

Charity Registration No. 1175245

Company Registration No. 10780520 (England and Wales)

**LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW
FOUNDATION)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Chris Maybury Lord Irvine Laidlaw Steffen Dietel Sir David Carter	(Appointed 9 September 2019)
	Louise M Richardson	(Appointed 20 October 2020)
Charity number	1175245	
Company number	10780520	
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES	
Auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF	

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

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LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2020

The Trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Foundation's Memorandum and Articles of Association, the Companies Act 2006 and "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).

Objectives and activities

Incorporated on 19th May 2017, the object of the Foundation is the advancement of education, especially the education of deprived young people, in particular by means of grants and other forms of financial assistance to institutions which are engaged in the provision of educational services in any part of the world. In June 2018 the Foundation adopted an additional object, "the advancement of arts and culture for the public benefit in particular by means of grants and other forms of financial assistance" to expand the scope of the Foundation's work.

During this financial year the Foundation's activities were primarily the provision of funding in three main areas:

LIDLAW SCHOOLS TRUST (LST) (company number 05735093) - Approved by The Department for Education as a multi-academy sponsor, the mission of this trust is to work in partnership with children, their families and the wider community, by providing a safe and nurturing environment for each child, irrespective of ability or background. Its aim is to empower children to believe in themselves and to embrace the future as active, respectful and responsible citizens. The Trust is based in the North East of England, serving children and families in the west of Newcastle, in Pennywell and South Hylton in Sunderland, and in Sedgefield in County Durham. The Trust's vision is 'to transform the lives of children and communities in the North of England through inspirational education'.

LIDLAW SCHOLARS - these are Research and Leadership Development programmes whose purpose is to provide funding to Universities to equip a body of outstanding undergraduates with the skills, experience, networks and values necessary to become leaders in their chosen occupations. There are four core elements to the programme: a research project, leadership training, a leadership-in-action experience and a global virtual network. By working with an academic supervisor or a skilled and experienced research team (and in some cases both), scholars will develop their abilities in analysis, problem solving and data management. Leadership training and development covers core attributes which employers have said are most important to them as well as building on Universities' academic findings into the skills that make the best leaders. The leadership-in-action component was newly introduced this year and is intended to ensure that Scholars know the practice as well as the theory of leadership. It is also designed to facilitate their understanding of diverse and developing communities, making them better global citizens and building their moral muscle.

WOMEN'S BUSINESS EDUCATIONAL SCHOLARSHIPS - The programme's aim is to encourage more women to graduate with an MBA, removing one of the obstacles to women achieving pay parity and better representation in executive leadership roles. The programme provides financial assistance on a merit and needs basis to full time female MBA students enrolled at Columbia Business School and London Business School, giving them access to an unparalleled business education. Columbia Business School, located in the heart of New York City, with an exceptional reputation, deep relationships across industry and a strong alumni network, provides a perfect platform to accelerate women's path to the boardroom. London Business School has campuses in London and Dubai, and a presence in three additional international cities – New York, Hong Kong and Shanghai. It is consistently ranked among the best business schools globally and is widely acknowledged as a centre for outstanding research. The School has more than 44,000 alumni working in over 155 countries. Together, they are a community defined by a wealth of knowledge, business, experience and worldwide networking opportunities.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

New gift activities started in the year

Sedgefield Community College (Buildings)

With the incorporation of Sedgefield Community College on March 1st, 2020 into The Laidlaw Schools Trust the Foundation committed to funding a new Teaching and Leadership Centre at the school. The Foundation has made a gift commitment of £3.2m to cover the budgeted construction cost of this new centre. It is being designed in partnership with Durham University since as well as providing much needed additional classroom space for the College, it will become the teacher training hub for Durham University's PGCE secondary-teacher-training students; enabling them to learn from Subject Leaders in the immersive setting of an Outstanding School. The building will look to challenge conventional thinking on circulation, break-out and flexible design. The multi-functional spaces will be used for collaborative learning, performances, and examinations for students, as well as being the centre for teaching and learning leadership development for current and future NE Schools Leaders.

