional member)

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

Estates Committee

P Foster, Chair
S V Kempe
P Solly

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

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

Change in leadership and co-CEO roles

In March 2023 the CEO of the Trust, Ian Simpson, resigned and the Trust was put under the leadership of Rob Hughes and Sally Newton. Rob Hughes assumed the role of CEO and Accounting Officer and Sally Newton CEO and Director of Education, both effective 1st September 2023. This Co-CEO model was ratified by John Edwards, Director General of the DfE, during the Advisory Board process when the Beacon if Light School transferred into the Trust.

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

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

Related parties and co-operation with other organisations

During the year, the Trust recognised sponsor income from the sponsor, the Laidlaw Foundation, totalling £2,595,895 (2022: £3,283,572) for agreed expenditure and activities.

At 31 August 2023, £2,595,895 was due to be received from the sponsor.

Related parties and co-operation with other organisations

Related party transactions are disclosed in accordance with the Academies Trust Handbook. Laidlaw Schools Trust is committed to collaboration with other organisations to promote school improvement. During 2022/23 Laidlaw Schools Trust collaborated with the Spencer Academies Trust, no financial transactions took place in the period.

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

Engagement with employees (Including disabled persons)

Disclosure in this regard is included within the strategic report.

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

Disclosure in this regard is included within the strategic report.

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

Streamlined Energy and Carbon Reporting

Disclosure in this regard is included within the strategic report.

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

Objects and aims

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

Objectives, strategies and activities

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

The main objectives of the Trust during the year ended 31 August 2023 are summarised below:

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

Equal opportunities policy

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

Employee Consultation

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

Disabled persons

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

Public benefit

The Trustees confirm, that to the best of their knowledge and belief, they have complied with section 4 of the Charities Act 2011 in respect of having due regard to public benefit guidance published by the Charity Commission. All charitable activities are undertaken to further the advancement of education to all students in its care and partnership organisations in the wider community.

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

STRATEGIC REPORT

Achievements and Performance

Following the post-pandemic return of formal examinations and assessments in 2021-22, GCSEs, AS and A levels in 2022-23 returned to pre-pandemic standards, with some protection built into the grading process to recognise the disruption that students have faced following the COVID-19 pandemic. There were no adjustments to end of Key Stage 1 or 2 assessments.

Ofqual have stated that the return to pre-pandemic grading means that national results are lower than last summer. It will be most meaningful to compare 2022/23 results with 2019, the last year that summer exams were taken before the pandemic. The approach to grading means that results for individual schools and colleges are highly likely to be lower than last summer.

Academic outcomes for the 2022-23 cohorts have still been affected by the COVID-19 pandemic. During 2020-21, students did not complete the full year in the classroom, missing face to face teaching in school for the majority of the Spring term and interruptions to learning across the school year due to self-isolation, outbreaks of COVID-19 and the impact of close contact tracing within schools. This in addition to the disruption to learning caused in 2019-20 where students were missing from the classroom for the Spring and Summer terms.

Key Performance Indicators (achievement and performance)

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

EYFS – The Trust average for GLD attainment was 55.7% compared to a national average of 65.7%.

Reading – The Trust expected attainment was 58.8% compared to a national average of 68.3%.

Writing – The Trust expected attainment was 54.2% compared to a national average of 60.1%.

Maths – The Trust expected attainment was 59.0% compared to a national average of 70.4%.

Key Stage 1 attainment measures have improved across the Trust from 2021-22, with the most notable improvements at Westgate Hill Primary Academy and South Hylton Primary Academy.

Key Stage Two (KS2)

Reading – The Trust expected attainment was 63.9% compared to a national average of 73%. The KS1-2 progress score was -0.3.

Writing – The Trust expected attainment was 70.6% compared to a national average of 71%. The KS1-2 progress score was +2.2.

Maths – The Trust expected attainment was 68.1% compared to a national average of 73%. The KS1-2 progress score was +0.9.

Reading, Writing and Maths Combined – The Trust expected attainment was 59.0%, is in line with national average (59%) and the 2021-22 Trust average. Thomas Walling Primary Academy, South Hylton Primary Academy and Sedgefield Hardwick exceeded the national average and there were notable improvements at Atkinson Road Primary Academy.

Key Stage Four (KS4)

Attainment 8 – Average Attainment 8 across the Trust is 40.5 against a national average of 46.2.

Basic Measures – Average Grade 4+ English & Maths results were 49.4% against a national average of 64.8% and Grade 5+ English & Maths results were 30.9% against a national average of 45%.

Progress 8 – Average Provisional Progress 8 across the Trust is -0.22 against a national average of -0.03. Sedgefield Community College continue to perform well above national averages.

Key Stage Five (KS5)

54 pupils formed the KS5 cohort at Excelsior Academy in 2023. The majority of qualifications studied are Applied General qualifications with 53 pupils (98.1%) forming the Applied General cohort and 35 pupils (64.8%) forming the A-level cohort

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

A Levels – A Level Average Point Score was 15.92 with an average grade of D-. This is lower than performance in 2019 (24.62 – average grade D+). Value Added measures are not published this year as the Year 11 starting point were awarded grades through the Teacher Assessed Grades process in 2021.

Applied General – Applied General Average Point Score was 28.02 with an average grade of Merit+. This compares favourably with 2019 results (27.42 – average grade Merit+). Value Added measures are not published this year as the Year 11 starting point were awarded grades through the Teacher Assessed Grades process in 2021.

Inspection Outcomes

The Trust received one Section 5 inspection which was at Atkinson Road in May 2023. The academy achieved an 'Good' grading for overall effectiveness in all areas with the exception of personal development where they received an "Outstanding".

PROMOTING THE SUCCESS OF THE CHARITABLE COMPANY

Engagement with employees (including disabled persons)

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

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

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

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

The Trust has a range of policies and procedures in place to ensure equal opportunities for all employees. Examples of good practice include:

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

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

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

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

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

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

Long-term sustainability

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

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

Stakeholders

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

Pupils

Students are at the centre of the Trust's business. On the 01 September 2022, the Trust onboarded Sedgefield Hardwick Primary schools adding further capacity to the capacity in the Durham area.

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

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

Suppliers

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

Community and environment

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

The Trust is committed to reducing its carbon footprint wherever possible. Sustainability runs through all aspects of the Trust's business. All Trust Academies have their own Green and Environment Working Groups, which were set up in 2021/22. Pupils take a lead role in the operation of this initiative.

