

Ludlow Junior School  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2023

Company Registration Number:  
08291623 (England and Wales)

# Ludlow Junior School

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# Ludlow Junior School

## Reference and Administrative Details

### Members

C Grant

K Mardel-Ferreira

M Silver

### Trustees

A Butcher

G Caldwell

J House (appointed 21 July 2023)

S Howells

A Jenvey

A Lenza

S Watkins

C Allen (resigned 22 July 2023)

A Simpson (resigned 22 July 2023)

### Senior Management Team

S Watkins	Executive Head Teacher
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V Chandler	Deputy Head Teacher
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G Hotston	Deputy Head Teacher
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E Stevenson	Deputy Head Teacher
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D Rooke	School Business Manager
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### Company Name

Ludlow Junior School

### Principal and Registered Office

Peveril Road

Woolston

Southampton

Hampshire

SO19 2DW

### Company Registration Number

08291623 (England and Wales)

# Ludlow Junior School

## Reference and Administrative Details

Independent Auditor  
Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

Bankers  
Lloyds Bank Plc  
PO Box 1000  
Andover  
Hampshire  
BX1 1LT

Solicitors  
Coffin Mew LLP  
Kings Park House  
22 Kings Park Road  
Southampton  
Hampshire  
SO15 2UF

# Ludlow Junior School

## Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Ludlow Junior School converted to academy status ("the Academy") on 1 December 2012. It operates as an academy for pupils aged 7 to 11. It is currently buoyant in terms of pupil numbers, is continuing to see its pupil population grow and continues to be very robust in relation to staffing recruitment levels and has few or no unfilled vacancies over time.

### Structure, Governance and Management

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Ludlow Junior School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Ludlow Junior School.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

#### Members' Liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

#### Trustees' Indemnities

Trustees and officers' benefit from unlimited indemnity insurance provided through the DfE's Risk Protection Arrangement to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in any respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

# Ludlow Junior School

## Trustees' Report

### Method of Recruitment and Appointment or Election of Trustees

The Academy appoints Trustees in accordance with clauses 50 - 58 of the Articles. Parent Trustee vacancies are filled through advertisement to all parents and carers of current students and election, whilst staff Trustee vacancies are advertised internally and appointed based on a staff vote. The staff Trustee role is being discontinued in line with guidance.

Community Trustee appointments are addressed through personal recommendation, promotion through local networks, newsletter appeals, Trustees for Schools, the local Chamber of Commerce and consideration by the whole governing body followed up, where appropriate, with an interview by the Chair of Trustees and/or the Executive Head Teacher.

Trustees commit to complete an annual skills audit, using National Governance Association guidelines, which are used to ensure that the governing body has the mix of skills needed to perform effectively. The results of the skills audit are used to inform appointment to committees, Trustee link roles and to target Trustee recruitment. Trustees continue to recruit within a challenging climate.

### Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are welcomed to the Full Governing Body ("the FGB") by the Chair of Trustees and the Executive Head Teacher and are given a guided tour of the school as part of their orientation.

This visit explores the school's culture and ethos, and Trustees are given an opportunity to look at the daily life of the school. Trustee Induction Training is supported by the school and third parties alongside tailored training throughout the year targeted to issues of focus for the Governing Body, and online training is used where appropriate.

The school will regularly ask Trustees for targeted training needs and will then facilitate training for them. The Clerk of Trustees is required to undertake specific training relevant to the role and to update their knowledge as appropriate with additional learning.

All Trustees have access to Governor Hub which acts as a document repository, training resources hub, policy reference point and contains all minutes and further materials for Trustee reference and information/professional development. Governor Hub also provides a record of training completion by Trustees – including safeguarding mandatory training.

The Trustees also have access to a training budget to access training provided by third party suppliers.