Oxford Saïd Business School (Women's Leadership Fund)

On March 9th 2020 the Foundation announced that it would donate £1.35m to fund Oxford MBA Scholarships over three years. The scholarships are intended to encourage extraordinary women with clear leadership potential to enrol onto the MBA programme when they would not have previously considered the qualification due to financial constraints. The final gift agreement was signed on 23rd September 2020.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Achievements and performance

Laidlaw Schools Trust (LST)

The Foundation sponsors LST, a growing multi-academy trust in the North East of England that serves disadvantaged communities. In FY2020 there were 7 academies within LST: two all through schools, one secondary school and four primary schools. The schools have double the national average for every marker of disadvantaged communities: Free Schools Meals, Pupil Premium, Special Educational Needs, English as an Additional Language and Mobility. The Foundation gives additional funding to the Trust in order to pay for half of the central team costs and to raise the level of funding per pupil to the same level as that of a London borough in order to give children better life chances. The intention of the programme is to help break the cycle of poverty and generational unemployment in North East England.

By funding the central team, the Foundation ensures that:

- Schools are asked for a smaller "top slice" of their funds going to central costs. LST academies pay 2.5% of their income compared to the national MAT norm of 5+%.
- IT and property management costs can be negotiated centrally, reducing the tangible and intangible costs for schools.
- HR provides professional recruitment, development and restructuring support to the schools, allowing schools to optimise their staff and team effectiveness.
- Finance and administration is managed centrally, ensuring that the schools maintain a healthy operating account and financial reserves, avoiding the financial stresses and threats that many schools face. Best practice teaching and learning methodologies and world class curriculums are developed for and embedded at every school.
- EdTech and digital learning, so critical during the Covid lockdown, is fully enabled throughout the Academies, ensuring that the LST pupils accessed and engaged with Remote Learning.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

The school improvement spend was split into five key categories: additional learning provision; smaller class sizes; welfare; leadership transition at Excelsior Academy, the Trust's largest school; and Covid response.

Additional Learning Provision included:

- Before and after school clubs
- Holiday and weekend school programmes
- Specialist subject tutors
- Exam board CPD for staff
- Progress tutors for A-levels
- International New Arrivals programme at primary

Smaller Class Sizes included:

- Additional teachers in key reporting years
- Additional teachers targeting specifically weak cohorts
- Higher level Teaching Assistant's to support intervention group
- Teach First candidates to reduce class sizes and 'grow our own' teachers

Welfare Provision included:

- Attendance and behaviour support workers
- Welfare and family support workers
- Counselling and emotional support

The Excelsior Academy Leadership Transition included:

- An interim Executive Principal to manage the transition to the new leadership
- Temporary uplifts in salary to leaders and staff from Sedgefield College supporting Excelsior, in particular in embedding their successful teaching and learning model: Inevitable Progress

Covid response included:

- The launch of learning hubs per school
- Laptops and dongles for pupils without access to devices or Wifi
- A Free School Meals programme to ensure that children would eat healthy and regular meals during lockdown
- Proving food parcels to families in particular hardship.

During the lockdown, when schools were closed to all but keyworker and vulnerable children, the Trust successfully launched its learning hub; this was live on the first day of lockdown. Thanks to the Laidlaw Funding Year 10s, who will be working towards their GCSE's next year, also had 1:1 labs with their teachers on-line to mitigate the damage of the lockdown. Remote access and engagement across LST in the first lockdown was above the national levels of private schools at 54%, and c. three times the national state school rate of 21%.

The number of LST pupils receiving Free School Meals is almost double the national average. The Foundation partnered with BiteBack2030, the charity founded by Jamie Oliver to reduce childhood obesity by 50% in the next ten years, which launched the campaign to fund FSMs over the holidays. Together, the Foundation and BiteBack created a programme that ensured parents and children made healthy shopping and meal choices all within the £15 a week budget. Every week, the charity produced a shopping list to be sent out with the FSM vouchers. Daily, a Jamie Oliver chef, called Jack, hosted a lunchtime cook-a-look using ingredients exclusively from the week's shopping lists. Tesco added the shopping lists to its website. The menus and videos were all shared on YouTube and Instagram. The cooking lessons were embedded into the LST remote learning timetable and a number of other MATs.

