

THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY NEWCASTLE)

(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012



**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

COMPANY INFORMATION

Year ended 31 August 2012

Board of Trustees (Academy Trust Board)	Date of appointment	Position
Lord Laidlaw of Rothiemay	9 March 2006	Member
Mr P C Fair	9 March 2006	Chair
Mrs P Marshall	1 April 2007	Member

Board of Directors

Lord Laidlaw of Rothiemay
Mr P C Fair*
Mr D Llewellyn (resigned 25th June 2012)
Mr C Jobe*
Prof N Harris
Mr B Jones (resigned 25th June 2012)
Mr M Strudwick
Mr A Hunter
Mr M Sehgal*
Mrs I Ali (resigned 25th June 2012)
Mrs L Conlon
Ms R Ward (appointed 25th June 2012)

* Members of the Finance and General Purposes Committee

Company Secretary

Mr P Snowdon

Principal and Registered Office:

Denton Road
Newcastle upon Tyne
NE15 6AF

Company Registration number

05735093

Auditors:

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

Bankers:

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

Solicitors:

Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

GOVERNORS' REPORT

Year ended 31 August 2012

The Governors present their report together with the financial statements of the charitable company for the year ended 31 August 2012

The financial statements have been prepared in accordance with the accounting policies of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005')

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Federation is a company limited by guarantee with no share capital (registration no 05735093) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Federation. Members of the charitable company are nominated by Lord Laidlaw, the main sponsor of the Academy. The articles of association require the members of the charitable company to appoint at least four governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Articles of Association were last amended on 22 June 2012.

Members' liability

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

Principal Activities

The principal object and activity of the charitable company is the operation of the Trust to advance for the public benefit education for pupils of different abilities at Atkinson Road Primary Academy for pupils aged between 4 and 11 and at Excelsior Academy for pupils between 11 and 18 years of age.

Governors

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

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

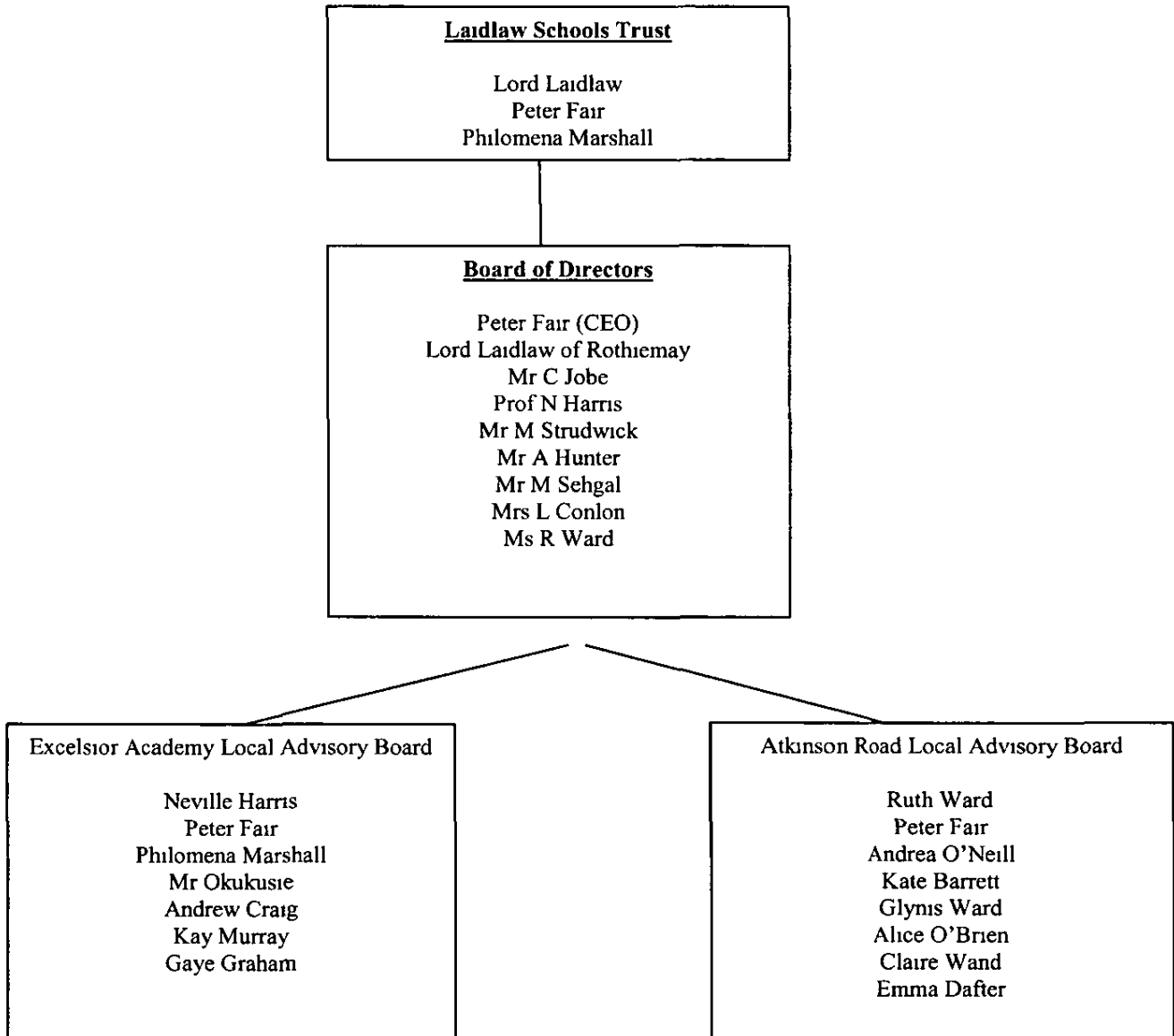
The governors who were in office at 31 August 2012 and served throughout the year, except where shown are listed on page 1.