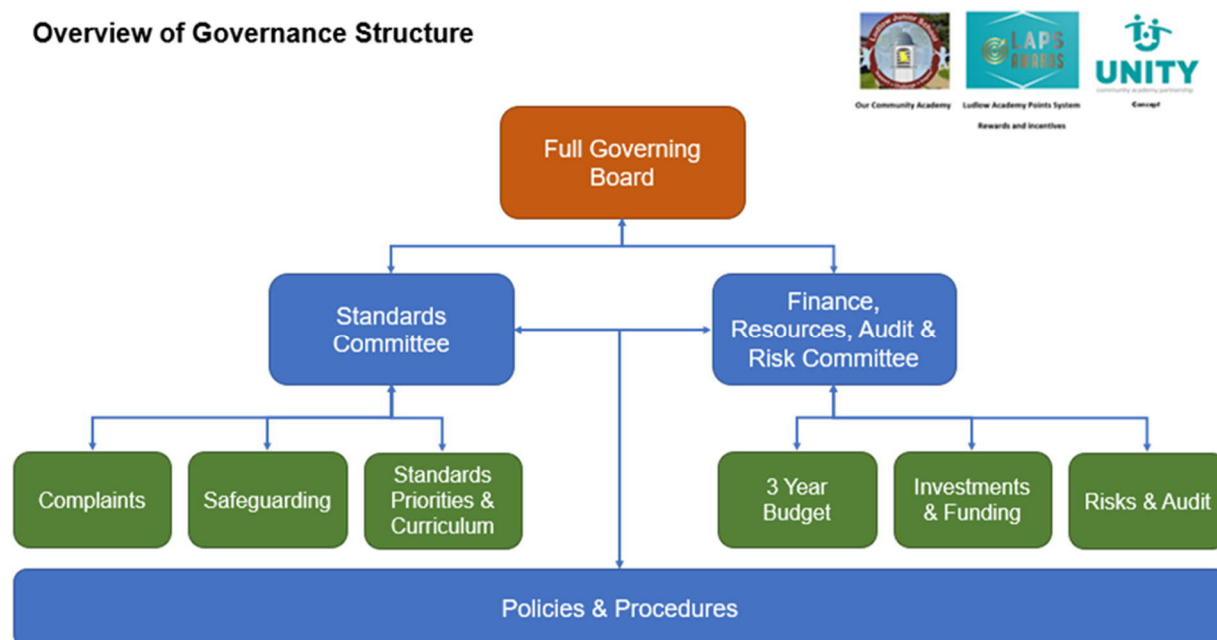
# Ludlow Junior School

## Trustees' Report

### Organisational Structure

The Trust functions in line with the Articles and has a tiered structure:

#### Overview of Governance Structure



The FGB and its Committees each have their own terms of reference which govern their remit and operation, and roles are clearly determined within the Scheme of Delegation, which are reviewed and approved annually.

The Executive Head Teacher has been appointed as Principal and is also the Academy's Accounting Officer. The day-to-day management of the Academy is delegated to the Executive Head Teacher and this role is set out in the Articles.

Governance is structured to ensure clear strategic leadership and management. This is comprised of the Full Governing Body and two further sub committees which fulfil the remaining delegated functions as set out in their terms of reference.

#### Arrangements for setting pay and remuneration of key management personnel

Key management personnel are paid in line with market standards, with pay points reviewed annually through a performance management process, in line with the school's pay policy, and performance management policy which consider performance over time, wellbeing factors and the level of experience of the post holder.

All Teachers are paid in line with the boundaries and expectations laid down in the schoolteachers pay and conditions document (STPCD). The Academy does not support the long-term use of the non-qualified teacher's pay scale within STPCD. The Academy can make use of the discretionary elements within STPCD but do not go beyond those boundaries.

# Ludlow Junior School

## Trustees' Report

### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	0
1%-50%	0
51%-99%	0
100%	0

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	0
Total pay bill	0
Percentage of the total pay bill spent on facility time	0

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	0
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### Related Parties and other Connected Charities and Organisations

The Academy operates within the Woolston/Weston area of the city and is a partner of the locally defined cluster of schools. They work together to raise standards within the area and share expertise within specific subject areas for subject development.

The Academy also has two writing moderators who work in conjunction with the local authority to deliver the statutory writing moderation process across the city. They have worked to improve moderation processes and the planning/teaching of writing in other schools.

The following declaration of related parties were made in 2022-23:

- Simon Watkins (Executive Head Teacher) – related to Alison Garner, Senior Learning Mentor
- Andrew Simpson (Chair of Trustees) – social relationship with staff member
- Glenn Caldwell (Trustee) – social relationship with staff member



# Ludlow Junior School

## Trustees' Report

### Objectives and Activities

#### Objects and Aims

The principal activity of the Academy Trust is to advance, for the public benefit, education in the United Kingdom but without prejudice to the generality of foregoing by establishing, maintaining, carrying on, managing, and developing a school offering a broad and balanced curriculum.