While results were measured differently this summer due to Covid restrictions, LST saw strong progress thanks to the Foundation support. Reading for KS2 was the best it has been in the past three years, with 70% of students achieving the expected standard. Maths at both KS1 and 2 was the best it has been in three years. Spelling, Punctuation and Grammar (SPAG) was also the best it has been in three years with 72% of students achieving the expected standard. Combined Reading, Writing and Maths (RWM) too reached the highest attainment scores it has in the past three years with 63% of students achieving the expected standard and every school exceeding its 2019 outcomes.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

At GCSE the Trust improved by 8% for students achieving a pass in English and Maths and by 9% for those receiving a good pass i.e. 5+. Progress 8 Scores at both SCC and EA were strong, at 0.21 and 0.60 respectively. Excelsior had the biggest turnaround in Teaching and Learning showing a strong return on the additional investment made there. All sixth formers were accepted at their first choice of university.

Detailed reports are available per school.

Laidlaw Scholars - Undergraduate Research and Leadership Programme

The Foundation provides scholarships for up to 25 students at each of the Foundation's partner universities. These scholarships are aimed at developing a new generation of diverse leaders who embrace data-based decision making, believe in the moral imperative of ethical leadership and are active global citizens. It is clear, looking at today's political and business leaders, that there is an urgent need to develop leaders with the skills and will to address the world's most intractable problems. This programme is designed to do that. In financial year 2020 the programme delivered:

- Stipends to c. 25 new scholars in each of 12 universities for research projects. These are projects in arts and humanities, health and medical, social sciences and STEM subjects. An extensive selection of project papers can be found on the www.laidlawforscholars.network in the research channel.
- Leadership training using the action leadership model to cover individual team and situational leadership to all scholars to develop the following attributes:
 - Self-knowledge and awareness
 - Effective communications
 - Creating and critical thinking
 - Collaboration and team working
 - Social and cultural intelligence and awareness
 - Inclusion and diversity commitment
 - Resilience and determination to achieve
 - Research and project management skills
- Global connections, intelligence and inspiration through its virtual community: the Laidlaw Scholars Network
- A global talk series focused on different aspects of Leadership with Scholars attending worldwide
- A leadership-in-action experience for Scholars in partnership with the charity Makesense, whose mission is to inspire and equip citizens, entrepreneurs and organisations to build a more inclusive and sustainable society - together. The Makesense / Laidlaw Scholars programme helped support children, parents and teachers during the crisis to ensure that children continued to learn and aspire.
- The launch of a Laidlaw Scholars alumni society.

Laidlaw Scholars, Women in Business

The Women's MBA Programme is designed to help propel more women into leadership positions and tackle one of the barriers to women breaking through the glass ceiling. It sponsors outstanding women who would not otherwise be able to afford an MBA from a first-class business school to attend Columbia Business School and London Business School.

During this financial year Columbia Business School recruited its final cohort of 20 scholars to start in the new academic year, bringing the total number of women to have benefitted from Laidlaw Scholarships at the School to 303. Thirty percent of the women are underrepresented minorities in the US, and they represent six countries. The average award for the incoming class is \$43,523.

London Business School welcomed its first two Laidlaw Scholars and recruited its first full cohort of Scholars to start in the Academic year 20/21. The Foundation's relationship with LBS has brought additional benefits to the Foundation, increasing its brand awareness, promotional reach and connections within the Education sector.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2020**

Financial review

The Trustees take seriously their responsibilities to implement appropriate financial controls to ensure the Foundation is managed to a high standard.

During this financial period ended 31st July 2020, total expenditure of £5,336,264 was covered by total charitable income of £13,334,894. The grants payable committed to by the Foundation at the year end of £2,755,000 will be funded by the Foundation's sole sponsor, Lord Irvine Laidlaw, as they fall due.

The charity's income is derived from its sole sponsor, Lord Irvine Laidlaw.

