

THE LAUREL TRUST
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

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(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2019**

Trustees

W Goddard, Chair
R Durban, Trustee
Dame P Collarbone, Trustee
R Greenhalgh, Trustee
M Staricoff, Trustee
S Albone, Trustee (appointed 1 May 2019)
P Bull, Trustee (appointed 1 May 2019)
D Jhamat, Trustee (appointed 1 May 2019)
M Farrar, Trustee (resigned 5 November 2018)

Company registered number 05774260

Charity registered number 1117330

Registered office

C/O Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Company secretary I J Pearce (resigned 7 March 2020)

Accountants

MHA MacIntyre Hudson
Chartered Accountants
Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5DA

Bankers

Charities Aid Foundation Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Consultant director M Roger

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2019

The Trustees present their annual report together with the financial statements of Charity for the year 1 August 2018 to 31 July 2019. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

As a result of the ending of government grants for regional and national providers to train teachers for leadership in education the trustees made the strategic decision in July 2016 that to continue to take forward the charitable purpose of the advancement of education it was necessary to change the operational methodology and the name of the charity. It was decided to adopt the name the Laurel Trust and this was formally enacted on 3 October 2016 when the change of name was registered with Companies House and the Charity Commission. The operational methodology was changed from training provision for leadership in education to charitable grant making. This new strategy was selected on the basis of the need in schools and other educational providers to support practical action research in order to promote school improvement and educational achievement in multiply deprived communities through partnerships in education for children up to 11 years old, including provision for the early years and special educational needs and disability (SEND).

Objectives and activities

a. Policies and objectives

The charitable objects of the Trust are "the advancement of education, in particular (without prejudice to the generality) by promoting, improving and developing educational leadership in schools, local education authorities and other organisations supporting or providing education regionally, nationally and internationally" (extract from the objects in the Articles of Association 2016).

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Trustees have adopted the strategy of grant making totalling up to £250,000 per annum to support action research projects to improve schools and raise achievement. To ensure scale and wide application the research projects are carried out by collaborative partnerships of schools and other educational providers serving children up to 11 years old, notably those living in multiply deprived communities. Local match funding including professional staff time increases the resourcing of research projects enabling wider dissemination of outcomes and enhanced impact on education for the public benefit.

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Objectives and activities (continued)**c. Activities undertaken to achieve objectives**

In the financial year 2017-18 the Trust reviewed the reports and school visits for the first pilot year of grant making started in 2016-17 which supported 13 action research projects with grants totalling £162,710 awarded to nearly 100 primary and special schools and early years providers involving children aged from 1 to 11 years, mainly from multiply deprived communities in England. Based on lessons learnt about over-broad research aims, timing of research and limited dissemination of outcomes the Trustees decided to focus on supporting action research projects developing provision for children with special educational needs and disabilities (SEND). In March to April 2018 advertisements were issued in the specialist media for this second pilot phase. This was begun in September 2018 with an extended time for the research projects to run from September 2018 to January 2020 when final research reports would be submitted.

The Trust received 22 applications for the extended pilot from collaboration of schools across the country. Following careful selection, involving all Trustees and an independent SEND expert, 9 new collaborative partnerships of primary and special schools and early years' providers were selected to be awarded grants starting in September-November 2018. The grants awarded by the Trust ranged from £5,000 to £50,000, totaling £193,140. Each selected research project was based on a collaborative partnership of two or more schools or other providers up to 25 in the largest partnerships with professional support from multiple educational organisations and other agencies. A total of 87 schools and 11 early years settings were involved in the extended pilot and their collaborations have the capacity to disseminate to their localities and wider networks. The research projects also benefited from partnerships and professional support from several educational providers including 8 Teaching School Alliances and Multi-Academy Trusts, 7 local authorities and 8 universities/HEIs. Other partners included NHS, Family Support workers, Early Years and specialist autism providers. An important aspect of several of the projects was that of parent/carer involvement so that the funding supported parents/carers in helping their children and thereby had a wider benefit on families. Termly monitoring and support were carried out by the Trustees and the Consultant Director.

d. Main activities undertaken to further the Charity's purposes for the public benefit

The trustees confirm that to the best of their ability they have consistently complied with their duty to have due regard to the guidance on "the Advancement of Education for the Public Benefit" published by the Charity Commission in exercising their powers and duties. The main activities undertaken in 2018-2019 were promoting school improvement and contributing to pupil progress and achievement in nearly 100 primary and special schools and early years settings. The results of their research and improved practice will be shared in their wider localities and in networks so that the maximum number of schools' benefit. The research outcomes will then be disseminated nationwide aiming to contribute to improving school performance in hundreds of schools across England and raising the achievement of over 500,000 children for the public benefit.