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

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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**GOVERNORS' REPORT
Year ended 31 August 2012**

Organisational Structure



Excelsior Academy opened in September 2008 with a structure of four 11-16 schools and a sixth form (Excelsior College) The structure consists of the Senior Leadership Group and the Senior Team of each of the four 11-16 schools The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels

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

The Board of Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring each Academy by the use of budgets and making major decisions about the direction of the Academies, capital expenditure and senior staff appointments

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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GOVERNORS' REPORT

Year ended 31 August 2012

The Senior Leadership Group at Excelsior Academy consists of the Executive Principal, four School Principals, the Director of Excelsior College and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain at least one Governor. Some spending control is devolved to members of the Management Team.

The School Team of each school includes the School Principal, the Standards Manager and the Welfare Manager. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

At Atkinson Road Primary Academy the day to day management is carried out by the Head Teacher and her Deputy.

Risk management

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

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

Objects and aims

The principal object and activity of the charitable company is the operation of the Trust to advance for the public benefit education for pupils of different abilities at Atkinson Road Primary Academy for pupils aged between 4 and 11 and at Excelsior Academy for pupils between 11 and 18 years of age.

Objectives, strategies and activities

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

The main objectives of the Trust during the year ended 31 August 2012 are summarised below.

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

Equal opportunities policy

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

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

GOVERNORS' REPORT

Year ended 31 August 2012

Disabled persons

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

Public benefit

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

ACHIEVEMENTS AND PERFORMANCE

Excelsior Academy is now in its fifth year of operation and there is more evidence that the organisation, ethos and leadership of the Academy continue to have a positive effect on attainment, behaviour and attendance. Results in year 1 were broadly in line with the predecessor school but after four years we have seen a huge improvement in the percentage of pupils achieving 5 A*-C grades including English and Maths. There has also been a marked improvement in attendance which in turn will support further academic improvement.

Results in GCSEs and in levels of progress have again increased and attendance has now reached around 93%.

FINANCIAL REVIEW

Financial and risk management objectives and policies

The Board takes seriously its responsibilities to implement financial controls to an extremely high standard and ensures that the provision and prescription laid down in EFA documentation is in place. The Board works to ensure the financial health of the Trust and since its first Academy opened in 2008 sound financial management and governance has resulted in a position where there is a positive position in terms of reserves to fund future projects e.g. ICT replacement. Governors and the Finance Team have worked diligently to embed financial systems that are robust ensuring that resources go to where they are best spent and that all control systems are in place and probity is secure. The Trust's second School, Atkinson Road Primary Academy, is now included in the financial management systems of the Trust.

In 2011 following an audit by YPLA the Trust was awarded an 'outstanding' grade for financial management and governance. This was again awarded by EFA in 2012.

There is a comprehensive risk register in place which is reviewed annually with the top risks being reviewed at each meeting of the Board and of the Finance and General Purposes Committee.

Principal risks and uncertainties

Principal risks are centred on pupil numbers and cuts to public funding. There are many secondary surplus places and small primary cohorts in Key stage 2 at a time when organisations are applying to open free schools in the area. Numbers coming through from Primary will increase in time but over the next few years there is a need for proactive budget forecasting and management to ensure potential reductions in budgets are planned for in a timely manner.

Governors have indeed been proactive and have moved to change the age range at Excelsior Academy from 11-18 to 4-18. This will make a more appropriate use of school places in the Academy and will support the need to increase primary places in the inner west where there will be large shortages in the years to come until the need is met.

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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GOVERNORS' REPORT

Year ended 31 August 2012

Financial report for the year

In May 2012 Excelsior Academy's Financial Management and Governance was again awarded an 'outstanding' grade. This is continued testament to the professionalism of the Governors and Finance staff at Excelsior in the way that they manage and deploy monetary resources to support teaching and learning. Arrangements at Atkinson Road will be implemented to mirror those at Excelsior.

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2012, total expenditure of £10,643,029 (excluding depreciation of £2,129,441) was more than covered by the recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding depreciation) was £1,566,904 which includes the exceptional voluntary income re Atkinson Road of £1,333,623 and exceptional roof rectification costs of £134,308.

Including depreciation and adjustments for FRS17, the net movement in funds was a deficit of £1,292,537.

At 31 August 2012 the net book value of fixed assets was £31,010,216 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

As at 31 August 2012 the FRS17 pension deficit amounted to £2,480,900.

Reserves policy

The Board review the reserve levels of the Academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board has determined that the appropriate level of free reserves should be equivalent to two month's expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academies' current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £33,007 which is less than is needed. The Trust intends to continue building up free reserves to the level needed.

