

Registered number: 05774260
Charity number: 1117330

THE LAUREL TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

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THE LAUREL TRUST

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THE LAUREL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2017

Trustees

R Collinson, Trustee
W Goddard, Trustee
C Philpott, Trustee (resigned 23 June 2017)
A Tear, Trustee
J West-Burnham, Chair (resigned 19 August 2017)
D Bateson, Trustee (resigned 11 December 2017)
Dame P Collarbone, Trustee (appointed 2 December 2016)
M Farrar, Trustee (appointed 2 December 2016)
R Greenhalgh, Trustee (appointed 2 December 2016)
M Staricoff, Trustee (appointed 2 December 2016)

Company registered number

05774260

Charity registered number

1117330

Registered office

10 Queen Street Place, London, EC4R 1BE

Company secretary

I J Pearce

Consultant director

M Roger

Independent auditors

MHA MacIntyre Hudson, Victoria Court, 17-21 Ashford Road, Maidstone, Kent, ME14 5FA

Bankers

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

Solicitors

Bates Wells & Braithwaite LLP, 10 Queen Street Place, London, EC4R 1BE

THE LAUREL TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2017

The Trustees present their annual report together with the audited financial statements of for the 1 August 2016 to 31 July 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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. The future focus was selected on the basis of the need in schools to support practical action research 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, special educational needs and disability.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The objectives 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).

b. STRATEGIES FOR ACHIEVING OBJECTIVES

During the previous financial year 2015-16 the training charity, formerly called the Southern Educational Leadership Trust (SELT) had implemented a planned phasing out of its educational training, principally by ending training for the National Professional Qualification for Headship (NPQH Assessment Gateway), Chairs of Governors Leadership Development and Clerks Programmes (minor income for this training has accrued into this financial year).

Instead in 2016-17 the Trust undertook the first pilot year of grant making to support action research projects in primary and special schools to 11 and other educational providers serving multiply deprived communities in England.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Following national advertisements in April – June 2016 some 20 partnerships of primary schools and other providers from the early years onwards applied for grants of £5,000 to £35,000 from the newly badged Laurel Trust. Each research project was based on a partnership of two or more schools or other providers up to 25 in the largest partnerships with external support from educational organisations including other charities, local authorities and universities. Some 13 pilot research projects involving over 60 primary and special schools, 13 Teaching School Alliances, Multi Academy Trusts, Federations and universities, over 100 teachers and over 1,000 children across England were supported by Laurel Trust grants totalling £206,005. The research outcomes were shared at a national conference in July 2017 and will be disseminated nationwide via web sites, local training programmes and future publications and conferences.

THE LAUREL TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2017

d. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR 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 involved over 100 teachers and 1,000 children. The research outcomes are being disseminated nationwide contributing to improving school performance in hundreds of schools across England and raising the achievement of over 500,000 children for the public benefit.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

SELT took over from the successful training organisation named Education Management South East (EMSE), which was a partnership of local and diocesan authorities and universities developing school leadership across the region from 1993 onwards. The Trust was formally established and incorporated as a charitable company in 2006 with the objects of promoting, improving and developing educational leadership in schools, local and diocesan education authorities and other organisations supporting or providing education regionally, nationally and internationally. From 2006 until 2010 SELT consistently increased its scale and scope of charitable programmes for the leadership of state schools and children's services in local authorities reaching an annual turnover of over £5M and training over 2,500 managers and leaders. However that scale of provision has been cut back significantly since 2010-11 as a result of changes in public policy leading to substantial reductions in public grants for national training bodies and the range of leadership courses promoted by the former National College for School Leadership (NCSL) and termination of all such grants by December 2015. Consequently in the previous financial year 2015-16 SELT's income declined to £791,594 and even with significant cuts in operations and overheads the resources expended remained well above income at £1,241,392. This resulted in an ongoing loss for the fourth year running of £499K. However with substantial current assets including reserves of £2.69M and the ownership of the South East Leadership Centre in Kent then valued at £1.4M the funds carried forward to this financial year still totalled £3.54M on 31 July 2017. SELT's dormant trading arm SELT Enterprises Limited with all creditor debts written off in 2015-16 was formally dissolved on 7 March 2017 and group accounts terminated.