In 2022/23, the Estates Committee have been looking into energy and the effects on the environment, this will become a standing item on their agenda. This is in the hope that the Trust can reduce its carbon footprint over future years.

Business Conduct

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

Acting fairly between Members of the Company

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

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

FINANCIAL REVIEW

Financial and risk management objectives and policies

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

Financial report for the year

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities. The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2023, total expenditure of £42,700,054 (2022: £41,884,485) (excluding depreciation of £2,914,112) (2022: £2,769,009) was more than covered by the recurrent grant funding from the ESFA together with other incoming resources including donations from the Sponsor of £2,595,895 (2022: £3,283,572). The excess of income over expenditure (excluding transfer on conversion and depreciation) for the year was (£2,427,306) (2022: expenditure over income £1,633,512)).

At 31 August 2023, the net book value of the Trust's fixed assets was and movements in tangible fixed assets are shown in Note 12 to the financial statements. The Trust's assets were used exclusively for providing education and the associated support services to the pupils of its Academies.

At 31 August 2023, the cash balance held by the Trust was £9,959,560 (2022: £10,929,903) and net current assets of £9,705,687 (2022: £9,855,245).

At 31 August 2023, the FRS102 pension deficit amounted to £354,900 (2022: £1,123,900). The Trust recognises that the defined benefit scheme deficit, represents a significant potential liability. However, the Trust considers, that as each individual Academy is able to meet its known annual contribution commitment for the foreseeable future, the risk from this liability is minimised. The liability does not have an immediate cash flow impact; however, the cash flow impact will be the increased contributions.

Reserves Policy

The Board reviews the reserve levels of the Trust, annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board has determined that the appropriate level of free reserves should be a minimum of 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 Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £4,440,958 (2022: £3,484,319) which is below target however, £4,927,883 is also held in restricted general funds for educational use. The Trust intends to monitor reserves levels. Currently, two months' expenditure (excluding depreciation) for the Trust equates to £7,116,675. At 31 August 2023, the Trust held cash at bank of £9,959,560 (2022: £10,929,903) and net current assets of £9,705,687 (2022: £9,855,245).

Going Concern

The Going Concern status of the Academy Trust has been considered by assessing current performance and reserves, future developments and pupil numbers.

After making appropriate enquiries, the Trustees consider that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the financial statements.

Financial Position

The Trust held fund balances at 31 August 2023 of £93,152,557 (2022: £89,682,366). These are split into restricted fixed asset funds of £84,138,616 (2022: £82,706,407), pension reserve (£354,900) (2022: £1,123,900), restricted general reserves of £4,927,883 (2022: £4,615,541) and unrestricted funds of £4,440,958 (2022: £3,484,319).

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

Investment Policy

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

Risk Management

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

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

Key Performance Indicators

Atkinson Road Primary Academy underwent an Ofsted inspection in July 2023. The Trustees are delighted to report that the inspection team graded the Academy as 'Good' in all categories except personal development which scored 'Outstanding'. This is a maintained judgement.

The Trust expected attainment was 55.7%, which is an improvement from 2021-22 (47.5%) but below the national average of 59.0%. Thomas Walling Primary Academy, South Hylton Primary Academy and Sedgefield Hardwick exceeded the national average and there were notable improvements at Atkinson Road Primary Academy.

The Trust were delighted to learn that Sedgefield Hardwick Primary Academy was shortlisted by the world's best school prizes as a top 10 school for innovation. Having the school shortlisted for this prestigious global award is testament to the integration of digital in the curriculum to support creativity, inclusion and independence.

Financial KPIs have been performed on staff salary costs as a percentage of Education Funding General Annual Grant (GAG) and total income. The percentages are 96.98% and 68.5% retrospectively. On average in the year ended August 2023, across the Trust there were 346 Teaching staff, therefore the pupil to teacher ratio is 16.2.

Principal risks and uncertainties

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

In addition, the Trust faces risks around the Trust's estate. Due to the size of the Trust it is eligible to receive School Condition Allocation (SCA) capital funding, this allows the Trust to develop and implement a proactive plan for property improvements going forward.

Fundraising

No public fundraising is performed by the Trust.

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

Annual Energy Use

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

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	6,718,799	7,439,882
<u>Scope 1 emissions CO2e</u>		
Gas consumption	716.71	754.74
Owned Vehicles – Mini buses	8.01	10.19
<u>Total scope 1</u>	724.72	764.93
<u>Scope 2 emissions CO2e</u>		
Purchased electricity	572.07	631.82
<u>Scope 3 emissions CO2e</u>		
Business Travel in employee-owned vehicles	4.0	3.47
Total gross emissions in metric tonnes CO2e	1,300.79	1,400.22
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.23	0.27

In delivering educational services Laidlaw Schools Trust generated the equivalent of 1,301 tonnes of carbon dioxide.

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

In the year ending August 2023, both Academy 360 and Excelsior Academy have continued with their rolling programme to replace all of their current lighting with LED lighting around their Academies.

The Trust continue, where possible, to ensure that meetings are undertaken via video conferencing technology in a bid to reduce business mileage generated by traveling between sites. All committee and Trust Board meetings with the exception of two have taken place virtually, however, Trustees are given the option of whether to attend in person or virtual.

THE LAIDLAW SCHOOLS TRUST
TRUSTEES' REPORT
Year ended 31 August 2023

PLANS FOR FUTURE PERIOD

The Trust will continue to strive to improve the levels of performance of all its students as all levels, however, the core academic focus and overriding priority are that children's performance in English and Maths improves year on year and the best performing locally.

At the centre of everything that the Trust has planned equality, inclusion and diversity are at the core to ensure underprivileged and under-represented groups are not excluded and are provided with the same opportunities as others.

As part of the Inclusion Strategy, the Trust is in the process of setting up a new inclusion centre in Sedgefield, which is aimed to meet the more complex requirements of SEND pupils across the Trust. The facility will be funded by the Laidlaw Foundation.

Where opportunities arise, the Trust will seek to bring new Academies in to add further capacity and continue towards the overall goal of supporting up to 10,000 students. Alternative provision is a key part of the growth strategy and the Beacon of Light School joined the Trust on the 1st September 2023, adding to the Wearside cluster.

AUDITORS

Following a formal tender process in June 2021 RSM UK Audit LLP has been reappointed as Company Auditors.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

The Trustees' Report is approved by order of the Board of Trustees, and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 21 December 2023 and signed on its behalf by:

Susanna Kempe

S V Kempe
Chair of Trustees

THE LAIDLAW SCHOOLS TRUST
GOVERNANCE REPORT
Year ended 31 August 2023

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.

