

Charity registration number 1175245

Company registration number 10780520 (England and Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Chris Maybury
Lord Laidlaw of Rothiemay
Sir David Carter
Dame Louise Richardson
Linda Doyle

(Appointed 13 January
2022)

Charity number

1175245

Company number

10780520

Registered office

2 New Bailey
6 Stanley Street
Salford
Greater Manchester
M3 5GS

Auditor

Azets Audit Services
Titanium 1
King's Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

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LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2022

The Trustees present their annual report and financial statements for the year ended 31 July 2022.

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 charitable company'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.

During this financial year the Foundation's activities were primarily the provision of funding in three main areas: Laidlaw Schools Trust, Laidlaw Undergraduate Scholarships and Women-in-Business Scholarships. Across the three programmes the Foundation invests in the education of the underprivileged and underrepresented in order to break the cycle of poverty, reduce inequality and develop a new generation of ethical leaders.

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 – The Foundation partners with leading universities around the world to run a Leadership and Research Scholars Programme for their most outstanding undergraduates. The purpose is to provide funding to the Universities to recruit and develop students with the potential to become leaders in their chosen occupations. There are five core elements to the programme: a research project, leadership training and development, a leadership-in-action experience, an ethical leadership masterclass and a global virtual network. By working with an academic supervisor or a skilled and experienced research team (and in some cases both), scholars develop their abilities in analysis, problem solving and data management. Leadership training and development covers core leadership skills, attributes and values. The leadership-in-action immersive experience ensures 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. A custom masterclass delivered by the London Business School on ethical leadership further develops their integrity and resilience.

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 sponsors women from socio-economically disadvantaged backgrounds to earn their MBAs from London Business School and Oxford's Saïd Business School, giving them access both to an unparalleled business education and world class networks. 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. Oxford's Saïd Business School, embedded in the oldest university in the English-speaking world, is a young and innovative business school that seeks to develop the next generation of business leaders and entrepreneurs. Oxford Saïd offers a broad range of business-related degree programmes and executive education taught courses. The school uses its academic strengths and global network to address long-term transformations such as climate change and the impact of new technology. The Foundation previously provided scholarship at Columbia Business School also but has not renewed its gift agreement.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

New gift activities started in the year

In the year ending 31 July 2022, new gift agreements were started with three colleges at the University of Cambridge, Georgetown University and the Swiss Federation Institute of Lausanne (EPFL) to run Undergraduate Leadership and Research Scholars programmes commencing in the academic year 22/23.

The gift agreement was renewed for another three years at the University of Toronto.

The average gift agreement for the Undergraduate Scholars programme is £277k annually for three years.

An agreement was also signed on 21 September 2021 with Trinity College Dublin to fund Pathways for Women in Business. This a programme which aims to help the most disadvantaged, excluded, and disempowered women (30) in their engagement with higher education to build successful business and entrepreneurial careers.

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 FY2022 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.

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

Achievements and performance

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 for all the schools is outsourced to a third party who provides professional recruitment, development, legal 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 manage their budgets efficiently, maintain appropriate financial reserves, and avoid the financial stresses and threats that many schools face.
- Estates planning is prudently financed and quality controlled.
- Best practice teaching and learning methodologies and world class curriculums are developed for and embedded at every school.
- EdTech and digital learning 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 2022

The school improvement spend was split into six key categories: school readiness; smaller class sizes; attendance, behaviour, welfare, health and wellbeing; digital strategy; special education needs; international new arrivals programme.

School Readiness included:

A pilot programme with a feeder nursery school to provide free full day places for two-year olds. The programme measures progress in seven core areas:

1. Personal, social and emotional development
2. Physical dexterity
3. Communication and language skills
4. Literacy
5. Mathematics
6. Understanding of the world
7. Expressive art and design capabilities

Smaller Class Sizes included:

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

Attendance, Behaviour, Welfare Health and Wellbeing Provision included:

- Building and developing welfare support within schools
- Welfare and family support workers
- Counselling and emotional support
- Personalised careers advice for students
- Alternative provision added support

Digital Strategy included:

- New Chromebooks so that all children can access remote learning
- Subscription to an A.I. based EdTech platform, Century Tech

International New Arrivals programme included:

- Specialist teaching and interventions in order to improve vocabulary and allow for integration into mainstream teaching
- Home language teaching to ensure progress and learning in core subjects

The additional teachers supporting key reporting years helped boost literacy, numeracy and social skills within the academies.