Total charitable expenditure during the financial period was as follows:

- Laidlaw Scholars Research & Development Programme - £1,843,324
- The Laidlaw Schools Trust - £2,768,672
- Buildings - £91,647
- Other - £10,715

The Trustees continually review the reserve levels of the Foundation and ensure that income matches ongoing commitments. The Foundation holds minimal reserves as all its funding is derived from its sole donor, Lord Irvine Laidlaw, and this is provided as the Foundation's pre-agreed commitments arise.

The Foundation may not spend more than 30% of its cumulative assets during its existence on grants to build educational and/or medical buildings. In the event that the Foundation makes a grant (or equivalent) or provides financial assistance (or equivalent) that funds more than 33% of the purchase price (or equivalent) or 33% of the construction of a building that building must include 'Laidlaw' in its name.

At the 31st July 2020 the Foundation had reserves of £2,715,774 due to future commitments made prior to the year end. These commitments will be met by donations received from the Foundation's sole sponsor, Lord Irvine Laidlaw.

The Trustees have assessed the major risks to which the Foundation is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Laidlaw Scholars

On 1 August 2020 the Foundation signed a gift agreement for three years with Cornell University in New York. There are a number of other universities looking to join the programme for the academic year 2021/22.

Ethical Leadership

The Foundation is keen to develop an ethical leadership in business programme in conjunction with its network of universities and, as part of this initiative, a budget allocation has been made for FY2021 to commission a book to be produced along with the implementation of a related training programme.

Leeds University (Laidlaw West Student Hub)

In April 2019 the Foundation signed a gift commitment of £8m towards the construction of a new learning centre on the western campus of the university. Whilst the project has been paused due to the covid-19 pandemic, work has continued on creating the operating model for the building and the university has set up a steering committee to prepare for additional fund raising for the project. It has confirmed that no construction work will be undertaken during the current academic year and therefore no gift monies will be due from the Foundation until calendar year 2022.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management

The Foundation is a company limited by guarantee without share capital and was incorporated on 19 May 2017.

The Foundation is governed by articles of association adopted on incorporation and amended by special resolutions registered at Companies House on 10 October 2017, 16 October 2017, 20 June 2018 and 5 July 2019.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Chris Maybury

Lord Irvine Laidlaw

Peter Fair OBE

(Resigned 31 August 2019)

Steffen Dietel

Sir David Carter

(Appointed 9 September 2019)

Louise M Richardson

(Appointed 20 October 2020)

Trustees of the charity are nominated by Lord Irvine Laidlaw, the main sponsor of the charity. The subscribers to the Memorandum (being the first Members) are also the first Trustees. Subsequent Trustees are appointed by notice in writing by the Founder to the Foundation whilst he is alive and thereafter by the Members by ordinary resolution. A Trustee's term of office automatically comes to an end on the tenth anniversary of his initial appointment.

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity, legal and financial matters.

During the year, the Foundation made a charitable donation to the Laidlaw Schools Trust, of which Lord Laidlaw is a member, totalling £2,768,672.

The persons responsible for the day to day running of the charity are Susanna Kempe, Matt Waugh, and Graham Robertson.

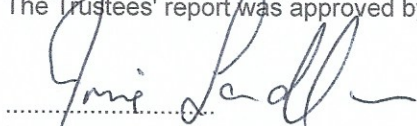
Auditor

Following the acquisition of Campbell Dallas Audit Services by Azets, Campbell Dallas Audit Services resigned as auditor and were replaced by Azets Audit Services Limited, trading as Azets Audit Services, a company owned by Azets. Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Lord Irvine Laidlaw

Trustee

Dated: 10 MARCH 2021

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2020

The Trustees, who are also the directors of Laidlaw Foundation (formerly The Irvine Laidlaw Foundation) for the purpose 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 which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LAIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

Opinion

We have audited the financial statements of Laidlaw Foundation (formerly The Irvine Laidlaw Foundation) (the 'Foundation') for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. 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 2020 and of its incoming resources and application of resources, 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 Foundation'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Foundation and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Foundation for the purpose 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