Rob Hughes is the Trust's Co-CEO and Accounting Officer, and is responsible for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned in the Funding Agreement between the Trust and the Secretary of State for Education. The CEO and Accounting Officer is also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here, supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met four times during the year, and make use of digital meeting facilities on "Google Meets" where, in person meetings have been difficult. As the Trustees had less than six formal meetings in the year, to ensure effective governance, Operation and Audit Committees have oversight on their behalf. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of possible
S V Kempe, Chair	4	4
L Conlon MBE	4	4
P Sehgal JP	4	4
P Solly	4	4
G E O Stanford	4	4
P West	2	4
N Stefanou	2	4
P Foster	4	4
N Clark	3	4
N Palmarini	1	2

The Operations, Audit, People (formerly Remuneration), Standards and Estates Committees are committees of the Board. Their purpose is to oversee the Trust's compliance, risk, financial, operational and educational affairs and to inform the decision making of the Board. The Committees have formally met six, four, three, three and three times during the year, respectively. As the Trustees had less than six formal meetings in the year, to ensure effective governance, Operation and Audit Committees have oversight on their behalf. Attendance at meetings in the year was as follows:

Operations Committee	Meetings attended	Out of possible
P Solly, Chair	6	6
P Sehgal JP	6	6
N Stefanou	3	6
Audit Committee		
P Sehgal JP, Chair	4	4
P Solly	4	4
N Clark	3	4
People Committee (Formerly Remuneration)		
Linda Conlon, Chair	3	3
P Sehgal JP	3	3
S V Kempe	3	3

THE LAIDLAW SCHOOLS TRUST
GOVERNANCE REPORT
Year ended 31 August 2023

Standards Committee

Paul West, Chair	3	3
S V Kempe	3	3
G E O Stanford	3	3
N Palmarini	2	2
S McCready	0	3

Estates Committee

P Foster, Chair	3	3
S V Kempe	3	3
P Solly	3	3

Governance Review

During the year, the Operations and Audit Committees dealt separately with operational, audit and risk matters. The People Committee considers executive pay and salaries of senior staff, the Standards Committee considers educational performance and the Estates Committee has oversight of all operational matters of all land and buildings.

There were six meetings of the Operations Committee, four Audit Committees, and three meetings of Standards, Estates and People Committees. These meetings ensured that there were frequent and regular opportunities for Trustee to engage and challenge on all aspects of the financial management of the Trust. Commentary in the minutes of Trust Board and Committee meetings demonstrates that there has been robust and effective oversight of the Trusts financial position.

The quality of data provided aids the decision making of the Committees of the Board. There has been one external review of finance and governance within the year in November 2022 commissioned by the ESFA. This was a robust review with positive outcomes and no concerns raised. The Trust Board has commissioned a further external review of governance which was agreed in July 2023, to occur in Autumn 2023.

Review of value for money

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

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

- Atkinson Road Primary Academy's main building required significant capital investment. An elevation programme of works has continued during 2022/23 to ensure that the building is made water tight and is safe for all pupils.
- Excelsior Academy fitted a new wider staircase between levels two and three, this will allow staff and students to move between floors safely during key periods.
- Excelsior Academy continued with the refurbished programme on the Secondary toilet blocks. The reconfiguration will reduce the potential of behaviour related incidents in toilet spaces enabling pupils to feel safe.
- All Trust academies invested in their IT infrastructure to varying degrees in the year, to enhance digital teaching and learning.
- LST Central Team continues to review all staff vacancies across the Trust to ensure there is a both educational and operational need for the post.
- The Trust uses a Curriculum Led Financial Planning tool as part of the budget setting process.

THE LAIDLAW SCHOOLS TRUST
GOVERNANCE REPORT
Year ended 31 August 2023

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 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board and the Operations and Audit Committee have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal continual process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

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

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

THE LAIDLAW SCHOOLS TRUST
GOVERNANCE REPORT
Year ended 31 August 2023

Internal Audit

The Board has considered the need for a specific internal audit function and has decided, to appoint an independent firm to perform the function of internal audit following a tender process. TIAA Ltd. as Internal Assurance Reviewer, performs additional internal assurance checks. They were appointed as internal scrutiny provider due to their expertise in a variety of subject matters which the Trustee were keen to scrutinise and ensure compliance within the Trust. During 2022/23, the Trust commissioned an internal assurance review with IT and Cyber Security experts ITPS.

The Internal Assurance Reviewer scrutinises financial and internal controls providing recommendations, where appropriate, in line with the Academies Trust Handbook 2022. In particular, the checks carried out in the current period included:

- Creditor payments
- Payroll
- Cyber Security
- Follow up on previous Internal Audits

The internal assurance work carried out closely scrutinised the controls in each of the relevant areas, making recommendations where appropriate, and thus, providing the management team with assurance that appropriate, up to date and robust policies and procedures were in place, to assure the Trust as to compliance with the Academies Trust Handbook.

Managing Conflict

The Trust have a standing agenda item at all meetings for any declarations of interest which pertain to items on the agenda, or in case of any changes.

All Members, Trustees and Governors complete any annual conflicts of interest form, which are kept securely, centrally and published as required by the Academies Trust Handbook on the Trust websites

Review of effectiveness

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

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

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

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

Approved by order of the members of the Board of Trustees on 21 December 2023 and signed on their behalf by:

Susanna Kempe

S V Kempe
Chair of Trustees



R Hughes
Co-CEO and Accounting Officer

THE LAIDLAW SCHOOLS TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2023

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Laidlaw Schools Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I, and the academy trust Board of Trustees, are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Trust Handbook 2022.

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 ESFA.