In Key Stage 2 SATs, two of the primaries, South Hylton and Thomas Walling, outperformed national averages in reading, writing and maths. At Westgate Hill, another primary academy, additional tutors and mentors for identified children helped improve outcomes for those most in need. The school received an Ofsted judgement of Outstanding. Thanks in large part due to Laidlaw funding the school moved from a previous judgement of Special Measures to Outstanding in under 5 years.

The "all-through" school, Academy 360 achieved a "good" in its Ofsted inspection. This is the first time in the history of the community that a school has secured such a strong judgement. Sedgefield Community College, the Trust's secondary school, retained its judgement of Outstanding. Under 20% of schools previously judged Outstanding retained their rating; the additional funding provided by the Foundation played a significant part in ensuring the school's continued success.

The Regional Schools Commission has commended the Foundation for its sponsorship of the Multi Academy Trust (MAT) and now describes Laidlaw Schools Trust as one of the leading MATs in the North East.

Detailed reports are available per school.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

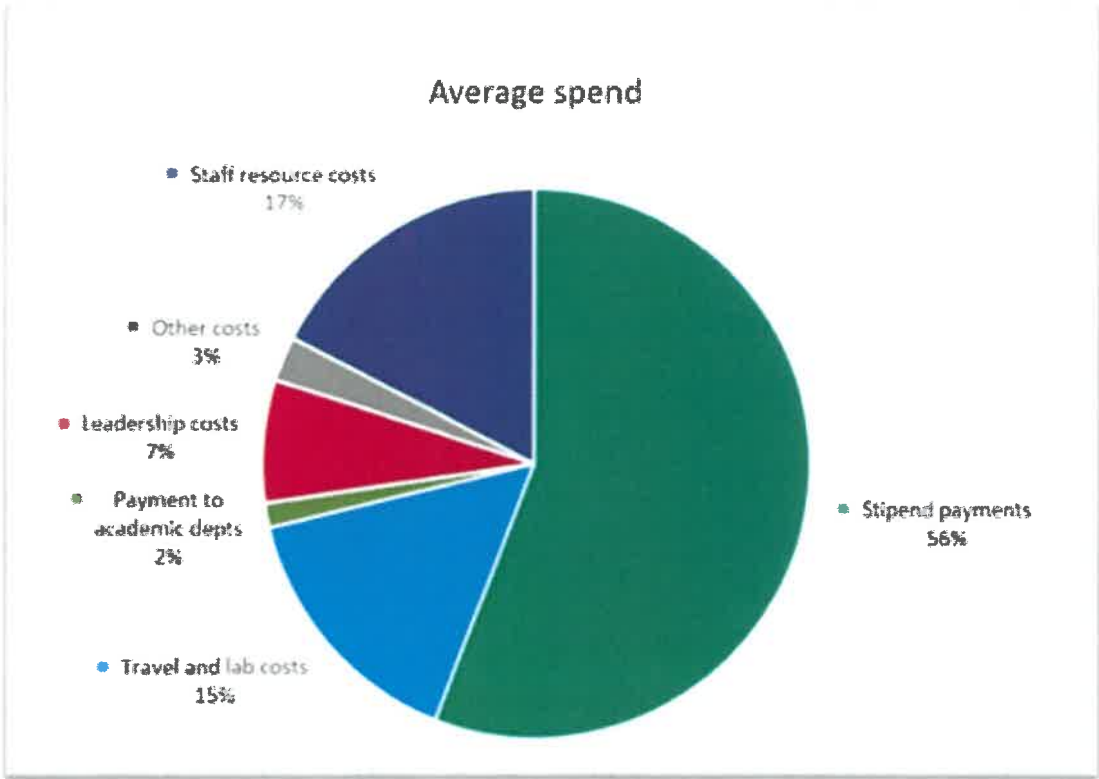
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Laidlaw Scholars - Undergraduate Leadership and Research Programme

The Foundation provides scholarships for up to 26 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.