Going Concern

After reviewing financial and other information available, the governors consider that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Financial position

The Academy held fund balances at 31 August 2012 of £30,317,020.

Investment policy

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

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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GOVERNORS' REPORT

Year ended 31 August 2012

PLANS FOR FUTURE PERIODS

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students improve attendance and get jobs or a place in higher education once they leave. The two Academies will work very closely together for the benefit of pupils and families. The Trust also plans to change the age range at Excelsior Academy to 4-18.

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

AUDITORS

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

Approved by order of the Governing Board at its meeting on 20 December 2012 and signed on its behalf by

Peter Fair
Chair & Chief Executive Officer



**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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GOVERNANCE STATEMENT

Year ended 31 August 2012

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between The Laidlaw Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of possible
Peter Fair (Chief Executive Officer)	4	4
Lord Laidlaw of Rothiemay (Sponsor)	3	4
Mrs P Marshall	3	4
Mr C Jobe	3	4
Prof N Harris	4	4
Mr M Strudwick	4	4
Mr A Hunter	3	4
Mr M Sehgal	4	4
Mrs L Conlon	2	4
Ms R Ward	1	1
Mr D Llewellyn	2	4
Mr B Jones	4	4
Mrs I Ali	2	4

On 25 June 2012, D Llewellyn, B Jones and I Ali resigned and R Ward were appointed.

The finance and general purposes committee is a sub-committee of the main governing body. Its purpose is to oversee the Academy's financial affairs and assist the decision making of the Board of Directors. Attendance at meeting in the year is as follows:

Governor	Meetings attended	Out of possible
Peter Fair (CEO)	5	6
Mr C Jobe	6	6
Mr M Sehgal	4	6
Mr D Llewellyn (Responsible Officer)	3	6
Mrs P Marshall	3	6

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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GOVERNANCE STATEMENT

Year ended 31 August 2012

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Laidlaw Schools Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Finance and General Purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors appointed D Llewellyn, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. D Llewellyn resigned as a governor on 25 June 2012. The position of Responsible Officer is currently vacant.

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

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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GOVERNANCE STATEMENT

Year ended 31 August 2012

Review of effectiveness

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

- The work of the Responsible Officer
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 20 December 2012 and signed on its behalf by

Peter Fair
Chair & Chief Executive Officer

Chris Jobe
Chair of Finance and General Purposes Committee



**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

Year ended 31 August 2012

As Accounting Officer of The Laidlaw Schools Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date.

Peter Fair
Accounting Officer, Chair & Chief Executive Officer
20 December 2012



**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

STATEMENT DIRECTORS' RESPONSIBILITIES

Year ended 31 August 2012

The Directors (who act as trustees for charitable activities of The Laidlaw Schools Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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

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

Approved by order of the members of the governing body on 20 December 2012 and signed on its behalf by

Peter Fair
Chair & Chief Executive Officer



**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF
THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

We have audited the financial statements of The Laidlaw Schools Trust for the year ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the Directors of the charitable company for the purposes of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



CLAIRE LEECE (Senior Statutory Auditor)

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

1 St James Gate

Newcastle upon Tyne

NE1 4AD

21 December 2012

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2012

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £	Total 2011 £
Incoming resources						
Incoming resources from generated funds						
- Voluntary income	4	-	174,946	199,189	374,135	151,241
- Voluntary income – transfer of Atkinson Road	25	98,440	(340,000)	1,575,183	1,333,623	-
- Activities for generating funds	5	132,682	-	-	132,682	137,120
- Investment income	6	15,719	-	-	15,719	9,119
Incoming resources from charitable activities						
- Academy's educational operations	2	-	10,353,774	-	10,353,774	10,168,385
Total incoming resources		<u>246,841</u>	<u>10,188,720</u>	<u>1,774,372</u>	<u>12,209,933</u>	<u>10,465,865</u>
Resources expended						
Costs of Generating Funds						
- Costs of activities for generating funds	8	109,132	-	-	109,132	110,820
Charitable activities						
- Academy's educational operations	9	-	10,451,833	2,129,441	12,581,274	11,433,752
Governance costs	10	-	82,064	-	82,064	73,962
Total resources expended		<u>109,132</u>	<u>10,533,897</u>	<u>2,129,441</u>	<u>12,772,470</u>	<u>11,618,534</u>
Net (outgoing)/incoming resources before other recognised gains and losses and transfers						
Transfer between funds	16	137,709	(345,177)	(355,069)	(562,537)	(1,152,669)
Actuarial losses on defined benefit pension schemes	15	-	(270,610)	270,610	-	-
		-	(730,000)	-	(730,000)	(40,000)
Net movement in funds		137,709	(1,345,787)	(84,459)	(1,292,537)	(1,192,669)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2011		(104,702)	622,137	31,092,122	31,609,557	32,802,226
Total fund balances carried forward at 31 August 2012		<u>33,007</u>	<u>(723,650)</u>	<u>31,007,663</u>	<u>30,317,020</u>	<u>31,609,557</u>

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

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE) (Company Number: 05735093)**