The change in operational strategy to grant making virtually cut out income generation from training and only a remnant £2,745 accrued from past training is recorded under the Total Income alongside £6,532 of interest earned from investing the £2.69M of reserves in a CAF 90 Day Deposit Account and a credit for administration services provided totalling £23,020, which arose as a result of incorrect administration service charges invoiced in prior years. Expenditure remained much higher at £530,516 such that a further loss of £544,259 is recorded under Net Movement of Funds. Part of this expenditure was the £206,005 grants awarded to partnership research projects in 2016-17 supporting action research in schools and other educational providers nationwide. The other costs are listed in Notes to the Financial Statements 5-9 and comprised Direct Costs of remnant training, Support Costs such legal and professional, consultancy, accountancy, chairman's honorarium, rent and rates and computer services costs. Much of these costs are associated with the termination of old operations and the defence of the charity's assets against an unsuccessful Employment Tribunal claim for enhanced redundancy from staff laid off in March 2016. Note 14 records £85,348 of other debtors comprising the unpaid invoices from two consortia and this matter is under review by the trustees as much of this debt derives from problematic management of contracts and financial records concerning the servicing of consortia training going back historically to 2012-2015 and these long-standing debts remain at risk. The overall financial position of the Trust after £206,005 of grants were allocated in 2016-17 is that the Net Current Assets total £2,173,763 (including £85,6438 of debtors much of which is at risk) plus Fixed Assets (essentially the property at Sittingbourne) of £1,365,473 making the Total Funds on the Balance Sheet on 31 July 2017 to be £3,539,236 carried forward into 2017-18.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2017

b. REVIEW OF ACTIVITIES

Training provision continued to achieve excellent independent assessments, including positive statements by trainee teachers, governors and clerks and by Ofsted and other evaluation reports. All the schools and other providers who worked on action research projects supported by grants from the Trust provided highly positive evaluation reports citing the professional guidance and support of the consultants and trustees who visited projects in the field. In addition the national conference to share best practice was highly regarded by participants and all 13 partnership projects were completed with valuable empirical evidence of school improvement and child learning outcomes sent to the Trust to inform dissemination nationwide.

c. RESERVES POLICY

Throughout the financial year the trustees continuously reviewed the healthy net current assets totalling £2,689,965 on 31 July 2016 together with fixed assets of £1,398,019, mainly made up by the value of the Sittingbourne property. They resolved to continue with the long-term reserves policy of combining high levels of reserves with cautious application to new grant making developments in order to safeguard charitable assets and maintain financial stability during the ongoing period of government policy changes and austerity cuts.

d. INVESTMENT POLICY AND PERFORMANCE

The amounts of interest earned from the CAF 90 Day Deposit Account have proved to be small and though there is higher risk of volatility attached to other investments the trustees have instructed the company secretary to research alternative forms of investment including equities and bonds.

e. RISK MANAGEMENT AND FINANCIAL STRATEGY

In addition to the £85,348 of at risk debts on the Balance Sheet the main risks facing the Trust in 2016-17 were maintaining the value of charitable assets set against low interest rates whilst grant making was depleting reserves and Brexit uncertainties had undermined commercial property values in South East England making the sale of the Sittingbourne property impossible even at the reduced independent valuation of £1,350,000. 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.

Financial review

a. GOING CONCERN

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2017

b. PRINCIPAL FUNDING

Historically virtually 100% of income comprises public money grants from the National College (part of the Department for Education), local authorities and schools but now the trust relies upon investment income to maintain reasonable reserves. It is hoped that new public money grants will be made available in future.

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. The Trust is governed by a broad stakeholder 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 with education departments. Trustees are appointed and co-opted on a voluntary basis with the sole exception of the Independent Chair who receives a modest honorarium approved by the other trustees in accordance with Article 4.9 and special permission from the Charity Commission (this position is under review following the recent resignation of the previous Chair and trustees are considering a new appointment which may be 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 Bates Wells Braithwaite (BWB). 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. Legal advice for trustees in 2016-17 encompassed revised Articles, legal duties and responsibilities of trustees, conflict of interest and loyalty and potential new operational models in accordance with charity law.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. PAY POLICY FOR SENIOR STAFF

Problems with senior management performance had led to the removal of the position of Chief Executive by April 2015 and its associated pay policy for a highly paid executive role such that in the financial year 2016-17 there were no staff earning more than £60K. This position was replaced by a part-time Consultant Director in 2015, who leads the work of the Trust with support from the company secretary and one other part-time consultant. Research project support and evaluation is undertaken by trustees on a voluntary basis.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The trust is governed by its stakeholder board of trustees who make the strategic decisions and scrutinise implementation by executive consultants with advice from the company secretary, solicitors Bates Wells Braithwaite and auditors MacIntyre Hudson.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2017

e. RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

a. FUTURE DEVELOPMENTS

Following the pilot year the trustees carried out an evaluation of the research project outcomes, a formal governance review focused on trustee legal duties and responsibilities and conflicts of interest and loyalty facilitated by specialist solicitors Bates Wells Braithwaite 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.