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Achievements and performance

a. Main achievements of the Charity

In April 2018 advertisements were placed in the relevant educational press and all local authorities and regional schools' commissioners were alerted to the grant giving activities of The Laurel Trust and that an application round was imminent. Following the recruitment campaign, 22 lead schools submitted formal applications on behalf of their collaboratives and 9 were successful.

In September 2018 a successful induction conference was held in London to which all collaborations sent two delegates. The purpose of the conference was to ensure a strong start and to clarify expectations and responsibilities. Qualitative and quantitative indicators were agreed at the outset. Trustees instigated a pattern of visiting the research projects each term to monitor and support the leaders and teachers involved.

Each collaboration was assigned a link Trustee and joint termly visits were made with the Consultant Director.

These have received extremely positive responses from the Lead Schools and have been beneficial to Trustees who have seen the research as it evolves and have witnessed that the resulting changes in practice are of tangible benefits. In addition, in order to track the progress of each project and strengthen accountability the

Trust has requested termly reports from the Lead School. These detail the successes and challenges of each term.

Collaborations have already begun to look at issues of sustainability and dissemination to increase benefits to

other schools and through structured programmes of professional development have built the capacity and

capability of staff to extend their research and the resulting improvements in practice.

In order to increase the capacity of the Board of Trustees, three new Trustees have been appointed with a variety of backgrounds and expertise which has helped the diversity of the Board. The operation of the Board has also been strengthened by an increase in the number and frequency of meetings. This has resulted in greater teamwork and cohesion.

b. Key performance indicators

In 2018-19 the Trustees allocated £193,400 in grants to fund 9 new collaborative projects involving 87 primary and special schools and 11 early years settings and these projects continued their research and report preparation into 2019-20. (In 2016-17 the Trustees allocated £162,710 in grants to fund 13 action research projects involving 60 primary schools, 5 special schools and 30 early years providers and these projects continued their research and report preparation into 2017-18.)

During 2018-19 total reserves reduced by £232,434 (2017-18 £291,098) from £3,248,038 (2017-18 £3,539,236) to £3,015,604 (2017-18 £3,248,038) with £328,522 (2017-18 £145,892 plus a loss of £116,401 on disposal of fixed assets) expended on charitable activities and a modest income of £8,939 (2017-18 £2,845) made up from income from investments and interest paid on deposit accounts. (It should be noted that recent events in global markets have resulted in a significant reduction in the value of the investment portfolio figure since the year end. At 6 April 2020 the investment portfolio was valued at £2,612,177 as opposed to £2,791,866 at 31 July 2019 and this will have further reduced the reserves available.)

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Achievements and performance (continued)

c. Review of activities

Regular visits to the Lead School in each of the 9 research projects and termly reports from the schools showed generally high-quality action research. These projects demonstrated positive school improvement initiatives linked to the schools' priorities. Evidence suggests that they will on completion result in improved progress and raised achievement for the children. This will impact on the education system in future years. In addition, benefits have been accrued for parents and for colleagues in the NHS where they are working in collaboration with schools to effect a more cohesive and accessible system for children with special education needs and those children who are vulnerable. Our activities this year have also resulted in parents and carers, family support workers and specialist units benefiting. All the activities have shown positive outcomes to date including the increased capability and capacity of leaders, teachers and other professionals such as speech therapists. This will result in the research and practice been sustained and disseminated in future years again bringing wider engagement and adoption by schools.

All the schools and other providers who worked on earlier action research projects supported by grants from the Trust provided highly positive evaluation reports. These reports cited the professional guidance and support of the Trustees and consultants who visited projects in the field. With 13 partnership projects completed by mid 2018 the Trust now holds valuable empirical evidence on school improvement and child learning outcomes to inform dissemination nationwide. This evidence has been used to improve the Trust's practice and the Trustees are committed to an annual review and to continuous improvement.