BALANCE SHEET

at 31 August 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	12	31,010,216	31,361,265
Current assets			
Debtors	13	780,138	261,102
Cash at bank and in hand		1,632,999	1,875,758
		<u>2,413,137</u>	<u>2,136,860</u>
Creditors amounts falling due within one year	14	(625,433)	(537,668)
Net current assets		<u>1,787,704</u>	<u>1,599,192</u>
Total assets less current liabilities (excluding pension liability)		33,797,920	32,960,457
Pension scheme liability	15	(2,480,900)	(1,350,900)
Net assets		<u>30,317,020</u>	<u>31,609,557</u>
Funds of the Academy Trust:			
Restricted fund			
Restricted Fixed Asset fund	16	31,007,663	31,092,122
Restricted General fund	16	1,757,250	1,973,037
Pension fund	15	(2,480,900)	(1,350,900)
		<u>30,284,013</u>	<u>31,714,259</u>
General fund			
Unrestricted fund	17	33,007	(104,702)
Total funds	17	<u>30,317,020</u>	<u>31,609,557</u>

The financial statements on pages 14 to 36 were approved by the Trustees and authorised for issue on 20 December 2012 and signed on its behalf by



Peter Fair
Chair & Chief Executive Officer

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

**CASHFLOW STATEMENT
for the year ended 31 August 2012**

	Note	2012	2011
		£	£
Net cash (outflow)/inflow from operating activities	24	<u>(251,518)</u>	<u>617,105</u>
Returns on investments and servicing of finance			
Interest received		15,719	9,119
Interest paid		-	(334)
		<u>15,719</u>	<u>8,785</u>
Capital expenditure			
Capital grants from DfE		37,393	298,219
Other Capital grants received		161,796	56,266
Purchase of tangible fixed assets		<u>(211,405)</u>	<u>(143,713)</u>
		<u>(12,216)</u>	<u>210,772</u>
Cash balance transferred from Atkinson Road	25	<u>5,256</u>	<u>-</u>
Net (decrease)/increase in cash		<u>(242,759)</u>	<u>836,662</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year		<u>(242,759)</u>	<u>836,662</u>
Change in net funds			
Net funds at 1 September 2011		<u>1,875,758</u>	<u>1,039,096</u>
Net funds at 31 August 2012		<u>1,632,999</u>	<u>1,875,758</u>
	At 1		At 31
	September	Cash	August
	2011	Flows	2012
	£	£	£
Cash at bank and in hand	<u>1,875,758</u>	<u>(242,759)</u>	<u>1,632,999</u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2011/12 issued by the Education Funding Agency and Companies Act 2006

Going Concern

After reviewing financial and other information available, the governors consider that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements

Fund accounting

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

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

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Department for Education and sponsor, where the asset acquired or created is held for a specific purpose

Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Sponsorship

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

Donations

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

Interest receivable

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

Resources expended

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

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

1 ACCOUNTING POLICIES (continued)

Allocation of costs

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

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

Governance costs

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

Tangible fixed assets

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

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

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

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

Impairment

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

Recognition of a Liability

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

Deferred Income

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

Leased assets

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

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

1 ACCOUNTING POLICIES (continued)

Taxation

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

Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 15, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

2 FUNDING OF THE ACADEMIES EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	Restricted Fixed Assets Fund	2012 Total	2011 Total
	£	£	£	£	£
DfE/YPLA REVENUE GRANTS					
General annual grant (GAG) (note3)	-	9,477,883	-	9,477,883	8,720,916
Start-up grant	-	261,553	-	261,553	301,998
Pupil premium	-	428,037	-	428,037	99,700
Other DfE grants	-	60,703	-	60,703	850,973
	-	10,228,176	-	10,228,176	9,973,587
OTHER GOVERNMENT GRANTS					
Other Government Funding	-	125,598	-	125,598	194,798
	-	125,598	-	125,598	194,798
	-	10,353,774	-	10,353,774	10,168,385

3 GENERAL ANNUAL GRANT (GAG)

	Excelsior Academy 2012	Atkinson Road Primary School 2012	TOTAL 2012	2011
	£	£	£	£
a. Results and Carry Forward for the year				
GAG brought forward from previous year	468,876	-	468,876	227,467
GAG allocation for the current year	8,986,216	491,667	9,477,883	8,720,916
Total GAG available to spend	9,455,092	491,667	9,946,759	8,948,383
Recurrent expenditure from GAG	(8,726,531)	(458,314)	(9,184,845)	(8,335,794)
Fixed assets purchased from GAG	-	-	-	(143,713)
GAG carried forward to next year	728,561	33,353	761,914	468,876
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,078,346)	(59,000)	(1,137,346)	(1,046,510)
GAG to surrender to DfE (12% breached if result is positive)	(349,785)	(25,647)	(375,432)	(557,634)
	No breach	No breach	No breach	No breach

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

3 GENERAL ANNUAL GRANT (GAG) (continued)

	Excelsior 2012 £	Atkinson Road 2012 £	Total 2012 £	2011 £
b. Use of GAG brought forward from previous year for recurrent purposes				
Recurrent expenditure from GAG in current year	8,726,531	458,314	9,184,845	8,335,794
GAG allocation for current year	(8,986,216)	(491,667)	(9,477,883)	(8,720,916)
GAG allocation for previous year x 2%	(174,418)	-	(174,418)	(166,358)
GAG brought forward from previous year in excess of 2%, used on recurrent expenditure in current year	(434,103)	(33,353)	(467,456)	(551,480)
 (2% rule breached if positive)	No breach	No breach	No breach	No breach