The trustees 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 EYPs and children's centres. It was decided to organise a further pilot round of grant making focused 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. It was also proposed that communications to potential beneficiaries would be enhanced by one or more national partners to be selected. The aim is to communicate information on the grants to all relevant providers in April-June and the research projects will be scheduled for September 2018 to July 2019 (extending the time of the research projects is an item for further discussion). It was argued that selecting a theme based on urgent need would help focus communications to relevant schools and other providers and develop relevant partnerships to support the research projects and enhance the dissemination process.

With guidance from Julian Blake of BWB 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 board membership to reflect all areas of education up to age 11 together with educational management and research expertise and all trustees are currently recruiting possible additional trustees taking into account their professional expertise, independence, diversity and time availability to undertake the role of trusteeship.

RELATED PARTY TRANSACTIONS

During the pilot year it was discovered that individual trustees and executive consultants advising the board of the charity are also trustees, board members, consultants, advisers and/or connected persons having professional network or personal connections to a number of other organisations who have applied for grants and/or are involved in research project partnerships supported by grants from the Trust. 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 Bates Wells Braithwaite which encompasses the duty to avoid conflict of interest, full declarations and where necessary provisions for the proper

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2017

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.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Laurel Trust 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

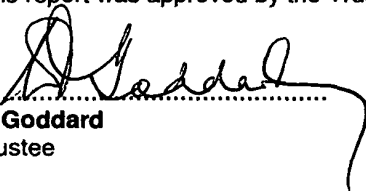
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 11 April 2018 and signed on their behalf by:


.....
W Goddard
Trustee

THE LAUREL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAUREL TRUST

OPINION

We have audited the financial statements of The Laurel Trust (the 'charity') for the year ended 31 July 2017 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance

THE LAUREL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAUREL TRUST

conclusion thereon.

In connection with our audit of the financial statements, 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LAUREL TRUST



Colin Mills ACA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5FA

Date: 17/4/2018

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE LAUREL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2017**

	Note	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:				
Charitable activities	2	2,745	2,745	775,472
Other trading activities	3	(23,020)	(23,020)	-
Investments	4	6,532	6,532	16,122
TOTAL INCOME		(13,743)	(13,743)	791,594
EXPENDITURE ON:				
Charitable activities	8	530,516	530,516	1,241,392
TOTAL EXPENDITURE	9	530,516	530,516	1,241,392
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(544,259)	(544,259)	(449,798)
NET MOVEMENT IN FUNDS		(544,259)	(544,259)	(449,798)
RECONCILIATION OF FUNDS:				
Total funds brought forward		4,083,495	4,083,495	4,533,293
TOTAL FUNDS CARRIED FORWARD		3,539,236	3,539,236	4,083,495

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

THE LAUREL TRUST
REGISTERED NUMBER: 05774260

BALANCE SHEET
AS AT 31 JULY 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		1,365,473		1,398,019
CURRENT ASSETS					
Debtors	14	88,702		300,382	
Cash at bank and in hand		2,125,348		2,470,702	
		<u>2,214,050</u>		<u>2,771,084</u>	
CREDITORS: amounts falling due within one year	15	(40,287)		(85,608)	
NET CURRENT ASSETS			<u>2,173,763</u>		<u>2,685,476</u>
NET ASSETS			<u>3,539,236</u>		<u>4,083,495</u>
CHARITY FUNDS					
Unrestricted funds	16		<u>3,539,236</u>		<u>4,083,495</u>
TOTAL FUNDS			<u>3,539,236</u>		<u>4,083,495</u>

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

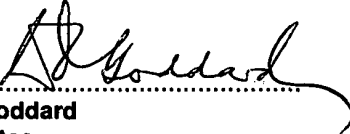
The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

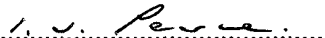
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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BALANCE SHEET (continued)
AS AT 31 JULY 2017

The financial statements were approved and authorised for issue by the Trustees on *11 April 2018* and signed on their behalf, by:


.....
W Goddard
Trustee


.....
I Pearce
Company Secretary

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

THE LAUREL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The charity is a 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 Mortlake Business Centre, 20 Mortlake High Street, London, SW14 8JN.

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).

1.4 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

1. ACCOUNTING POLICIES (continued)

1.5 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.

1.6 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

1.7 Tangible fixed assets and depreciation

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line basis
Office equipment	- 25% straight line basis

1.8 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 Bank.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Debtors

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

1.11 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.