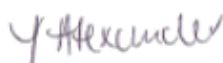
LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members, as a body, 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jennifer Alexander (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

10 March 2021
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Titanium 1
King's Inch Place
Renfrew
PA4 8WF

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds Year ended 31 July 2020	Unrestricted funds 14 months ended 31 July 2019
	Notes	£	£
Income from:			
Donations and legacies	2	13,334,894	14,703,260
Expenditure on:			
Charitable activities	3	5,336,264	19,014,555
Net income/(expenditure) for the year		7,998,630	(4,311,295)
Other recognised gains and losses			
Other (losses)/gains	7	(28,871)	42,177
Net movement in funds		7,969,759	(4,269,118)
Fund balances at 1 August 2019		(5,253,985)	(984,867)
Fund balances at 31 July 2020		2,715,774	(5,253,985)

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

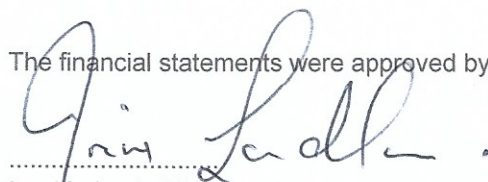
LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	8		1		1
Current assets					
Debtors	9	67,660		67,660	
Cash at bank and in hand		5,496,938		585,501	
		<u>5,564,598</u>		<u>653,161</u>	
Creditors: amounts falling due within one year	10	(1,618,825)		(2,898,147)	
Net current assets/(liabilities)			3,945,773		(2,244,986)
Total assets less current liabilities			<u>3,945,774</u>		<u>(2,244,985)</u>
Creditors: amounts falling due after more than one year	11		(1,230,000)		(3,009,000)
Net assets/(liabilities)			<u><u>2,715,774</u></u>		<u><u>(5,253,985)</u></u>
Income funds					
Unrestricted funds			2,715,774		(5,253,985)
			<u><u>2,715,774</u></u>		<u><u>(5,253,985)</u></u>

The financial statements were approved by the Trustees on 10 MARCH 2021



Lord Irvine Laidlaw
Trustee

Company Registration No. 10780520

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	14	4,911,437		369,713	
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents		4,911,437		369,713	
Cash and cash equivalents at beginning of year		585,501		215,788	
Cash and cash equivalents at end of year		5,496,938		585,501	

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

Laidlaw Foundation (formerly The Irvine Laidlaw Foundation) is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES.

With effect from 21 August 2020, the name of the charitable company was changed from The Irvine Laidlaw Foundation to Laidlaw Foundation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's Memorandum and Articles of Association, the Companies Act 2006 and "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). The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been drawn up for the year ended 31 July 2020. The comparative period is drawn up for the 14 months ended 31 July 2019.

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

Based on these considerations, although the Foundation's reserves are currently showing a surplus of £2,715,774 due to future commitments made, these will be met by donations received from the Foundation's sole sponsor Lord Irvine Laidlaw as they fall due.

The trustees' have considered Covid-19 as part of their assessment.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Foundation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Foundation. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

2 Donations and legacies

	Unrestricted funds Year ended 31 July 2020	Unrestricted funds 14 months ended 31 July 2019
	£	£
Donations and gifts	13,334,894	14,703,260
	<u>13,334,894</u>	<u>14,703,260</u>
Donations and gifts		
Highland Group Holdings Ltd	13,334,894	14,703,260
	<u>13,334,894</u>	<u>14,703,260</u>

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

3 Charitable activities

	Year ended 31 July 2020	14 months ended 31 July 2019
	£	£
Staff costs	381,009	172,417
Legal and professional fees	28,570	23,368
Programme costs	19,256	-
Consultancy fees	118,950	127,542
Website development costs	2,378	9,057
Travel costs	30,934	26,789
Website running costs	6,291	48,720
Branding and event costs	6,848	600
Bank charges	341	361
Entertainment	-	1,282
General expenses	606	4,684
Printing and stationery	325	-
Subscriptions	19,798	-
	<u>615,306</u>	<u>414,820</u>
Grant funding of activities (see note 4)	4,714,358	18,592,735
Governance costs	6,600	7,000
	<u>5,336,264</u>	<u>19,014,555</u>