d. Investment policy and performance

Noting the modest interest of under £3K paid from the Scottish Widows Deposit Account in 2017-18 and the sale of the Sittingbourne property, also in 2017-18, adding over £1.25M to the cash reserves, the Trustees remitted the company secretary to research alternative investments, including equities and bonds which could be managed by an "Investment Expert" firm in line with the powers in the Articles of Association and charity law. This review was to be completed by the Autumn 2018 when the secretary was remitted make recommendations to the Trustees on the future Investment Policy. In May 2019, £2.7M was invested with Tilney with instructions to invest in a portfolio appropriate for an investor with a five-year time horizon or more, who is comfortable with moderate volatility of returns and having typically up to 60% of their portfolio in equities, and who is able to tolerate a loss of up to 15% of the value of their portfolio in any one year. This percentage loss is based on what one might reasonably expect in any one year 95% of the time, or 19 years out of 20, and so there may be occasions when the percentage fall is greater than the 15% loss stated. At 31 July 2019, the investment portfolio was valued at £2,791,866 although recent events in global markets have resulted in a significant fall in this figure since the year end and at 6 April 2020 the investment portfolio was valued at £2,612,177.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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Financial review (continued)

b. Reserves policy

Throughout the financial year the Trustees regularly reviewed the healthy net current assets totalling £3,015,604 on 31 July 2019 (£3,248,038 on 31 July 2018). They resolved to continue with the long-term reserves policy of combining high levels of reserves with cautious application to new grant making developments budgeted at up to £250,000 per annum in order to safeguard charitable assets and maintain financial stability during the ongoing period of government policy changes in education including austerity cuts. (As stated above, the recent events in global markets have resulted in a significant reduction in the value of the investment portfolio figure since the year end. At 6 April 2020 the investment portfolio was valued at £2,612,177 as opposed to £2,791,866 at 31 July 2019 and this will have further reduced the reserves available.)

c. Financial risk management objectives and policies

During the past year the Trustees continued to carefully monitor the associated financial risks and under their duty of prudence maintained their cautious reserves policy subject to the above review of the reserves investment policy.

d. Principal funding

With the ending of government grants from the Department for Education in 2016 the Trust relies upon investment income to maintain reasonable reserves. In future years there will be a possibility of approaching other charitable trusts supporting research in education once the Trust has produced publications and disseminated research project findings nationwide and has a track record for quality high impact research in primary education.

Structure, governance and management

a. Constitution

Constitutionally the Laurel Trust (previously SELT) is a registered charity number 1117330 and company limited by guarantee number 05774260 to advance education based on Articles of Association first registered in 2006 and last amended with the change of name in 2016.

b. Methods of appointment or election of Trustees

The Trust is governed by a multi-skilled and diverse Board of Trustees and new trustees are recruited through the educational networks developed by the Trust including schools, local and diocesan education authorities and universities together with commissioning Trustees Unlimited as a specialist trustee recruitment agency. Trustees are appointed and co-opted on a voluntary basis. All new trustees are inducted by the company secretary on their legal duties and responsibilities of trusteeship using Charity Commission Guidance and literature published by the Trust's solicitors BWB and Stone King. In addition, the company secretary has introduced the NCVO Best Behaviour Code, which has been adopted by the Board and all trustees are required to sign the code and complete the declaration of interests, which is updated annually. The company secretary and the Trust's solicitors ensure that Trustees act in accordance with their legal obligations, corporate governance principles and guidance from the Charity Commission and other organisations in the charity sector including NCVO, DSC and ACEVO. In 2019 three new Trustees were appointed to the Board of Trustees after a rigorous recruitment and selection procedure. They bring additional expertise and greater diversity.

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Structure, governance and management (continued)**c. Organisational structure and decision-making policies**

The management of the charity is the responsibility of the Trustees who are appointed and co-opted under the terms of the Articles of Association. Support for and evaluation of the research projects is undertaken by Trustees on a voluntary basis in association with consultants (below) and in future years independent evaluation exercises and reports will be undertaken.

d. Related party relationships

The trustees have taken legal advice on this and for the future the trust has adopted and will consistently apply a bespoke management policy written by the specialist charity department at BWB (now at Stone King) which encompasses the duty to avoid conflict of interest, full declarations and where necessary provisions for the proper management of all incidences of conflict of interest and loyalty to ensure that board decisions are reasonable, prudent, independent and objective, including those for the allocation of grants.

e. Consultants as Advisors

Since 2016-17 when all staff were made redundant there have been no staff and hence no employee earns more than £60K. The executive was replaced by a part-time Consultant Director, who manages the educational work of the Trust with support from the company secretary who oversees governance and finances as a part-time consultant adviser to the Trustees. This arrangement continued into 2018/19 and it is envisaged that this will be the future pattern.