1.12 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 within interest payable and similar charges.

1.13 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.

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

THE LAUREL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Provision of adult education	2,745	2,745	775,472
	<u>2,745</u>	<u>2,745</u>	
Total 2016	775,472	775,472	
	<u>775,472</u>	<u>775,472</u>	

In 2016, of the total income from charitable activities, £775,472 was to unrestricted funds and £NIL was to restricted funds.

3. FUNDRAISING INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Business administration services	(23,020)	(23,020)	-
	<u>(23,020)</u>	<u>(23,020)</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest received	6,532	6,532	16,122
	<u>6,532</u>	<u>6,532</u>	
Total 2016	16,122	16,122	
	<u>16,122</u>	<u>16,122</u>	

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Grant funding of activities 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Provision of adult education	28,807	206,005	245,793	480,605	1,197,164
	<u>28,807</u>	<u>206,005</u>	<u>245,793</u>	<u>480,605</u>	
Total 2016	545,306	-	696,086	1,241,392	
	<u>545,306</u>	<u>-</u>	<u>696,086</u>	<u>1,241,392</u>	

THE LAUREL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

6. DIRECT COSTS

	Provision of adult education £	Total 2017 £	Total 2016 £
Venues	4,609	4,609	47,409
Tutors	21,798	21,798	363,893
Training fees and exam costs	-	-	134,004
Licences	2,400	2,400	-
	<u>28,807</u>	<u>28,807</u>	<u>545,306</u>
Total 2016	<u>545,306</u>	<u>545,306</u>	

THE LAUREL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

7. SUPPORT COSTS

	Provision of adult education £	Provision of adult educat £	Total 2017 £	Total 2016 £
<i>Couriers</i>	-	-	-	1,239
Travel and subsistence	-	2,057	2,057	11,034
Printing, postage and stationery	-	2,090	2,090	4,015
Telephone	-	2,257	2,257	6,650
Other expenses	-	8,811	8,811	4,094
Staff welfare and training	-	-	-	6,591
Rent and rates	-	24,894	24,894	18,206
Light and heat	-	4,963	4,963	6,928
Repairs and renewals	-	6,389	6,389	15,824
Insurance	498	3,335	3,833	6,301
Office equipment rentals	-	893	893	7,367
Computer supplies and charges	-	16,171	16,171	34,135
Photocopies	-	5	5	3,425
Bank charges	-	123	123	35
Legal and professional	32,373	91,016	123,389	124,500
Payroll services	-	-	-	538
Marketing	-	4,304	4,304	2,703
Catering	-	1,193	1,193	7,339
Irrecoverable VAT	-	-	-	30,409
Audit fees	6,240	-	6,240	4,620
Loss on disposal of fixed assets	-	-	-	44,077
Bad debts	-	22,600	22,600	32,850
Chairman's remuneration	10,800	-	10,800	8,400
Other accountancy fees	-	21,255	21,255	16,321
Wages and salaries	-	891	891	143,149
National insurance	-	-	-	8,650
Pension cost	-	-	-	3,364
Depreciation	-	32,546	32,546	32,624
Subtotal	49,911	245,793	295,704	585,388
Inter company balance writeoff	-	-	-	110,698
	49,911	245,793	295,704	696,086
Total 2016	44,228	651,858	696,086	

THE LAUREL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

8. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Support costs - Governance	49,911	49,911	38,557
Wages and salaries	-	-	5,671
	<u>49,911</u>	<u>49,911</u>	<u>44,228</u>

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of adult education	891	32,546	447,168	480,605	1,197,164
Expenditure on governance	-	-	49,911	49,911	44,228
	<u>891</u>	<u>32,546</u>	<u>497,079</u>	<u>530,516</u>	<u>1,241,392</u>
Total 2016	<u>155,163</u>	<u>32,624</u>	<u>1,045,205</u>	<u>1,232,992</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	32,546	32,624
Auditors' remuneration - audit	<u>6,240</u>	<u>4,620</u>

During the year, Trustees received remuneration amounting to £10,800 (2016 - £8,400).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £6,240 (2016 - £4,620), and other accountancy services of £21,254(2016 - £16,859).