R Hughes
Co-CEO and Accounting Officer

THE LAIDLAW SCHOOLS TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
Year ended 31 August 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 21 December 2023 and signed on their behalf by:

Susanna Kempe

S V Kempe
Chair of Trustees

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAIDLAW SCHOOLS TRUST
YEAR ENDED ON 31 AUGUST 2023**

Opinion

We have audited the financial statements of The Laidlaw Schools Trust (the "charitable company") for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statements and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAIDLAW SCHOOLS TRUST YEAR ENDED ON 31 AUGUST 2023

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAIDLAW SCHOOLS TRUST
YEAR ENDED ON 31 AUGUST 2023**

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Trust Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

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

RSM UK AUDIT LLP

Lucy Robson (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: 22/12/23

THE LAIDLAW SCHOOLS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2023

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total 2022 £
Income and endowments						
Donations and capital grants	3	4,074	2,595,895	866,381	3,466,350	3,830,085
Transfer from LA on conversion	27	230,224	(263,000)	2,426,772	2,393,996	-
Charitable activities:						
Funding for educational operations	4	-	40,596,934	-	40,596,934	35,536,859
Other trading activities	5	1,063,190	-	-	1,063,190	870,518
Investments	6	886	-	-	886	13,511
Total income and endowments		<u>1,298,374</u>	<u>42,929,829</u>	<u>3,293,153</u>	<u>47,521,356</u>	<u>40,250,973</u>
Expenditure on:						
Raising funds	7	341,735	-	-	341,735	211,375
Charitable activities:						
Educational operations	8	-	42,358,319	2,914,112	45,272,431	44,442,119
Total resources expended	7	<u>341,735</u>	<u>42,358,319</u>	<u>2,914,112</u>	<u>45,614,166</u>	<u>44,653,494</u>
Net income/(expenditure)		956,639	571,510	379,041	1,907,190	(4,402,521)
Transfer between funds	17	-	(1,053,168)	1,053,168	-	-
		956,639	(481,658)	1,432,209	1,907,190	(4,402,521)
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	24	-	1,563,000	-	1,563,000	20,465,000
Net movement in funds		956,639	1,081,342	1,432,209	3,470,190	16,062,479
Reconciliation of funds						
Total funds brought forward		3,484,319	3,491,641	82,706,407	89,682,367	73,619,888
Total funds carried forward	17	<u>4,440,958</u>	<u>4,572,983</u>	<u>84,138,616</u>	<u>93,152,557</u>	<u>89,682,367</u>

THE LAIDLAW SCHOOLS TRUST

(Company Number: 05735093)

BALANCE SHEET

at 31 August 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	12		83,825,668		81,036,550
Current assets					
Debtors	13	5,629,630		4,634,266	
Cash at bank and in hand		9,959,560		10,929,903	
		15,589,190		15,564,169	
Current liabilities					
Creditors: amounts falling due within one year	14	(5,883,503)		(5,708,924)	
Net current assets			9,705,687		9,855,245
Total assets less current liabilities			93,531,355		90,891,795
Creditors: amounts falling due after more than one year	15		(23,898)		(85,528)
Net assets excluding pension liability			93,507,457		90,806,267
Defined benefit pension liability	24		(354,900)		(1,123,900)
Net assets			93,152,557		89,682,367
Funds of the Academy Trust					
Restricted funds	17				
Restricted fixed asset funds			84,138,616		82,706,407
Restricted general funds			4,927,883		4,615,541
Pension reserve			(354,900)		(1,123,900)
Total restricted funds			88,711,599		86,198,048
Unrestricted income funds	17		4,440,958		3,484,319
Total funds			93,152,557		89,682,367

The financial statements on pages 23 to 49 were approved by the Board of Trustees and authorised for issue on 22/12/23 and signed on their behalf by

Susanna Kempe

S V Kempe
Chair of Trustees

THE LAIDLAW SCHOOLS TRUST
CASH FLOW STATEMENTS
for the year ended 31 August 2023

a.	Note	2023	2022
		£	£
Cash flows from operating activity			
Net cash provided by operating activities	20	1,270,257	740,964
Cash flows from investing activities			
Interest received		886	13,511
Capital grants from DfE and ESFA		866,381	546,380
Payment to acquire tangible fixed assets		(3,283,233)	(687,713)
Cash received on conversion (note 27)		236,996	-
Net cash (used in) investing activities		(2,178,970)	(127,822)
Net cash used in financing activities	21	(61,630)	(61,437)
		-	-
Net (decrease)/increase in cash and cash equivalents in the reporting period		(970,343)	551,705
Cash and cash equivalents at beginning of the year		10,929,903	10,378,198
Cash and cash equivalents at end of the year		9,959,560	10,929,903

b.

Analysis of changes in net funds

	Balance at 1 September 2022 £	Cash flows £	Non-cash change £	Balance at 31 August 2023 £
Cash	10,929,903	(970,343)	-	9,959,560
Loans less than one year	(63,377)	58,850	-	(4,527)
Loans more than one year	(85,528)	61,630	-	(23,898)
	10,780,998	(849,863)	-	9,931,135

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

1 Accounting policies

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

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

Basis of preparation

The financial statements of the Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

Going concern

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

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for at least 12 months from approval of the financial statements and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Sponsorship income

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

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

1 Accounting policies (Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Transfer on conversion

The transfer of Sedgefield Hardwick Primary into the academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below. The net assets transferred on conversion have been valued at their fair values. The fair value has been derived based on that of equivalent items. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Assets subject to PFI Arrangements

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

Expenditure

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

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

Expenditure on raising funds

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

Charitable activities

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

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

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

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

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

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

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

Liabilities

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

Leased assets

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

Taxation

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

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

1 Accounting policies (Continued)

Pensions benefits

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

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

The LGPS is a funded scheme multi-employer scheme and the assets are held separately. 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 reporting 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 as other comprehensive income.

Actuarial gains and losses and the effect of the asset ceiling are recognised immediately as other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Fund accounting

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

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

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

Agency arrangements

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

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

1 Accounting policies (Continued)

Financial instruments

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

Financial assets and liabilities

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

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

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

Derecognition of financial assets and liabilities

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit obligation 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 23, will impact the carrying amount of the pension obligation. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 August 2023. 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 obligation.

Areas of judgement: Minimum funding requirement.

Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to be included in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and its inherent implied continuance as well as the operation of the primary and secondary contributions.

Areas of judgement: PFI

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

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

3 Donations and capital grants

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total 2022 £
Private sponsorship	-	2,595,895	-	2,595,895	3,283,571
Capital grants	-	-	866,381	866,381	546,380
Other donations	4,074	-	-	4,074	134
	<u>4,074</u>	<u>2,595,895</u>	<u>866,381</u>	<u>3,466,350</u>	<u>3,830,085</u>

The income from donations and capital grants was £3,466,350 (2022: £3,830,085) of which £2,595,895 was restricted (2022: £3,283,571), £866,381 was restricted fixed assets (2022: £546,380) and £4,074 (2022: £134) was unrestricted.