4 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Fund £	2012 £	2011 £
Private sponsorship	-	174,946	161,796	336,742	121,500
Other income	-	-	37,393	37,393	29,741
	<u>-</u>	<u>174,946</u>	<u>199,189</u>	<u>374,135</u>	<u>151,241</u>

5 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted General Funds £	2012 £	2011 £
Catering income	109,132	-	109,132	110,930
Letting income	23,550	-	23,550	26,190
	<u>132,682</u>	<u>-</u>	<u>132,682</u>	<u>137,120</u>

6 INVESTMENT INCOME

	Unrestricted Funds £	Restricted General Funds £	2012 £	2011 £
Bank interest	15,719	-	15,719	9,119
	<u>15,719</u>	<u>-</u>	<u>15,719</u>	<u>9,119</u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

7 RESOURCES EXPENDED

	Staff Costs	Depreciation	Other	Total 2012	Total 2011
	£	£	£	£	£
Costs of activities for generating funds	-	-	109,132	109,132	110,820
Academy's Educational Operations					
Direct	5,633,866	2,129,441	807,262	8,570,569	7,833,407
Allocated support	2,292,322	-	1,718,383	4,010,705	3,600,345
Governance including allocated support	-	-	82,064	82,064	73,962
	<u>7,926,188</u>	<u>2,129,441</u>	<u>2,716,841</u>	<u>12,772,470</u>	<u>11,618,534</u>

Net outgoing resources for the year are stated after deducting

	2012	2011
	£	£
Fees payable to Baker Tilly UK Audit LLP and its associates for		
- Audit	9,600	7,000
- Other services	7,900	5,500
Operating lease costs	<u>23,493</u>	<u>14,161</u>

8 COST OF GENERATING FUNDS

	Unrestricted Funds	Restricted General Funds	2012	2011
	£	£	£	£
Catering expenses	109,132	-	109,132	110,820
	<u>109,132</u>	<u>-</u>	<u>109,132</u>	<u>110,820</u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

9 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted General Funds	Res. Fixed Asset Funds	2012	2011
	£	£	£	£	£
Direct costs					
Teaching and education support staff costs	-	5,633,866	-	5,633,866	5,190,119
Depreciation	-	-	2,129,441	2,129,441	2,108,915
Books, apparatus and stationery	-	139,737	-	139,737	131,976
Examination fees	-	199,634	-	199,634	144,777
Staff development	-	66,965	-	66,965	46,372
School development	-	146,082	-	146,082	-
Education consultancy	-	84,833	-	84,833	21,063
Alternative education	-	140,568	-	140,568	165,772
Other direct costs	-	29,443	-	29,443	24,413
Total direct costs	<u>-</u>	<u>6,441,128</u>	<u>2,129,441</u>	<u>8,570,569</u>	<u>7,833,407</u>
Allocated support costs					
Personnel costs					
Support staff costs	-	2,292,322	-	2,292,322	2,230,163
	<u>-</u>	<u>2,292,322</u>	<u>-</u>	<u>2,292,322</u>	<u>2,230,163</u>
Establishment Expenses					
Maintenance of premises and equipment	-	139,700	-	139,700	121,801
Exceptional roof repair costs (see below)	-	134,308	-	134,308	-
Rent & Rates	-	100,543	-	100,543	102,252
Heat & Light	-	173,813	-	173,813	208,816
Insurance	-	121,799	-	121,799	116,117
Security	-	121,710	-	121,710	122,475
	<u>-</u>	<u>791,873</u>	<u>-</u>	<u>791,873</u>	<u>671,461</u>
General Expenses					
Cleaning	-	30,598	-	30,598	28,876
Transport	-	34,842	-	34,842	45,072
Catering	-	171,083	-	171,083	147,736
Technology costs	-	167,568	-	167,568	161,171
Bank interest & charges	-	283	-	283	334
FRS 17 finance costs	-	30,000	-	30,000	30,000
Public relations / advertising	-	102,836	-	102,836	-
Other support costs	-	389,300	-	389,300	285,532
	<u>-</u>	<u>926,510</u>	<u>-</u>	<u>926,510</u>	<u>698,721</u>
Total allocated support costs	<u>-</u>	<u>4,010,705</u>	<u>-</u>	<u>4,010,705</u>	<u>3,600,345</u>
Total costs	<u>-</u>	<u>10,451,833</u>	<u>2,129,441</u>	<u>12,581,274</u>	<u>11,433,752</u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

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

Exceptional roof repair costs

During the year, significant faults in the Academy roof were identified resulting in exceptional costs of £134,308 being incurred by the Academy. The costs relate to temporary repairs, consultancy and legal fees associated with the rectification of the fault.