THE LAUREL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

12. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	891	143,149
Social security costs	-	8,650
Other pension costs	-	3,364
	<u>891</u>	<u>155,163</u>

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

2017 No.	2016 No.
0	7

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Total £
Cost			
At 1 August 2016 and 31 July 2017	<u>1,615,559</u>	<u>1,875</u>	<u>1,617,434</u>
Depreciation			
At 1 August 2016	218,477	938	219,415
Charge for the year	32,311	235	32,546
At 31 July 2017	<u>250,788</u>	<u>1,173</u>	<u>251,961</u>
Net book value			
At 31 July 2017	<u>1,364,771</u>	<u>702</u>	<u>1,365,473</u>
At 31 July 2016	<u>1,397,082</u>	<u>937</u>	<u>1,398,019</u>

THE LAUREL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

14. DEBTORS

	2017 £	2016 £
Trade debtors	-	5,633
Other debtors	85,348	290,440
Prepayments and accrued income	3,354	4,309
	<u>88,702</u>	<u>300,382</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	11,561	35,215
Other creditors	5,950	18,614
Accruals and deferred income	22,776	31,779
	<u>40,287</u>	<u>85,608</u>

THE LAUREL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2017 £
Designated funds					
Tangible fixed assets fund	1,398,019	-	-	(32,546)	1,365,473
General funds					
Charity general funds	2,685,476	(13,743)	(530,516)	32,546	2,173,763
Total Unrestricted funds	4,083,495	(13,743)	(530,516)	-	3,539,236
Total of funds	4,083,495	(13,743)	(530,516)	-	3,539,236

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 August 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2016 £
Designated funds					
Development fund	386,109	-	-	(386,109)	-
Cashflow fund	500,000	-	-	(500,000)	-
Tangible fixed assets fund	1,476,715	-	-	(78,696)	1,398,019
	2,362,824	-	-	(964,805)	1,398,019
General funds					
Charity general funds	2,170,469	791,594	(1,241,392)	964,805	2,685,476
	2,170,469	791,594	(1,241,392)	964,805	2,685,476
Total Unrestricted funds	4,533,293	791,594	(1,241,392)	-	4,083,495
Total of funds	4,533,293	791,594	(1,241,392)	-	4,083,495

The tangible fixed assets fund represents the net book value of fixed assets held by the charity.

THE LAUREL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2017 £
Designated funds	1,398,019	-	-	(32,546)	1,365,473
General funds	2,685,476	(13,743)	(530,516)	32,546	2,173,763
	<u>4,083,495</u>	<u>(13,743)</u>	<u>(530,516)</u>	<u>-</u>	<u>3,539,236</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 August 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2016 £
Designated funds	2,362,824	-	-	(964,805)	1,398,019
General funds	2,170,469	791,594	(1,241,392)	964,805	2,685,476
	<u>4,533,293</u>	<u>791,594</u>	<u>(1,241,392)</u>	<u>-</u>	<u>4,083,495</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2017 £	Total. funds 2017 £
Tangible fixed assets	1,365,473	1,365,473
Current assets	2,214,050	2,214,050
Creditors due within one year	(40,287)	(40,287)
	<u>3,539,236</u>	<u>3,539,236</u>

THE LAUREL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	1,398,019	1,398,019
Current assets	2,771,084	2,771,084
Creditors due within one year	(85,608)	(85,608)
	<u>4,083,495</u>	<u>4,083,495</u>

18. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £nil (2016 - £3,364). Contributions totalling £nil (2016 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

19. OPERATING LEASE COMMITMENTS

At 31 July 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	9,226	1,786
Between 1 and 5 years	-	13,838
Total	<u>9,226</u>	<u>15,624</u>

THE LAUREL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

20. RELATED PARTY TRANSACTIONS

Some of the trustees of the charity are also trustees of a number of other organisations who send participants to courses that the charity organises. Where this occurs the organisation involved pays the same rate for these participants' fees as is charged to unconnected organisations.

The charity has trustee liability insurance cover to the value of £1,000,000. The premium cost £498 (2016 - £490).

During the year £53,595 (2016 - £41,765) was invoiced by M A Roger Associates Limited, a company with a director of M Roger who is the consultant director of The Laurel Trust (formerly Southern Educational Leadership Trust). As at the balance sheet date £nil (2016 - £3,300) was outstanding and is included within creditors.

During the year sales invoices totalling £nil (2016 - £20) were invoiced to M A Roger Associates Limited, a company with a director of M Roger who is the consultant director of The Laurel Trust. As at the balance sheet date £Nil (2016 - Nil) was outstanding.

During the year £28,420 (2016 - £25,047) was invoiced by IPCEP Limited, a company with a director of I Pearce who is the company secretary of The Laurel Trust. As at the balance sheet date £nil (2016 - £3,319) was outstanding and is included within creditors.

21. FIRST TIME ADOPTION OF FRS 102

It is the first year that the charity has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 July 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 August 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.