4 Funding for the Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
DfE / ESFA grants				
General annual grant (GAG)	-	31,888,305	31,888,305	29,879,362
Pupil Premium	-	3,249,847	3,249,847	3,010,002
UIFSM	-	200,868	200,868	169,710
Other DfE / ESFA grants	-	3,374,198	3,374,198	1,164,405
	<u>-</u>	<u>38,713,218</u>	<u>38,713,218</u>	<u>34,223,479</u>
Other government grants				
Local authority grants	-	1,883,716	1,883,716	1,313,380
	<u>-</u>	<u>1,883,716</u>	<u>1,883,716</u>	<u>1,313,380</u>
Total funding	<u>-</u>	<u>40,596,934</u>	<u>40,596,934</u>	<u>35,536,859</u>

The income from funding for educational operations was £40,596,934 (2022: £35,536,859) of which £40,596,934 was restricted (2022: £35,536,859).

The funding agreements of the Trust 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 2023

5 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	Total 2023 £	Total 2022 £
Letting's income	222,744	-	222,744	156,777
Catering income	341,735	-	341,735	211,375
Insurance income	5,640	-	5,640	-
Other income	493,071	-	493,071	502,366
	<u>1,063,190</u>	<u>-</u>	<u>1,063,190</u>	<u>870,518</u>

The income from other trading activities was £1,063,190 (2022: £870,518) of which £1,063,190 was unrestricted (2022: £870,518).

6 Investment income

	Unrestricted Funds £	Restricted General Funds £	Total 2023 £	Total 2022 £
Interest	<u>886</u>	<u>-</u>	<u>886</u>	<u>13,511</u>

The investment income was £886 (2022: £13,511) of which £886 was unrestricted (2022: £13,511).

7 Expenditure

	Staff Costs £	Premises & equipment £	Other costs £	Total 2023 £	Total 2022 £
Expenditure on raising funds					
Direct costs	-	-	341,735	341,735	211,375
Academies' educational operations					
Direct costs	23,653,163	2,914,112	2,910,162	29,477,437	27,123,917
Allocated support costs	<u>8,968,996</u>	<u>-</u>	<u>6,825,998</u>	<u>15,794,994</u>	<u>17,318,202</u>
Total expenditure	<u>32,622,159</u>	<u>2,914,112</u>	<u>10,077,895</u>	<u>45,614,166</u>	<u>44,653,494</u>

The expenditure on raising funds was £341,735 (2022: £211,375) of which £341,735 was unrestricted (2022: £211,575).

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

7. Expenditure (cont'd)

Net income/(expenditure) for the year includes:

	2023	2022
	£	£
Fees payable to auditor		
Audit	34,150	27,900
Other services	3,920	8,860
Internal assurance services	8,375	8,375
Operating lease rentals	29,920	17,091
Payment in respect of a property subject to a PFI arrangement	506,173	448,261
Net interest on defined benefit pension liability	38,000	316,000
Depreciation of tangible fixed assets	2,914,112	2,769,009
	<u>2,914,112</u>	<u>2,769,009</u>

Central services

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

The amounts charged during the year, being 2.5% (2022: 2.5%) of GAG, were as follows:

	Total	Total
	2023	2022
	£	£
Excelsior Academy	253,068	250,680
Atkinson Road Primary Academy	57,278	53,916
Thomas Walling Primary Academy	51,620	47,131
South Hylton Primary Academy	31,762	28,973
Westgate Hill Primary Academy	83,062	82,252
Academy 360	139,980	133,875
Sedgefield Community College	161,951	156,580
Sedgefield Hardwick Primary Academy	22,391	-
	<u>801,112</u>	<u>753,407</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

8 Charitable activities

	2023 £	2022 £
All from restricted funds:		
Direct costs – educational operations	29,477,437	27,123,917
Support costs – educational operations	15,794,994	17,318,202
	<u>45,272,431</u>	<u>44,442,119</u>

The expenditure on educational operations was £45,272,431 (2022: £44,442,119) of which £42,358,319 was restricted (2022: £41,673,110) and £2,914,112 was in respect of depreciation restricted tangible fixed assets (2022: £2,769,009).

	2023 £	2022 £
Analysis of support costs		
Support staff costs	8,968,996	10,118,445
Technology costs	651,972	733,677
Premises costs	4,241,420	4,214,361
Other support costs	1,849,896	2,125,694
Governance costs	82,710	126,025
	<u>15,794,994</u>	<u>17,318,202</u>

9 Staff costs

Staff Costs during the period were:

	2023 £	2022 £
Wages and salaries	23,196,849	21,688,580
Social security costs	2,308,290	2,135,191
Other pension costs	5,421,289	6,752,297
	<u>30,926,428</u>	<u>30,576,068</u>
Total staff costs	30,926,428	30,576,068
Supply staff costs	1,336,335	1,026,844
Staff restructuring costs	143,158	146,141
Staff development and other staff costs	259,238	105,493
	<u>32,665,159</u>	<u>31,854,546</u>
 Staff restructuring costs comprise:		
Severance payments	143,158	146,141
Redundancy costs	-	-
	<u>143,158</u>	<u>146,141</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

9 Staff costs (continued)

Staff numbers

The average number of persons (including senior management team) employed by the Academies during the year ended 31 August 2023 was as follows:

	2023	2022
	Number	Number
Teachers	346	390
Administration support	454	463
Management	23	26
	<u>823</u>	<u>879</u>

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

Higher paid staff

	2023	2022
	Number	Number
£60,001 - £70,000	14	8
£70,001 - £80,000	11	9
£80,001 - £90,000	1	2
£90,001 - £100,000	2	3
£100,001 - £110,000	2	1
£110,001 - £120,000	2	2
£120,000 - £130,000	2	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£160,001 - £170,000	-	1

Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling 2023: £42,468 (2022: £65,789). Individually, the payments were as follows: £13,868, £11,679, £10,921 and £6,000.

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Trust was 2023: £896,032 (2022: £824,286).

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

10 Trustees' remuneration and expenses

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

Ian Simpson, CEO until 06 March 2023, received remuneration of £136,057 (2022: £163,928), other benefits received in the year of £nil (2022: £nil) and employer pension contributions of £18,863 (2022: £37,984). In excess of 50% of his total remuneration is funded directly by Laidlaw Foundation.

During the year, travel and subsistence expenses totalling £Nil (2022: £566 to two Trustees) were reimbursed to two Trustee.

Related party transactions involving the Trustees are set out in Note 25.