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Plans for future periods

Following the pilot year Cohort (1) launched in 2016-17 the trustees carried out an evaluation of the research project outcomes in 2017-18 together with a formal governance review focused on trustee legal duties and responsibilities and conflicts of interest and loyalty facilitated by specialist solicitors BWB and an educational review of communications to schools and the effectiveness of the new grant making methodology. It was decided to send positive feedback to all participating projects and publish structured summaries of the research and impact of selected examples on the trust's web site. The trustees then considered the lessons learnt from the pilot year and decided to add the following to grant criteria: the need for clear focus demonstrating added value for grants, clarifying the role of support partners, promoting sustainability through professional development, independent evaluation of impact, linking learning communities and extending the one year timescale. These principles were applied to the launch of Cohort (2) grant making in 2017-18 and will continue into Cohort (3) of Grants 2019-21. It is envisaged that the recruitment of Cohort 3 will begin in April 2020 with the commencement of their research in September 2020.

The trustees have considered the future work of the Trust focusing on the strengths and weaknesses of grant making to promote action research by educational providers in the primary years and the communications strategy for the vast field of nearly 20,000 schools of various types and 8,000 other providers including Early Years' Settings. It was decided that in Cohort (2) the grant making would focus on a specific need in education 0-11 years at this time. The nominated area of urgent need was Special Educational Needs and Disability (SEND) as the upcoming surge in primary school numbers is putting strain on SEND provision.

With guidance from solicitor Julian Blake of BWB and later Stone King the trustees adopted policy papers on 'Legal Duties and Responsibilities of Charity Trustees' and a bespoke 'Conflict of Interest and Loyalty Policy' with provisions including eligibility criteria for grant making, effective communications to relevant providers, the duty to declare all conflicts and ways to manage conflict to ensure objective independent decision making. Trustees also reviewed the related issue of the composition of the board of trustees to ensure that prudent, reasonable, objective and independent decisions are made in accordance with legal duties and responsibilities and appropriate expertise and full information was available to inform such decisions. They approved the enhancement of the membership of the board to 10-12 to ensure a fully independent board and reflect diversity and all areas of education up to age 11 together with educational management and research expertise. In 2019 the Trustees appointed three new Trustees taking into account their professional expertise, independence, diversity and time availability to undertake the role of Trusteeship.

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Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

W Goddard

Date: 16 April 2020

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**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JULY 2019**

Independent examiner's report to the Trustees of The Laurel Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 July 2019.

Responsibilities and basis of report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Dated: 23 April 2020

Alyson Howard FCCA DChA CF
MHA MacIntyre Hudson
Chartered Accountants
Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5DA

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2019**

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:				
Charitable activities	3	-	-	1,150
Other trading activities	4	-	-	(32,900)
Investments	5	8,939	8,939	2,845
Total income		8,939	8,939	(28,905)
Expenditure on:				
Raising funds	6	3,317	3,317	-
Charitable activities	8	328,522	328,522	262,293
Total expenditure		331,839	331,839	262,293
Net gains on investments		90,466	90,466	-
Net movement in funds		(232,434)	(232,434)	(291,198)
Reconciliation of funds:				
Total funds brought forward		3,248,038	3,248,038	3,539,236
Net movement in funds		(232,434)	(232,434)	(291,198)
Total funds carried forward		3,015,604	3,015,604	3,248,038

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 26 form part of these financial statements.

THE LAUREL TRUST**(A company limited by guarantee)****REGISTERED NUMBER: 05774260**

**BALANCE SHEET
AS AT 31 JULY 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	-	526
Investments	14	2,791,866	-
		2,791,866	526
Current assets			
Debtors	15	51,122	46,214
Cash at bank and in hand		201,714	3,435,658
		252,836	3,481,872
Creditors: amounts falling due within one year	16	(29,098)	(234,360)
Net current assets		223,738	3,247,512
Total assets less current liabilities		3,015,604	3,248,038
Net assets excluding pension asset		3,015,604	3,248,038
Total net assets		3,015,604	3,248,038
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	3,015,604	3,248,038
Total funds		3,015,604	3,248,038

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BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2019

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 16 April 2020 and signed on their behalf by:

W Goddard

R Durban

The notes on pages 14 to 26 form part of these financial statements.

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

1. General information

The Charity is a private company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is c/o Stone King, Boundary House, 91 Charterhouse Street, London, EC1M 6HR. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest pound.