The Scholarships continue to grow in popularity and impact. The inaugural cohorts at partner higher institutions, Barnard College, Georgetown University and London School Economics were all strong. The latter in particular had an excellent start with 7% of its eligible student body applying for the coveted 25 places on offer.

Programme grants to the Universities cover direct payments to the students as well as the costs of administering the scholarship programme elements. In financial year 2022, on average 56% of the spend was on stipends for the students themselves.



LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

- . 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 empowerment
 - Resilience and determination to achieve
 - Research and project management skills
- . Global connections, intelligence and inspiration through its virtual community: the Laidlaw Scholars Network
- . Leadership-in-action experiences (LiA) for 306 Scholars in their second summer of the programme (with the exception of London School of Economics whose Scholars do their LiA in their first summer). Scholars could choose between:
 1. Infield implementation of their year one research (chosen by 48 scholars)
 2. Designing a bespoke LiA project developed on their own or through a university partner organization (chosen by 127 scholars)
 3. Participating in a Foundation sponsored LiA opportunity (chosen by 131 scholars).

These programmes are designed to:

- Provide an immersive 6 week overseas experience for students
- In a new and challenging environment (working outside of their comfort zone, learning about new cultures and communities)
- Working with communities in need
- Owning a project with a clear objective and set goals which allow them to demonstrate and develop their leadership capabilities (personal, team and situational)
- Doing something that makes the world a better place.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Project placements were located around the globe and with the following partner organisations:

Organisation	Project	Scholars
Think Pacific, Fiji	Community and Youth Volunteer Project	19
Think Pacific, Fiji	Health Promotion Project	19
Think Pacific, Fiji	Environment and Sustainability Project	18
Think Pacific (ONLINE HKU)	Virtual Projects	10
MakeSense, Mexico	Climate Change Re-action Programme	19
MakeSense (ONLINE HKU)	Climate Change Re-action Programme	4
Columbia GLIA, Ghana	Water Sanitation supporting the SDG	5
Columbia GLIA, Zambia	Water Sanitation supporting the SDG	7
Columbia GLIA, Senegal	Water Sanitation supporting the SDG	3
Timothy Smith Network, Boston	Improving access to technology education	6
Kasiisi Project, Uganda	Village Health Team Training	4
Kasiisi Project, Uganda	Conservation Education Peer Leaders	4
Kasiisi Project, Uganda	Development of Project Farm as an Ecotourist Site	3
Tortoise Media, London	Community Networks engagement and expansion	10

- **Ethics Masterclass**

Scholars participated in a custom designed ethics curriculum created and run by London Business School. Two online ethics masterclasses tutored by the leading academic Professor Daniel Effron were followed by in-person debriefing sessions. The curriculum is designed to help Scholars build their moral resilience and prepare them to lead ethically.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

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

FOR THE YEAR ENDED 31 JULY 2022

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 London Business School (LBS) and Oxford's Saïd Business School (SBS).

Both London Business School's and Saïd's first cohorts of Scholars graduated in the summer of 2022. The Scholars have excelled at their academic studies as well as being active members of their community. Laidlaw Scholars lead numerous LBS clubs with Scholars as the Co-President of the FLII Club (First Generation, Low or Intermediate Income); the Co-President of Black in Business Club and the Co-President of Women in Business Club. At SBS Scholars won the Oxford Entrepreneurship Innovation Competition and the IESI Business School Impact Investing Competition.

Current and alumni Women in Business Laidlaw Scholars now surpass 45 nationalities and a broad range of professional backgrounds and impact ambitions. Over 65% of LBS Laidlaw Scholars are the first generation in their family to have attended university.

Post graduation, Laidlaw Scholars are founding their own businesses, securing Director, VP and C-Suite positions and joining leading firms such as EY, McKinsey, BCG, Microsoft and Bloomberg.