11 Trustees and Officers insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £1,071 (2022: £980). The cost of this insurance is included in the total insurance cost.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

12 Tangible fixed assets

	Leasehold Land & Buildings £	Freehold Land & Buildings £	Assets under construction £	Fixtures fittings & equipment £	IT £	Motor Vehicles £	Total £
Cost							
At 1 September 2022	41,902,572	51,102,253	-	2,137,648	2,099,584	18,847	97,260,904
Additions	616,362	181,101	451,021	1,213,590	821,159	-	3,283,233
Disposals	-	-	-	(405,479)	(318,605)	-	(724,084)
Transfer from local authority on conversion	-	2,420,000	-	-	-	-	2,420,000
At 31 August 2023	42,518,934	53,703,354	451,021	2,945,759	2,602,138	18,847	102,240,053
Depreciation							
At 1 September 2022	4,887,564	8,937,589	-	1,265,671	1,128,818	4,712	16,224,354
Charge in year	789,804	1,082,612	-	565,396	471,588	4,712	2,914,112
Disposals	-	-	-	(405,477)	(318,604)	-	(724,081)
At 31 August 2023	5,677,368	10,020,201	-	1,425,590	1,281,802	9,424	18,414,385
Net book value							
At 31 August 2023	36,841,566	43,683,153	451,021	1,520,169	1,320,336	9,423	83,825,668
At 31 August 2022	37,015,008	42,164,664	-	871,977	970,766	14,135	81,036,550

13 Debtors

	2023 £	2022 £
Trade debtors	58,063	112,186
Other debtors	1,116,470	855,191
Prepayments and accrued income	4,455,097	3,666,889
	5,629,630	4,634,266

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,442,345	1,361,845
Other taxation and social security	567,834	489,810
Other creditors	610,933	140,857
Other loans	4,527	61,437
Accruals and deferred income	3,257,864	3,654,975
	<u>5,883,503</u>	<u>5,708,924</u>

15 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other loans	-	58,850
Salix loan	<u>23,898</u>	<u>26,678</u>
Analysis of loan		
Wholly repayable within five years	<u>28,425</u>	<u>148,905</u>
Loan Maturity		
Debt due in one year or less	4,527	63,377
Due in more than one but less than five years	<u>23,898</u>	<u>85,528</u>

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

Payment Schedule – Salix

2024/25	£4,527
2025/26	£4,527
2026/27	£4,526
2027/28	£4,526
2028/29	£4,526

16 Deferred income

	2023	2022
	£	£
Deferred income is included within:		
Creditors due within one year	<u>1,406,629</u>	<u>1,820,280</u>
Deferred income at 1 September 2022	1,820,280	1,095,335
Released from previous	(1,820,280)	(1,095,335)
Amounts deferred in the year	<u>1,406,629</u>	<u>1,820,280</u>
Deferred income at 31 August 2023	<u>1,406,629</u>	<u>1,820,280</u>

At the Balance Sheet date, the Trust was holding funds received in advance in relation to: Early Years funding, Universal Infant free school meals, Newcastle City Council for Atkinson Road, School led tutoring, other charitable donations, Hardship funding, Sponsor Donation, Greggs Breakfast Club and other smaller items. The amounts will be utilised in the year ended 31 August 2023.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses And transfers £	Balance at 31 August 2023 £
Restricted general fund					
General Annual Grant	1,794,689	31,888,305	(30,522,795)	(1,053,168)	2,107,031
UFSM	-	-	-	-	-
Pupil Premium	-	3,249,847	(3,249,847)	-	-
Covid Catch Up Grant	-	-	-	-	-
Other DfE / ESFA grants	109,488	3,575,066	(3,575,066)	-	109,488
Other government grants	-	1,883,716	(1,883,716)	-	-
School standards fund	918,034	-	-	-	918,034
Investment Income	140	-	-	-	140
Other restricted funds	1,793,190	2,595,895	(2,595,895)	-	1,793,190
	<u>4,615,541</u>	<u>43,192,829</u>	<u>(41,827,319)</u>	<u>(1,053,168)</u>	<u>4,927,883</u>
Funds excluding pension	(1,123,900)	(263,000)	(531,000)	1,563,000	(354,900)
	<u>3,491,641</u>	<u>42,929,829</u>	<u>(42,358,319)</u>	<u>509,832</u>	<u>4,572,983</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	3,754,074	866,381	(33,564)	-	4,586,891
Capital expenditure from GAG	326,994	-	(199,111)	1,053,168	1,181,051
Assets transferred from Newcastle, Sunderland and Durham City Councils	53,650,030	2,426,772	(1,872,416)	-	54,204,386
Sponsorship of Laidlaw Foundation	3,470,895	-	(41,870)	-	3,429,025
Other restricted fixed asset funds	21,504,414	-	(767,151)	-	20,737,263
	<u>82,706,407</u>	<u>3,293,153</u>	<u>(2,914,112)</u>	<u>1,053,168</u>	<u>84,138,616</u>
Total restricted funds	<u>86,198,048</u>	<u>46,222,982</u>	<u>(45,272,431)</u>	<u>1,563,000</u>	<u>88,711,599</u>
Unrestricted funds					
General funds	3,484,319	1,298,374	(341,735)	-	4,440,958
Total funds	<u>89,682,367</u>	<u>47,521,356</u>	<u>(45,614,166)</u>	<u>1,563,000</u>	<u>93,152,557</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

17 Funds (continued)
Prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses And transfers £	Balance at 31 August 2022 £
Restricted general fund					
General Annual Grant	2,452,163	29,879,361	(30,018,041)	(518,794)	1,794,689
UIFSM	-	169,710	(169,710)	-	-
Pupil Premium	-	3,010,002	(3,010,002)	-	-
Covid Catch Up Grant	-	-	-	-	-
Other DfE / ESFA grants	109,488	1,164,405	(1,164,405)	-	109,488
Other government grants	-	1,313,380	(1,313,380)	-	-
School standards fund	918,034	-	-	-	918,034
Investment Income	140	-	-	-	140
Other restricted funds	1,793,190	3,283,572	(3,283,572)	-	1,793,190
	<u>5,273,015</u>	<u>38,820,430</u>	<u>(38,959,110)</u>	<u>(518,794)</u>	<u>4,615,541</u>
Funds excluding pension	(18,874,900)	-	(2,714,000)	20,465,000	(1,123,900)
Pension reserve	<u>(13,601,885)</u>	<u>38,820,430</u>	<u>(41,673,110)</u>	<u>19,946,206</u>	<u>3,491,641</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	3,241,257	546,380	(33,564)	-	3,754,074
Capital expenditure from GAG	543,798	-	(735,598)	518,794	326,994
Assets transferred from Newcastle, Sunderland and Durham City Councils	54,840,856	-	(1,190,826)	-	53,650,030
Sponsorship of Laidlaw Foundation	3,512,765	-	(41,870)	-	3,470,895
Other restricted fixed asset funds	22,271,565	-	(767,151)	-	21,504,414
	<u>84,410,241</u>	<u>546,380</u>	<u>(2,769,009)</u>	<u>518,794</u>	<u>82,706,407</u>
Total restricted funds	<u>70,808,356</u>	<u>39,366,810</u>	<u>(44,442,119)</u>	<u>20,465,000</u>	<u>86,198,048</u>
Unrestricted funds					
General funds	2,811,531	884,163	(211,375)	-	3,484,319
Total funds	<u>73,619,887</u>	<u>40,250,973</u>	<u>(44,653,494)</u>	<u>20,465,000</u>	<u>89,682,367</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
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17 Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