The nature of the charity's operations and principal activities are "the advancement of education, in particular (without prejudice to the generality) by promoting, improving and developing educational leadership in schools, local education authorities and other organisations supporting or providing education regionally, nationally and internationally" (extract from the objects in the Articles of Association 2016).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Laurel Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

There are no material uncertainties affecting the Charity's ability to continue and the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%	Straight line basis
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

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 Charity 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE LAUREL TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

3. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total fund 201
Provision of adult education	<u>-</u>	<u>-</u>	<u>1,150</u>

In 2018, of the total income from charitable activities, £1,150 was to unrestricted funds and £NIL was to restricted funds.

4. Income from other trading activities**Income from fundraising events**

	Unrestricted funds 2019 £	Total funds 2019 £	Total fund 201
Business administration services	<u>-</u>	<u>-</u>	<u>(32,900)</u>

In 2018, of the total income from fundraising events, £32,900 for business administration services was from unrestricted funds and £NIL from restricted funds.

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total fund 201
Income from listed investments	5,081	5,081	-
Bank interest	3,858	3,858	2,845
	<u>8,939</u>	<u>8,939</u>	<u>2,845</u>

In 2018, of total investment income, £2,845 was to unrestricted funds and £NIL to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

6. Investment management costs

	Unrestricted funds 2019 £	Total fund 2019
Investment management fees	<u>3,317</u>	<u>3,317</u>

7. Analysis of grants

	Grants payable 2019 £	Total fund 2019
Grants payable	<u>193,410</u>	<u>193,410</u>
Total 2018	<u>-</u>	<u>-</u>

The Charity has made the following material grants to institutions during the year:

Name of institution	2019 £	2018 £
Rushmere Hall Primary School	15,200	-
St Richard's Catholic College	10,000	-
The Dales Teaching School Alliance	27,270	-
Sheffield South East Learning Partnership	15,740	-
Charles Dickens Primary School for Southwark Teaching School Alliance	28,000	-
Camrose Early Years Centre	30,000	-
Sutherland Primary Academy	12,200	-
St Catherine's Catholic Primary School (Hallam)	50,000	-
Wexham Court Primary School	5,000	-
	<u>193,410</u>	<u>-</u>
	<u>193,410</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Grant making activities	<u>328,522</u>	<u>328,522</u>	<u>262,293</u>
Total 2018	<u>262,293</u>	<u>262,293</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Grant making activities	<u>3,080</u>	<u>193,410</u>	<u>132,032</u>	<u>328,522</u>	<u>262,293</u>
Total 2018	<u>1,092</u>	<u>-</u>	<u>261,201</u>	<u>262,293</u>	

Analysis of direct costs

	Grant making activities 2019 £	Total funds 2019 £	Total funds 2018 £
Venues	2,923	2,923	1,092
Case study presentation costs	157	157	-
	<u>3,080</u>	<u>3,080</u>	<u>1,092</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

9. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Grant making activities 2019 £	Total funds 2019 £	Total funds 2018 £
Depreciation	-	-	32,487
Travel and subsistence	2,457	2,457	157
Printing, postage and stationery	1,326	1,326	50
Telephone	-	-	(87)
Other expenses	(51)	(51)	2,207
Rent and rates	5,107	5,107	7,111
Light and heat	807	807	136
Repairs and renewals	-	-	12,964
Insurance	5,030	5,030	1,302
Computer supplies and charges	(1,109)	(1,109)	4,350
Bank charges	1,308	1,308	183
Legal and professional	81,846	81,846	66,073
Marketing	11,602	11,602	4,195
Loss on disposal of fixed assets	526	526	116,401
Recruitment costs	12,000	12,000	-
Cleaning	161	161	1,253
Other accountancy fees	11,022	11,022	10,059
Audit fees	-	-	2,360
	<u>132,032</u>	<u>132,032</u>	<u>261,201</u>

During the year ended 31 July 2019, the Charity incurred the following Governance costs:

£4,500 (2018: £4,500) included within the table above in respect of the independent examination of the Charity's annual accounts and £NIL (2018: £2,360 in respect of audit fees).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

10. Independent examiner's remuneration

	2019 £	2018 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	4,500	4,500
Fees payable to the Charity's independent examiner in respect of:		
Audit services	-	2,360
All other services not included above	<u>6,522</u>	<u>5,559</u>

11. Staff costs

During the year, the wages and salaries were £NIL (2018: £NIL).

The average number of employees were NIL (2018: NIL).

No employee received remuneration amounting to more than £60,000 in either year.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £10,800).