SOS Children's Villages

Following the outbreak of war in Ukraine on 24th February, the Foundation decided to make an extraordinary donation, outside of its core programming, to support Ukrainian children impacted by the war. The gift was to ensure their continued education. After a careful search for NGOs already on the ground in the region with a proven track record in providing effective care and education to children and young people in need, SOS Children's Villages was selected to receive a £250k grant. The gift from the Foundation enabled:

- Relocation and accommodation in new homes in Bulgaria
- Immediate, short-term help for families: beneficiaries received basic food support, clothing, and personal hygiene items such as soap, monthly hygiene pads, hand sanitizers, masks etc.
- Psychological support: group counselling sessions were held, and individuals received psychotherapy, with a focus on overcoming war trauma. All targeted children and parents took part in the group counselling sessions.
- Health: All children were medically checked and visited a dentist when they arrived in Bulgaria and some children received medical treatment.
- Education: children were enrolled in school or kindergarten. They received stationary products, laptops, and tablets according to their needs, as well as access to Internet.
- Recreational activities: children had access to leisure activities such as sports, music, and painting, they participated in excursions to the countryside and in cultural activities together with the local children.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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 year ended 31 July 2022, total expenditure of £7,764,326 (2021 - £16,278,853) was covered by total charitable income of £8,085,230 (2021 - £10,249,163). The grants payable committed to by the Foundation at the year end of £6,774,680 (2021 - £8,158,500), shown within grant creditors, will be funded by the Foundation's sole sponsor, Lord Laidlaw of Rothiemay, as they fall due.

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

Total charitable expenditure during the financial period, amounting to £6,483,646 (see note 4, Grants Payable) was as follows:

- Laidlaw Scholars Research & Development Programme - £3,607,665 (2021 - £7,640,402)
- The Laidlaw Schools Trust - £1,922,084 (2021 - £3,144,818)
- Women in Business - £375,205 (2021 - £2,242,938)
- Buildings - £328,692 (2021 - £2,418,744)
- Other - £250,000 (2021 - £250,000)

LAILAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Financial review (continued)

Where unconditional grants are offered, the charity recognises the total gift expense, for the duration of the gift agreement, at the point a grant is committed to (see note 1.5) and a creditor for the grant payable is recognised within the financial statements. As payments are made to the beneficiaries throughout the duration of the gift agreement this is released from the grant creditor recognised. The table below shows the opening grants payable, the new commitments in the year which have been recognised in the Statement of Financial Activities and the gift payments made in the year.

	Grant creditor as at 1 August 2021 (notes 10,11) £	Recognised in the Statement of Financial Activities (note 4) £	Gift paid in the year £	Grant creditor as at 31 July 2022 (notes 10,11) £
Laidlaw Scholars Research & Development Programme	6,028,500	3,607,665	(3,651,930)	5,984,235
The Laidlaw Schools Trust	-	1,922,084	(1,922,084)	-
Women in Business	2,130,000	375,205	(1,714,760)	790,445
Buildings	-	328,692	(328,692)	-
Other	-	250,000	(250,000)	-
Total	8,158,500	6,483,646	(7,867,466)	6,774,680

These figures have been further analysed below between new agreements signed during the year and existing gift agreements:

	Gift paid in the year – existing gift agreements £	Gift paid in the year – new agreements £	Grant creditor as at 31 July 2022 – existing gift agreements £	Grant creditor as at 31 July 2022 – new agreements £
Laidlaw Scholars Research & Development Programme	3,076,760	575,170	2,951,740	3,032,495
The Laidlaw Schools Trust	1,922,084	-	-	-
Women in Business	1,680,000	34,760	450,000	340,445
Buildings	328,692	-	-	-
Other	-	250,000	-	-
Total	7,007,536	859,930	3,401,740	3,372,940

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 Laidlaw of Rothiemay, 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.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

At 31 July 2022 the Foundation had negative reserves of £4,680,746 (2021 - £5,087,335) 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 Laidlaw of Rothiemay.

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

Future plans

It is the intention of the Trustees to set up a Swiss Foundation in 2023. The trade and assets of Laidlaw Foundation will be transferred to the new Foundation in 2023 at which time this charity will be wound up and struck off.

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 Laidlaw of Rothiemay

Steffen Dietel

(Resigned 13 January 2022)

Sir David Carter

Dame Louise Richardson

Linda Doyle

(Appointed 13 January 2022)

Trustees of the charity are nominated by Lord Laidlaw of Rothiemay, 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 of Rothiemay is a member, totalling £1,922,084 (2021 - £3,144,818).