Total funds analysis by Academy

	Total 2023 £	Total 2022 £
Fund balances at 31 August 2023 were allocated as follows:		
Excelsior Academy	2,407,556	2,253,523
Atkinson Road Primary Academy	845,602	815,463
Thomas Walling Primary Academy	835,558	736,213
South Hylton Primary Academy	155,309	50,459
Westgate Hill Primary Academy	607,899	541,447
Academy 360	1,691,422	1,590,463
Sedgefield Community College	407,198	228,452
Sedegfield Hardwick Primary	205,021	
Central Services	<u>2,213,276</u>	<u>1,883,840</u>
Total before fixed assets fund and pension reserve	9,368,841	8,099,860
Restricted fixed asset fund	84,138,616	82,706,407
Pension reserve	(354,900)	(1,123,900)
Total funds	<u><u>93,152,557</u></u>	<u><u>89,682,367</u></u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

17 Funds (continued)

Total cost analysis

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational Supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Excelsior Academy	7,662,474	1,475,805	616,572	2,096,816	11,851,667	11,216,128
Atkinson Road Primary Academy	2,065,945	382,407	170,616	692,216	3,311,184	3,272,685
Thomas Walling Primary Academy	1,752,168	514,936	138,410	375,670	2,781,184	2,564,075
South Hylton Primary Academy	1,068,183	182,272	55,454	277,043	1,582,952	1,550,502
Westgate Hill Primary Academy	2,844,172	733,775	108,804	535,525	4,222,276	3,918,064
Academy 360	4,551,649	877,566	285,336	1,359,974	7,074,525	7,012,943
Sedgefield Community College	4,407,371	508,101	396,155	2,037,816	7,349,443	7,022,511
Sedgefield Hardwick Primary	928,988	193,833	68,208	217,244	1,408,273	-
Central Services	164,216	1,446,059	62,269	915,005	2,587,550	2,613,579
	<u>25,445,166</u>	<u>6,314,754</u>	<u>1,901,824</u>	<u>8,507,309</u>	<u>42,169,054</u>	<u>39,170,486</u>

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted General funds £	Restricted fixed asset funds £	Total 2023 £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	83,825,668	83,825,668
Current assets	4,440,958	10,835,284	312,948	15,589,190
Creditors falling due within one year	-	(5,883,503)	-	(5,883,503)
Creditors falling due after one year	-	(23,898)	-	(23,898)
Defined benefit pension liability	-	(354,900)	-	(354,900)
	<u>4,440,958</u>	<u>4,572,983</u>	<u>84,138,616</u>	<u>93,152,557</u>

	Unrestricted funds £	Restricted General funds £	Restricted fixed asset funds £	Total 2022 £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	81,036,550	81,036,550
Current assets	3,484,319	10,409,993	1,669,857	15,564,169
Creditors falling due within one year	-	(5,708,924)	-	(5,708,924)
Creditors falling due after one year	-	(85,528)	-	(85,528)
Defined benefit pension liability	-	(1,123,900)	-	(1,123,900)
	<u>3,484,319</u>	<u>3,491,641</u>	<u>82,706,407</u>	<u>89,682,367</u>

THE LAIDLAW SCHOOLS TRUST
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19 Commitments under operating leases and payments in respect of a property subject to a PFI arrangement

At 31 August 2023 the total future minimum lease payments under non-cancellable operating leases were as follows:

	Land & Building PFI 2023 £	Land & Building PFI 2022 £	Operating lease 2023 £	Operating lease 2022 £
Amounts due within one year	506,173	448,261	29,920	17,091
Amounts due between one and five years	2,024,692	1,793,042	55,486	114,999
Amounts due after five years	3,836,791	3,846,076	-	-
	<u>6,367,656</u>	<u>6,087,379</u>	<u>85,406</u>	<u>132,090</u>

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

	2023 £	2022 £
Net income/(expenditure) for the reporting period	1,907,190	(4,402,521)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(866,381)	(546,380)
Interest receivable	(886)	(13,511)
Net Surplus on conversion	(2,393,996)	-
Defined benefit pension scheme cost less contributions payable	493,000	2,398,000
Defined benefit pension scheme finance cost/(income)	38,000	316,000
Depreciation of tangible fixed assets	2,914,112	2,769,009
(Increase) in debtors	(995,364)	(41,938)
Decrease in creditors	174,582	262,305
Net cash provided by/ (used in) operating activities	<u>1,270,257</u>	<u>740,964</u>

21 Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	-	-
Repayment of borrowing	(61,630)	(61,437)
	<u>(61,630)</u>	<u>(61,437)</u>

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

22 Contingent liabilities

There are no contingent liabilities as at 31 August 2023 (or 31 August 2022).

23 Members' liability

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

24 Pensions and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022. The LGPS obligation reflects employees of the Academy Trust who transferred as part of the conversion of Sedgefield Hardwick Primary who were already members of the scheme and new employees who were eligible to and did join the Scheme whose cumulative retirement benefit was transferred to the Academy Trust in the year. The obligation in respect of employees who transferred represents their cumulative service to the date of transfer.

During the year Sedgefield Hardwick Primary transferred in to the academy trust. The obligation in respect of employees who transferred with Sedgefield Hardwick Primary to the academy trust representing their cumulative service to the predecessor employer was recognised in the SoFA as part of the gain on transfer as set out in note 27.