10 GOVERNANCE COSTS

	2012	2011
	£	£
Audit fees	9,600	7,000
Accountancy fees	7,900	5,500
Legal and professional	60,250	58,249
Governors expenses	4,314	3,213
	<u>82,064</u>	<u>73,962</u>

11 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2012 expressed as full time equivalents was as follows

	2012	2011
	No.	No.
Charitable Activities		
Teachers	110	104
Administration and support	91	90
Management	7	7
	<u>208</u>	<u>201</u>

	2012	2011
	£	£
Staff costs comprise		
Wages and salaries	6,527,901	6,064,358
Social security costs	511,676	483,822
Other pension costs	790,225	782,798
Contracted out staffing costs	66,386	49,304
FRS17 costs (note 15)	30,000	40,000
	<u>7,926,188</u>	<u>7,420,282</u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

11 STAFF COSTS (continued)

Six employees earned more than £60,000 during the year ended 31 August 2012 (including taxable benefits but excluding employers' pension contributions) The total emoluments of these employees were in the following ranges

	2012 No.	2011 No
£60,001 - £70,000	1	1
£70,001 - £80,000	3	4
£80,001 - £90,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	1	1

5 of the six employees above participated in the Teachers' Pension Scheme During the year ended 31 August 2012, pension contributions for these staff amounted to £56,480 (2011 £66,017) The other employee participated in the Local Government Pension Scheme, pension contributions amounted of £11,120 (2011 £11,852)

Governors and Principals remuneration and expenses

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

The value of the staff governor's remuneration as a staff member, for the 10 month period before resignation as staff governor on the 25 June 2012, was £45,115

The value of the Principal's remuneration (excluding pension contributions) was £132,760 in 2012 (2011 £132,760)

During the year ended 31 August 2012, travel and subsistence expenses totalling £4,314 (2011 £3,213) were reimbursed to governors

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

Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2012 was £5,406 (2011 £5,406)

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

12 TANGIBLE FIXED ASSETS

	Land & Buildings £	Equipment, fixtures & fittings £	Total £
Cost			
At 1 September 2011	31,647,699	5,903,840	37,551,539
Transfer (note 25)	1,566,987	-	1,566,987
Additions	161,795	49,610	211,405
At 31 August 2012	<u>33,376,481</u>	<u>5,953,450</u>	<u>39,329,931</u>
Depreciation			
At 1 September 2011	1,892,112	4,298,162	6,190,274
Charge in year	642,956	1,486,485	2,129,441
At 31 August 2012	<u>2,535,068</u>	<u>5,784,647</u>	<u>8,319,715</u>
Net book value			
At 31 August 2012	<u>30,841,413</u>	<u>168,803</u>	<u>31,010,216</u>
At 31 August 2011	<u>29,755,587</u>	<u>1,605,678</u>	<u>31,361,265</u>

The Atkinson Road land & buildings included within the transfer from the Council as detailed in note 25 The land and buildings were valued at £1,566,987 by DTX Debenham Tie Leung Limited as at 31 August 2012

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

13 DEBTORS

	2012	2011
	£	£
Trade debtors	615	8,183
Prepayments	509,604	66,543
Sundry debtors	269,919	186,376
	<u>780,138</u>	<u>261,102</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	400,095	169,177
Other creditors	30,800	800
Accruals and deferred income	194,538	367,691
	<u>625,433</u>	<u>537,668</u>

Accruals and deferred income comprises:	2012	2011
	£	£
Deferred income at 1 September 2011	116,149	162,245
Amount released from previous year	(116,149)	(121,020)
Incoming resources deferred in the year	75,014	74,924
Deferred income at 31 August 2012	<u>75,014</u>	<u>116,149</u>
Accruals	<u>119,524</u>	<u>251,542</u>
Total accruals and deferred income	<u>194,538</u>	<u>367,691</u>

£25,286 of deferred income at the year end relates to school funds income received in advance of related expenditure

£49,728 of deferred income at the year end relates to the General Annual Grant received in the year by Atkinson Road to be clawed back by the EFA post year end

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

15 PENSIONS AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million

Proportion of members' accrued benefits covered by the notional value of the assets	98.88%
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Following the implementation of Teacher's Pension (Employer' Supplementary Contribution) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the year from 1 September 2011 to 31 August 2012 the employer contribution was 14.1 per cent For the period from 1 September 2011 to 31 March 2012 the employee contribution was 6.4 per cent As of 1 April 2012, the Teachers' Pension Agency have issued new contribution rates for employees ranging from 6.4 to 8.8 per cent, dependant on annual salary

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

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

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £310,000 (2011 £310,000), of which employer's contributions totalled £220,000 (2011 £220,000) and employees' contribution totalled £90,000 (2011 £90,000). The agreed rates for future years are 13.9 per cent for employers.

Principal actuarial assumptions

	2012	2011
	£	£
Rate of increase in salaries	4.7	5.1
Rate of increase for pensions in payment	2.2	2.7
Discount rate	4.2	5.4
Inflation (CPI)	2.2	3.6

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

	2012	2011
	£	£
Retiring today		
Males	21.6	21.5
Females	23.8	23.7
Retiring in 20 years		
Males	23.4	23.3
Females	25.7	25.6

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

	Expected return at 31 August 2012	Fair value at 31 August 2012	Expected return at 31 August 2011	Fair value at 31 August 2011
Equities	7.5	2,411,940	7.7	1,804,920
Property	7.0	329,400	7.2	226,950
Government bonds	2.5	267,180	3.7	184,230
Corporate bonds	3.2	442,860	4.8	309,720
Cash	1.3	69,540	1.6	34,710
Other	7.5	139,080	7.7	109,470
TOTAL MARKET VALUE OF ASSETS		<u>3,660,000</u>		<u>2,670,000</u>
Present value of scheme liabilities - Funded		(6,140,900)		(4,020,900)
DEFICIT IN THE SCHEME		<u>(2,480,900)</u>		<u>(1,350,900)</u>

The actual return on scheme assets was £240,000

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The Laidlaw Schools Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2012.