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

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a 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.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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

DocuSigned by:

Irvine Laidlaw

.....177756149E82409...

Lord Laidlaw of Rothiemay

Trustee 4/6/2023

Dated:

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2022

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 charitable company 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;
- 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 operation.

The Trustees are responsible for keeping adequate accounting records that 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.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Laidlaw Foundation (formerly The Irvine Laidlaw Foundation) (the 'charitable company') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2022 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to the going concern accounting policy included within note 1.2 of the financial statements, which explains that the Trustees' intention is to wind up the Foundation in 2023 and therefore the Trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1.2. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Matters on which we are required to report by exception

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Azets Audit Services

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

6 April 2023

Chartered Accountants
Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
Income from:			
Donations and legacies	2	8,085,230	10,249,163
Expenditure on:			
Charitable activities	3	7,764,326	16,278,853
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		320,904	(6,029,690)
Other recognised gains and losses			
Other gains or losses	7	76,685	(78,919)
Net movement in funds		397,589	(6,108,609)
Fund balances at 1 August 2021		(5,078,335)	1,030,274
Fund balances at 31 July 2022		(4,680,746)	(5,078,335)

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

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

LAILAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)


BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	8		1		1
Current assets					
Debtors	9	74,726		68,568	
Cash at bank and in hand		2,017,843		3,034,702	
		2,092,569		3,103,270	
Creditors: amounts falling due within one year	10	(4,106,147)		(4,822,356)	
Net current liabilities			(2,013,578)		(1,719,086)
Total assets less current liabilities			(2,013,577)		(1,719,085)
Creditors: amounts falling due after more than one year	11		(2,667,169)		(3,359,250)
Net liabilities			(4,680,746)		(5,078,335)
Income funds					
Unrestricted funds			(4,680,746)		(5,078,335)
			(4,680,746)		(5,078,335)

4/6/2023

The financial statements were approved by the Trustees on

DocuSigned by:

 177798149EB2469...
 Lord Laidlaw of Rothiemay
 Trustee

Company Registration No. 10780520

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	14	(1,016,859)		(2,462,236)	
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents		(1,016,859)		(2,462,236)	
Cash and cash equivalents at beginning of year		3,034,702		5,496,938	
Cash and cash equivalents at end of year		<u>2,017,843</u>		<u>3,034,702</u>	

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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 2 New Bailey, 6 Stanley Street, Salford, Greater Manchester, M3 5GS.

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 charitable company'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 charitable company is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been drawn up for the year ended 31 July 2022. The comparative period is drawn up for the year ended 31 July 2021.

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

1.2 Going concern

It is the intention of the Trustees to set up a Swiss Foundation in 2023. The trade and assets of Laidlaw Foundation will be transferred to the new Foundation in 2023 at which time this charity will be wound up and struck off.

The charitable company has sufficient funds available to continue trading until it is wound up and to meet all of its liabilities as they fall due.

The financial statements have thus been prepared on a basis other than going concern.

1.3 Charitable funds

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

1.4 Income

Income is recognised when the charitable company 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 charitable company 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 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

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 charitable company. 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.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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 2022	Unrestricted funds 2021
	£	£
Donations and gifts	8,085,230	10,249,163
Donations and gifts		
Highland Group Holdings Ltd	8,085,230	10,249,163
	8,085,230	10,249,163

LAILAW FOUNDATION (FORMERLY THE IRVINE LAILAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

3 Charitable activities

	2022 £	2021 £
Staff costs	520,421	411,269
Legal and professional fees	100,805	50,125
Programme costs	557,496	9,276
Consultancy fees	40,719	56,700
Travel costs	34,547	8,957
Website running costs	3,271	3,432
Branding and event costs	4,402	9,115
Bank charges	877	255
General expenses	6,911	6,472
Subscriptions	4,031	19,870
	<u>1,273,480</u>	<u>575,471</u>
Grant funding of activities (see note 4)	6,483,646	15,696,902
Share of governance costs	<u>7,200</u>	<u>6,480</u>
	<u><u>7,764,326</u></u>	<u><u>16,278,853</u></u>

Governance costs include payments to the auditors of £7,200 (2021: £6,480) for audit fees.