The overarching intent for the curriculum can be found on the school's website and the curriculum is underpinned by its intent, implementation, and impact statements. The curriculum must be challenging, equip pupils for life in modern Britain and reflect the open, welcoming, and inclusive culture and ethos of the school. Trustees are clear that aspects of the curriculum will be further validated by the local authority school improvement officer and Ofsted.

The Senior Leadership Team are the custodians of standards at Ludlow and are fully focused on developing, improving and widening all aspects of the academy's provision over time. A fully embedded process of systematic self-review underpins this work.

#### Objectives, Strategies and Activities

The Academy Trust was set up on 1 December 2012 to advance, for the public and community benefit, education by maintaining, operating and developing Ludlow Junior School so that all aspects of pupil outcomes, welfare and wider provision could be seen to be continually developing. The Trust seeks to actively engage with Trustees and stakeholders to improve all aspects of its provision.

Since conversion, ongoing planning has been around the continuing need to raise standards, the development of the school site and learning environments for pupils.

Trustees have overseen a significant period of investment within the school via the careful, well-judged and pragmatic use of capital funds / capital reserves in order to develop a safe, secure, fit for purpose and dynamic environment. Key focus areas have been the improvement and updating of pupil toilet areas to improve hygiene, accessibility, pupil safety and open plan supervision. Significant investment has taken place in terms of IT infrastructure and has included upgrading internet connectivity, all aspects of internal networking, improvements to cyber security, developing robust filtering and monitoring structures and updating pupil and staff IT hardware.

#### *Key Priorities for 2023-24*

The following outlines the core areas of activity for Ludlow Junior School for the coming year:

# Ludlow Junior School

## Trustees' Report

### Objectives, Strategies and Activities (continued)

1. Financial Sustainability – Continuing with the wide-ranging work to secure the long-term sustainability of the academy, including financial security and long-term planning to build financial reserves. This will include awareness of forward budget position, impacts of costs and reduced funding, and the need to consider structures and contracts to review and secure value for money. Trustees are committed to establishing a long-term sustainable model. The school Business Manager is charged with making effective recommendations to the Governing Body within these areas. The governing body has developed a real strength and depth of knowledge around business management. The school is financially sound and pupil outcomes show a high level of impact based on spend per pupil.

2. Ensuring equitable pupil attainment – we will continue to work to ensure that all pupils have strong and sustained attainment throughout their time at our school through high quality personalised teaching, supported by coaching, interventions and effective monitoring. This will include strategies to reduce the gap between different groups of pupils within our school and increase higher attainment in core subjects, and closely managing the impacts of financial constraints on teaching and learning. All teachers are subject to rigorous performance management to support the investment in their coaching over time. During the ongoing Covid recovery phase, teachers and the support team have been involved in the rigorous planning and implementation of recovery curriculum and targeted intervention. We will continue to set highly aspirational targets for all aspects of pupil outcomes.

3. Attendance – we continue to work hard to increase attendance at our school through a range of strategies. We will continue to work closely with parents, local authority teams and wider support to increase our whole school average attendance to above 96.5%. Our Deputy Head Teachers will work closely with the education welfare officer to tackle attendance related issues. A clear procedure is in place to work with parents to improve overall attendance. We will have a supportive team in place within school to ensure that welfare, wellbeing and removing barriers to attendance are all tackled at the earliest possible stage.

4. Long term sustainability of the school building – the long-term improvement of the school building is a priority. Trustees have developed comprehensive plans to ensure the long-term sustainability of the school site, and reduce the risk of requiring further emergency repair, including the submission of funding bids and development of the medium to long term asset management plan.

The school aims to participate in the condition's improvement fund process, if projects will qualify, to deliver on identified priorities. Trustees have undertaken the processes related to asset management planning and have committed sufficient funds to essential works and enhancement projects – especially within pupil toilet areas. This still leaves funds for future works. Achieved projects have been site security, internal security and pupil toilet transformational work.

# Ludlow Junior School

## Trustees' Report

### Objectives, Strategies and Activities (continued)

5. Further development of governance structures – governance at the school will be strengthened through targeted recruitment and work with external partners to ensure robust and secure oversight of the academy's sustainability and development. Trustees have taken on a much more robust and strategic role and have developed the skill set to strengthen the impact of sub committees. The appointment of a professional Clerk and creating secure online trustee resources has strengthened governance and oversight.

6. Leadership and management – continue to develop high quality distributed leadership and management across the Trust to raise standards and to support succession planning. Through this target to be a strong player within system leadership and developing the profile of next generation leaders as demonstrated through internal and external works to support in key stage 2 and to become a key player in a trust-led system through potential MAT status.