Amounts recognised in the statement of financial activities	2012	2011
	£	£
Current service cost	250,000	260,000
Employer contributions	(220,000)	(220,000)
	<u> </u>	<u> </u>
Total operating charge	30,000	40,000
	<u> </u>	<u> </u>
Analysis of pension finance costs		
Interest on pension liabilities	230,000	180,000
Expected return on pension scheme assets	(200,000)	(150,000)
	<u> </u>	<u> </u>
Pension finance costs	30,000	30,000
	<u> </u>	<u> </u>

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

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £1,482,900.

Movements in the present value of defined benefit obligations were as follows	2012	2011
	£	£
Opening defined benefit obligation	4,020,900	3,400,900
Transfer from Atkinson Road (note 25)	830,000	-
Current service cost	250,000	260,000
Interest cost	230,000	180,000
Employee contributions	90,000	90,000
Actuarial loss	770,000	80,000
Benefits paid out	(50,000)	10,000
	<u> </u>	<u> </u>
At 31 August	6,140,900	4,020,900
	<u> </u>	<u> </u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

15 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Movements in the fair value of Academy's share of scheme assets

Opening fair value of scheme assets	2,670,000	2,160,000
Transfer from Atkinson Road (note 25)	490,000	-
Expected return on assets	200,000	150,000
Actuarial loss	40,000	40,000
Employer contributions	220,000	220,000
Employee contributions	90,000	90,000
Benefits paid out	(50,000)	10,000
	<hr/>	<hr/>
At 31 August	3,660,000	2,670,000
	<hr/> <hr/>	<hr/> <hr/>

Employer contributions for the year ended 31 August 2013 are expected to be £260,000

The history of experience adjustments is as follows

	2012 £	2011 £	2010 £	2009 £	2008 £
Present value of defined benefit obligations	(6,140,900)	(4,020,900)	(3,400,900)	(2,980,900)	(391,000)
Fair value of share of scheme assets	3,660,000	2,670,000	2,160,000	1,600,000	240,100
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in the scheme	<u>(2,480,900)</u>	<u>(1,350,900)</u>	<u>(1,380,900)</u>	<u>(1,380,900)</u>	<u>(150,900)</u>
Experience adjustments on share of scheme assets					
Amount	40,000	40,000	120,000	(150,000)	(17,300)
Experience adjustments on scheme liabilities					
Amount	-	(330,000)	-	(70,000)	(29,900)

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
NEWCASTLE)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

16 FUNDS

	Balance at 31 August 2011 £	Incoming resources £	Expenditure £	Gains, losses And Transfers £	Balance at 31 August 2012
Restricted General Fund					
GAG - Excelsior	468,876	8,986,216	(8,726,531)	-	728,561
GAG – Atkinson Road	-	491,667	(458,314)	-	33,353
Pension reserve	(1,350,900)	(340,000)	(60,000)	(730,000)	(2,480,900)
	<u>(882,024)</u>	<u>9,137,883</u>	<u>(9,244,845)</u>	<u>(730,000)</u>	<u>(1,718,986)</u>
Other DfE Grants:					
Start Up Grant	-	261,553	(261,553)	-	-
School standards fund	1,215,170	10,703	(248,918)	-	976,955
Pupil Premium - Excelsior	-	364,179	(364,179)	-	-
Pupil Premium – Atkinson Rd	-	63,858	(63,858)	-	-
16 – 18 Bursary funding	-	1,322	(1,322)	-	-
Summer school grant	-	50,000	(50,000)	-	-
Other Government funding:					
SEN funding	-	76,501	(76,501)	-	-
Other funding	18,381	30,375	(30,375)	-	18,381
Newcastle School Sports partnership	-	17,400	(17,400)	-	-
Devolved formula funding	270,610	-	-	(270,610)	-
Sponsorship from Lord Laidlaw of Rothiemay	-	174,946	(174,946)	-	-
	<u>622,137</u>	<u>10,188,720</u>	<u>(10,533,897)</u>	<u>(1,000,610)</u>	<u>(723,650)</u>
Restricted General Funds	<u>622,137</u>	<u>10,188,720</u>	<u>(10,533,897)</u>	<u>(1,000,610)</u>	<u>(723,650)</u>
Restricted Fixed Asset Fund					
Land & building transfer from Council – Atkinson Rd	-	1,566,987	(10,000)	-	1,556,987
Other restricted fixed assets fund	30,966,373	-	(2,090,951)	-	28,875,422
Fixed assets funding from Council – Atkinson Road	-	8,196	-	-	8,196
Devolved formula capital - Excelsior	-	37,393	(10,426)	270,610	297,577
Sponsorship from Lord Laidlaw of Rothiemay – Atkinson Rd	-	161,796	(100)	-	161,696
Capital expenditure from GAG - Excelsior	125,749	-	(17,964)	-	107,785
	<u>31,092,122</u>	<u>1,774,372</u>	<u>(2,129,441)</u>	<u>270,610</u>	<u>31,007,663</u>
Total Restricted Fixed Asset Fund	<u>31,092,122</u>	<u>1,774,372</u>	<u>(2,129,441)</u>	<u>270,610</u>	<u>31,007,663</u>
Total Restricted funds	<u>31,714,259</u>	<u>11,963,092</u>	<u>(12,663,338)</u>	<u>(730,000)</u>	<u>30,284,013</u>
Total Unrestricted funds	(104,702)	246,841	(109,132)	-	33,007
Total funds	<u>31,609,557</u>	<u>12,209,933</u>	<u>(12,772,470)</u>	<u>(730,000)</u>	<u>30,317,020</u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