LIDLAW FOUNDATION (FORMERLY THE IRVINE LIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

4 Grants payable

	2022 £	2021 £
Grants to institutions:		
Columbia Business School	-	2,242,938
Columbia University	-	810,769
Cornell University	-	825,358
Laidlaw Schools Trust	1,922,084	3,144,818
Leeds University	-	740,000
Royal Opera House	-	250,000
Saïd Oxford Business School (Women in Business)	-	1,350,000
Laidlaw Teaching and Leadership Centre (Buildings)	328,692	2,418,744
Singapore University	-	(204,387)
Trinity College Dublin (Women in Business)	375,205	731,223
University of Durham	-	510,000
University of Hong Kong	-	454,210
University of Toronto	916,548	(112,196)
University of Tufts	-	855,425
London School of Economics	-	810,000
Ukrainian SOS Fund (Other)	250,000	-
Swiss Federal Institute of Technology in Lausanne	949,663	-
Georgetown University	931,454	-
Newham College	810,000	-
Barnard College	-	870,000
	<u>6,483,646</u>	<u>15,696,902</u>

Due to the new agreements being in the name of the Foundation the full amount of the agreement has been included in the expenditure in the year, in line with charity accounting requirements. See Note 3 and also the Financial Review section's tables on page 9. Funding for the agreements will continue to be provided by the main sponsor as the payment dates fall due.

A further payment of £1,371,501 was made to the Laidlaw Schools Trust after the year end in August 2022.

5 Trustees

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

During the year expenses of £nil were reimbursed to trustees (2021: £nil).

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

6 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Staff	4	2

Employment costs

	2022 £	2021 £
Wages and salaries	447,966	353,000
Social security costs	58,897	47,319
Other pension costs	13,558	10,950
	520,421	411,269

Key Management Personnel were compensated £398,429 during the year ended 31 July 2022 (2021 - £386,173).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£330,000 - £340,000	-	1
£340,000 - £350,000	1	-

Contributions totaling £10,013 (2021: £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 2022 £	Unrestricted funds 2021 £
Foreign exchange gains	(76,685)	78,919

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

8 Fixed asset investments

		Other investments
Cost or valuation		
At 1 August 2021 & 31 July 2022		1
Carrying amount		
At 31 July 2022		1
At 31 July 2021		1

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	13	1	1

9 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	-	908
Other debtors	74,726	67,660
	<u>74,726</u>	<u>68,568</u>

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	-	25,794
Trade creditors	2,498	-
Other creditors	4,097,346	4,790,260
Accruals and deferred income	6,303	6,302
	<u>4,106,147</u>	<u>4,822,356</u>

Included within Other Creditors are commitments made prior to the year end for future grants payable by the Foundation, amounting to £4,097,346 (2021 - £4,790,260).

LIDLAW FOUNDATION (FORMERLY THE IRVINE LAIDLAW FOUNDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

11 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other creditors	2,667,169	3,359,250

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 Laidlaw of Rothiemay.

12 Related party transactions

During the year the Foundation received donations of £8,085,230 (2021: £10,249,163) from Highland Group Holdings Ltd, a company wholly owned by Trustee Lord Laidlaw of Rothiemay.

At the year end, a balance of £67,660 (2021: £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 £1,922,084 (2021: £3,144,818) of which Lord Laidlaw of Rothiemay is a member.

13 Subsidiaries

These financial statements are separate charitable company financial statements for the year ended 31 July 2022.

Details of the charitable company's subsidiary at 31 July 2022 is as follows:

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

14 Cash generated from operations

	2022 £	2021 £
Surplus/(deficit) for the year	320,904	(6,029,690)
Adjustments for:		
Foreign exchange differences	76,685	(78,919)
Movements in working capital:		
(Increase) in debtors	(6,158)	(908)
(Decrease)/increase in creditors	(1,408,290)	3,647,281
Cash absorbed by operations	(1,016,859)	(2,462,236)

15 Analysis of changes in net funds

The charitable company had no debt during the year.