Outstanding contributions as at 31 August 2023 were £538,530 (2022: £496,772) and are included in creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. 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. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out below the information available on the scheme.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

THE LAIDLAW SCHOOLS TRUST
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24 Pensions and similar obligations (continued)

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

The employer's pension costs paid to the TPS in the period amounted to £3,447,015 (2022: £3,252,385).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2023 was £1,785,569 (2022: £1,539,228), of which employer's contributions totalled £1,326,180 (2022: £1,170,991) and employees' contributions totalled £459,389 (2022: £368,317). The agreed contribution rates for future years are from 5.5% - 12.5% for employees and between September 2019 – March 2020 the employer rate was 24.1 %, this reduced to 17.6% from April 2020 for the Tyne and Wear pension fund. The employer rate with Durham County Council pension fund is 22.9%.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made

	2023 £	2022 £
Employer's contributions	1,333,000	1,144,000
Employees' contributions	458,000	382,000
	<u>1,791,000</u>	<u>1,526,000</u>

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2023 by a qualified independent actuary:

	Durham CC 2023 %	Durham CC 2022 %	Tyne & Wear 2023 %	Tyne & Wear 2022 %
Rate of increases in salaries	3.6	3.7	4.1	4.2
Rate of increase for pensions in payment	2.6	2.7	2.6	2.7
Discount rate	5.0	4.1	5.1	4.1
Inflation assumption (CPI)	2.6	2.7	2.6	2.7

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
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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:

	Durham CC 2023 Years	Durham CC 2022 Years	Tyne & Wear 2023 Years	Tyne & Wear 2022 Years
Retiring today				
Males	21.7	22.1	21	21.8
Females	22.9	24.2	24.1	25
Retiring in 20 years				
Males	23.9	23.2	22.2	23.5
Females	25	25.7	25.5	26.7

The Trust's share of the assets in the scheme

	Durham CC 2023 £	Durham CC 2022 £	Tyne & Wear 2023 £	Tyne & Wear 2022 £	Total 2023 £	Total 2022 £
Equity	1,322,000	962,000	14,910,000	14,500,000	16,232,000	15,462,000
Government bond	275,000	199,000	380,000	430,000	655,000	629,000
Corporate Bond	244,000	77,000	5,470,000	5,020,000	5,714,000	5,097,000
Cash	52,000	25,000	490,000	490,000	542,000	515,000
Property	195,000	148,000	2,980,000	2,990,000	3,175,000	3,138,000
Multi Asset Credit	398,000	255,000	1,330,000	1,190,000	1,728,000	1,445,000
Other	112,000	93,000	3,390,000	2,350,000	3,502,000	2,443,000
Total	2,598,000	1,759,000	28,950,000	26,970,000	31,548,000	28,729,000
Actual return on scheme assets					1,269,000	(554,000)

Amounts recognised in the Statement of Financial Activities

	2023 £	2022 £
Current service cost	1,826,000	3,542,000
Net interest cost	38,000	316,000
Past Service Cost	-	-
	1,864,000	3,858,000

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

24 Pensions and similar obligations (continued)

Changes in the present value of defined benefit obligations

	2023
	£
Obligations at 1 September 2022	29,852,900
Transfer (note 27)	630,000
Current Service cost	1,826,000
Interest cost	1,252,000
Actuarial (gain)/loss due to change in financial assumptions	(7,239,000)
Actuarial (gain)/loss due to changes in demographic assumptions	(284,000)
Actuarial (gain)/loss due to liability loss	1,685,000
Employee contributions	458,000
Benefits paid	(608,000)
Past service cost	-
	<hr/>
At 31 August 2023	27,572,900
	<hr/>

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

	2023
	£
Assets at 1 September 2022	28,729,000
Transfer (note 27)	367,000
Interest income	1,214,000
Return on plan assets (excluding net interest on the net defined pension liability)	55,000
Employer contributions	1,333,000
Employee contributions	458,000
Benefits paid	(608,000)
	<hr/>
At 31 August 2023	31,548,000
	<hr/>

	2023
	£
Present value of defined benefit obligations	(27,572,900)
Fair value of plan assets	31,548,000
Net asset	3,975,000
Restriction to level of asset ceiling	(4,330,000)
	<hr/>
Net liability recognised in the balance sheet	(354,900)
	<hr/>

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

THE LAIDLAW SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

25 Related party transactions

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

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

- The Trust purchased student uniforms totalling £14,301 (2022: £18,175). At 31 August 2023 the amount outstanding was £194 (2022: £Nil).
- The Trust made the purchases at arm's length following competitive tendering in accordance with its financial regulations, which took place before P Sehgal or the Academy itself was involved with the Trust. Therefore, neither party participated in or influenced any decision.
- In entering into the transactions, the Trust has complied with the requirements of the Academies Trust Handbook 2022.
- The element above £2,500 has been provided "at no more than cost" and Michael Sehgal & Sons Limited provided a statement of assurance confirming this.

During the year, the Trust recognised sponsorship income from the Laidlaw Foundation of £2,595,895 (2022: £3,283,572), an amount of which, £2,595,895 (2022: £1,912,071) was expected at 31 August 2023.

26 Agency arrangements

The Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £44,849 (2022: £38,442). The full funds of £44,849 (2022: £38,442) remain in Creditors at the year end, awaiting distribution (see Note 14).

THE LAIDLAW SCHOOLS TRUST
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27 Conversion on transfer to an Academy Trust

Current year

On 1 September 2022, Sedgefield Hardwick Primary converted to Academy status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to the Trust from Durham County Council Local Authority for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis. 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 gain in the Statement of Financial Activities.

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

Sedgefield Hardwick Primary	£
Net assets transferred:	
Freehold building	2,420,000
Surplus on conversion	236,996
LGPS pension deficit	<u>(263,000)</u>
	<u>2,393,996</u>

Total - Transfer from LA on conversion (Sedgefield Hardwick Primary)

	Unrestricted funds £	Restricted General funds £	Restricted fixed asset funds £	Total 2023 £
Funds surplus/ (deficit) transferred:				
Fixed asset funds	-	-	2,420,000	2,420,000
LGPS pension funds	-	(263,000)	-	(263,000)
Other funds	<u>230,224</u>	<u>-</u>	<u>6,772</u>	<u>236,996</u>
	<u>230,224</u>	<u>(263,000)</u>	<u>2,426,772</u>	<u>2,393,996</u>

28 Post balance sheet events

Following the year end, one further school joined the Trust. Beacon of Light merged with the Laidlaw Schools Trust on 01 September 2023.