16 FUNDS (continued)

At the year end, £270,610 was transferred from restricted general funds to the restricted fixed asset fund to reflect the capital nature of the income

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

General Annual Grant

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

Pension reserve

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

School Standard Funds

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

Land and Building transfer from Council

See note 25. This balance is the main school premises for Atkinson Road to be depreciated over the remaining useful economic life of the building

Other restricted fixed assets fund

This balance is the main school premises for the Excelsior Academy to be depreciated over the remaining useful economic life of the building

Devolved Formula Capital Funding

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

Sponsorship from Lord Laidlaw

During the year, Lord Laidlaw provided capital funding to improve the building and facilities at Atkinson Road Primary School

Capital expenditure from GAG

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

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2012 £	Total 2011 £
Tangible fixed assets	-	-	31,010,216	31,010,216	31,361,265
Current assets	33,007	2,380,130	-	2,413,137	2,136,860
Current liabilities	-	(622,880)	(2,553)	(625,433)	(537,668)
Pension liability	-	(2,480,900)	-	(2,480,900)	(1,350,900)
	<u>33,007</u>	<u>(723,650)</u>	<u>31,007,663</u>	<u>30,317,020</u>	<u>31,609,557</u>

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2012**

18 CAPITAL COMMITMENTS

	Total 2012 £	Total 2011 £
Contracted for but not provided for in the financial statements	-	-
Authorised by the Governors but not yet contracted	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

19 OPERATING LEASE COMMITMENTS

At 31 August 2012, the Academy was committed to making the following payments during the next year in respect of operating leases for motor vehicles

	Total 2012 £	Total 2011 £
Leases which expire:		
Within 0-1 years	13,932	-
Within 2-5 years	10,987	13,932
	<u>24,919</u>	<u>13,932</u>

20 ULTIMATE CONTROLLING PARTY

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

21 RELATED PARTY TRANSCATIONS

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

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

	2012 £	2011 £
Capital	161,796	-
Other	174,946	121,500
	<u>336,742</u>	<u>121,500</u>

At 31 August 2012 £174,946 (2011 £105,500) was owed to the Academy and is included in sundry debtors

**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

22 CONTINGENT LIABILITIES

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

23 MEMBERS LIABILITY

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

24 RECONCILIATION OF NET EXPENDITURE AND NET CASHFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Net expenditure	(562,537)	(1,152,669)
Cash impact of transfer from Atkinson Road	(5,256)	-
Depreciation	2,129,441	2,108,915
Interest receivable	(15,719)	(9,119)
Interest payable	-	334
FRS 17 – Transfer of opening liability	340,000	-
FRS 17 – Finance costs	30,000	40,000
FRS 17 – Staff costs	30,000	30,000
Increase in debtors	(519,036)	(95,320)
Increase/(decrease) in creditors	87,765	(73,466)
Transfer of tangible fixed assets from Council	(1,566,987)	-
Capital grants from DfE	(37,393)	-
Other capital grants	(161,796)	(231,570)
	<u>(251,518)</u>	<u>617,105</u>

CASH TRANSFERRED ON TRANSFER OF ATKINSON ROAD

Cash balance transferred from Atkinson Road (note 25)	<u>(5,256)</u>
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**THE LAIDLAW SCHOOLS TRUST (FORMERLY KNOWN AS THE EXCELSIOR ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2012

25 TRANSFER OF ATKINSON ROAD

On 1 June 2012 Atkinson Road Junior Academy became part of The Laidlaw Schools Trust and all the operations and assets and liabilities were transferred to the Laidlaw Schools Trust from the Council for £nil consideration

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

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

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2012 £	Total 2011 £
Voluntary income analysis:					
Tangible fixed assets	-	-	1,566,987	1,566,987	-
School funds	5,256	-	-	5,256	-
County Council					
- Revenue	93,184	-	-	93,184	-
- Capital	-	-	8,196	8,196	-
LGPS pension deficit from Newcastle City Council	-	(340,000)	-	(340,000)	-
	<u>98,440</u>	<u>(340,000)</u>	<u>1,575,183</u>	<u>1,333,623</u>	<u>-</u>

The above assets include £5,256 that was transferred as cash.

26 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £26,448 and disbursed £25,126. The Academy Trust retained a beneficial interest in individual transactions such that £1,322 has been recognised in income and expenditure in the statement of financial activities.