Governance costs include payments to the auditors of £6,600 (2019: £7,000) for audit fees.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

4 Grants payable

	Year ended 31 July 2020	14 months ended 31 July 2019
	£	£
Grants to institutions:		
Laidlaw Schools Trust	2,768,672	2,906,517
Laidlaw Scholars	1,843,324	3,125,920
Lord Irvine A.S. Laidlaw '65 Scholarship Fund	-	4,693,419
Women's Leadership Fund	-	3,690,000
Building's Grant	91,647	4,000,000
Other	10,715	176,879
	<u>4,714,358</u>	<u>18,592,735</u>

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the period.

During the period, expenses for travel of £80 were reimbursed to trustees (2019: £8,890).

LAILAW FOUNDATION (FORMERLY THE IRVINE LAILAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

6 Employees

Number of employees

The average monthly number of employees during the year was:

	Year ended 31 July 2020	14 months ended 31 July 2019
	Number	Number
Staff	2	1

Employment costs

	Year ended 31 July 2020	14 months ended 31 July 2019
	£	£
Wages and salaries	327,617	150,628
Social security costs	43,478	17,289
Other pension costs	9,914	4,500
	<u>381,009</u>	<u>172,417</u>

Key Management Personnel were compensated £348,737 during the year ended 31 July 2020 (2019 - £169,317 during the period ended 31 July 2019).

The number of employees whose total remuneration was £60,000 or more were:

	Year ended 31 July 2020	14 months ended 31 July 2019
	Number	Number
£120,000 - £130,000	-	1
£300,000 - £310,000	1	-

Contributions totaling £9,000 were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

7 Other gains or losses

	Unrestricted funds	Unrestricted funds
	Year ended 31 July 2020	14 months ended 31 July 2019
	£	£
Foreign exchange losses/(gains)	<u>28,871</u>	<u>(42,177)</u>

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

8 Fixed asset investments

	Other investments
Cost or valuation	
At 1 August 2019 & 31 July 2020	1
Carrying amount	
At 31 July 2020	1
At 31 July 2019	1

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	13	1	1

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	67,660	67,660

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	13,021	-
Trade creditors	15,993	11,846
Other creditors	1,583,509	2,859,000
Accruals and deferred income	6,302	27,301
	1,618,825	2,898,147

Included within Other Creditors are commitments made prior to the year end for future grants payable by the Foundation, amounting to £1,525,000.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

11 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	1,230,000	3,009,000

Other creditors relate to commitments made to future grants payable by the Foundation prior to the period end. These grants will be funded by donations made by the Foundation's sole sponsor, Lord Irvine Laidlaw.

12 Related party transactions

During the year the Foundation received donations of £13,334,894 (2019: £14,703,260) from Highland Group Holdings Ltd, a company wholly owned by Trustee Lord Irvine Laidlaw.

At the year end, a balance of £67,660 (2019: £67,660) was owed to the Foundation by Specialised Transportation Ltd.

During the year the Foundation made a charitable donation to the Laidlaw Schools Trust totalling £2,768,672 (2019: £2,906,517) of which Lord Irvine Laidlaw is a member.

13 Subsidiaries

These financial statements are separate Foundation financial statements for the year ended 31 July 2020.

Details of the Foundation's subsidiary at 31 July 2020 is as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Rothiemay Trading Limited	England	Property investment company	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiary excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Rothiemay Trading Limited	-	(10,745)

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

14	Cash generated from operations	Year ended	14 months
		31 July 2020	ended 31 July 2019
		£	£
	Surplus/(deficit) for the year	7,998,630	(4,311,295)
	Adjustments for:		
	Foreign exchange differences	(28,871)	42,177
	Movements in working capital:		
	(Increase) in debtors	-	(46,375)
	(Decrease)/increase in creditors	(3,058,322)	4,685,206
	Cash generated from operations	4,911,437	369,713
15	Analysis of changes in net funds		
	The Foundation had no debt during the year.		