During the year ended 31 July 2019, travel and subsistence expenses totalling £1,683 were reimbursed to 4 Trustees (2018 - £157 to 3 Trustees).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

13. Tangible fixed assets

	Office equipment £
Cost	
At 1 August 2018	1,875
Disposals	(1,875)
At 31 July 2019	-
Accumulated depreciation	
At 1 August 2018	1,349
On disposals	(1,349)
At 31 July 2019	-
Net book value	
At 31 July 2019	-
At 31 July 2018	526

14. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
Additions	2,033,016	668,384	2,701,400
Revaluations	90,466	-	90,466
At 31 July 2019	<u>2,123,482</u>	<u>668,384</u>	<u>2,791,866</u>
Net book value			
At 31 July 2019	<u>2,123,482</u>	<u>668,384</u>	<u>2,791,866</u>

Recent events in global markets have resulted in a significant reduction in the value of the investment portfolio figure since the year end and at 6 April 2020 the investment portfolio was valued at £2,612,177.

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15. Debtors

	2019 £	2018 £
Due within one year		
Other debtors	50,960	38,747
Prepayments and accrued income	162	7,467
	<u>51,122</u>	<u>46,214</u>

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	17,749	1,587
Other taxation and social security	-	228,273
Accruals and deferred income	11,349	4,500
	<u>29,098</u>	<u>234,360</u>

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	2,791,866	-
Financial assets that are debt instruments measured at amortised cost	252,674	3,474,405
	<u>3,044,540</u>	<u>3,474,405</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(17,749)</u>	<u>(1,587)</u>

Financial assets measured at fair value through income and expenditure comprise fixed asset investments.

Financial assets that are debt instruments measured at amortised cost comprise other debtors and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds**Statement of funds - current year**

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Unrestricted funds						
Designated funds						
Tangible fixed assets fund	<u>526</u>	<u>-</u>	<u>-</u>	<u>(526)</u>	<u>-</u>	<u>-</u>
General funds						
General Funds	<u>3,247,512</u>	<u>8,939</u>	<u>(331,839)</u>	<u>526</u>	<u>90,466</u>	<u>3,015,604</u>
Total Unrestricted funds	<u><u>3,248,038</u></u>	<u><u>8,939</u></u>	<u><u>(331,839)</u></u>	<u><u>-</u></u>	<u><u>90,466</u></u>	<u><u>3,015,604</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2018 £
Unrestricted funds					
Designated funds					
Tangible fixed assets fund	1,365,473	-	-	(1,364,947)	526
General funds					
General Funds - all funds	2,173,763	(28,905)	(262,293)	1,364,947	3,247,512
Total Unrestricted funds	3,539,236	(28,905)	(262,293)	-	3,248,038

19. Summary of funds

Summary of funds - current year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Designated funds	526	-	-	(526)	-	-
General funds	3,247,512	8,939	(331,839)	526	90,466	3,015,604
	<u>3,248,038</u>	<u>8,939</u>	<u>(331,839)</u>	<u>-</u>	<u>90,466</u>	<u>3,015,604</u>

Summary of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2018 £
Designated funds	1,365,473	-	-	(1,364,947)	526
General funds	2,173,763	(28,905)	(262,293)	1,364,947	3,247,512
	<u>3,539,236</u>	<u>(28,905)</u>	<u>(262,293)</u>	<u>-</u>	<u>3,248,038</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

20. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Total fund 201
Fixed asset investments	2,791,866	2,791,866
Current assets	252,836	252,836
Creditors due within one year	(29,098)	(29,098)
Total	<u>3,015,604</u>	<u>3,015,604</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Total fund 201
Tangible fixed assets	526	526
Current assets	3,481,872	3,481,872
Creditors due within one year	(234,360)	(234,360)
Total	<u>3,248,038</u>	<u>3,248,038</u>

21. Related party transactions

Included in legal and professional fees is £37,875 (2018: £24,119) invoiced by M A Roger Associates Limited, a company with a director, M Roger, who is the consultant director of The Laurel Trust. As at the balance sheet date £nil (2018: £nil) was outstanding and included in creditors. Also during the year M Roger was paid travel and subsistence payments amounting to £542 (2018: £nil).

Included in legal and professional fees is £27,633 (2018: £18,869) invoiced by IPCEP Limited, a company with a director, I Pearce, who is the company secretary of The Laurel Trust. As at the balance sheet date £6,849 (2018: £nil) was outstanding and included in creditors.

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