### Public Benefit

We confirm that the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

- Maintaining and developing a high-quality education for all pupils.
- Offering a broad-based academic curriculum which is free from undue pressure or bias and which is enriched through a wide range of additional activities.
- Providing a community hub for teaching, learning, wellbeing and inclusion.
- Establishing a strong community culture and ethos in the school which encourages pupils and families to give back to strengthen our area.
- Supporting our families in a broad and diverse range of ways to support areas such as wellbeing, mental health, welfare, hardship and signposting extended support services.

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

### Strategic Report

#### Achievements and Performance

As a school we continue to look critically at our performance and achievements in all areas. In 2022-23 Trustees ensured that the vast majority key aspects of the school's work were in line with national benchmarks from previous years and are aware of the relevance of local and national comparative data.

Trustees have used a range of approaches in Standards meetings to consider the school's position against local and national comparisons and explore in depth how different groups of pupils are progressing and achieving during their time at the school. Trustees are aware of the strengths and development needs of the Academy and work in partnership with the Senior Leadership Team to agree development plans and priorities. Trustees set challenging targets for the school's performance.

# Ludlow Junior School

## Trustees' Report

### Achievements and Performance (continued)

Trustees are supported in their scrutiny of school performance by the School Improvement Officer from SCC during the period of this report.

During 2022-23 Trustees continued to work closely with the Senior Leadership Team to consider the impacts of increasing financial constraints on schools, and the steps needed to ensure long term financial security of the school.

This has included extensive work on the school's budget to reduce/rationalise costs and ensure good value, and engagement with a range of external expertise to ensure close scrutiny and accurate monitoring and development of financial matters.

During the year, costs and staffing have been carefully monitored to ensure the school continued with a surplus over the period. The 3 year budget plan currently reports a surplus position. Trustees continue to balance the need to have a strong budget plan whilst meeting the needs of pupils, tackling disadvantage, and supporting strong staffing levels across the school.

External pressures are measured within the risk register which is a live and dynamic record of risks and mitigating actions.

Steps taken during the year include:

- The review of all aspects of the school's budget including staffing and contracts, to ensure value for money and make savings wherever possible to improve sustainability.
- Engagement with external partners with specialist expertise to further develop this work and to benchmark expenditure with outcomes.
- Strengthening governance, through training, to increase scrutiny and oversight to ensure that all developments deliver good value for money and lead to increased sustainability within a framework of targeted Trustee recruitment and to improve strategic oversight.
- The Trustees set and monitor clear Key Performance indicators.
- Preparation of monthly management accounts and updated forecasts for the current year, which are reviewed by Trustees on a regular basis. Improving the financial expertise on the governing body to improve capacity for challenge and transferring roles to internal team members.
- Review and approval of the schedule of school policies and the adoption of new policies. Trustees have also reduced the volume of policies and instructed the formulation of School Operational Procedures in relation to day-to-day management.
- Formation of an IT working party to review all aspects of the school IT provision and security and planning a carefully structured approach to future developments including identifying and procuring external partners.

# Ludlow Junior School

## Trustees' Report

### Achievements and Performance (continued)

The Academy Trust has continued to work positively with external partners and the scrutiny officer has worked with the Trust to support, monitor and challenge aspects of financial planning and performance to support the scrutiny by Trustees. Trustees have monitored all aspects of the business closely and external audit is provided via Hopper Williams & Bell Limited.

Trustees continue to support the school and the Senior Leadership Team throughout the pandemic recovery phase and provide a positive balance between support and challenge. Trustees maintain a very close overview of the post covid recovery work undertaken in school and have an accurate understanding of key performance measures and pupil outcomes – include centile rankings in a range of indicative areas.

Trustees have examined and questioned school leaders about other key school priorities including attendance, finance, interventions to help recover/plug gaps, the school site, staff development and the impact of pupil premium, recovery and catch up and PE premium funding on the progress of those groups it is intended to support. Trustees have strongly supported a more dynamic and focused approach to developing the culture of staff wellbeing.

Key achievements during 2022-23 include:

- Whole school attainment figures of pupils meeting or exceeding the national expectation is above the national and local averages in the vast majority of key areas – based on comparative data.
- Centile rankings for the majority of indicators show a healthy position.
- Key improvements in aspects of attainment at the higher level have been maintained in teacher assessment and writing moderation was extremely positive.
- Pupil and staff wellbeing has become central to whole school strategic planning.

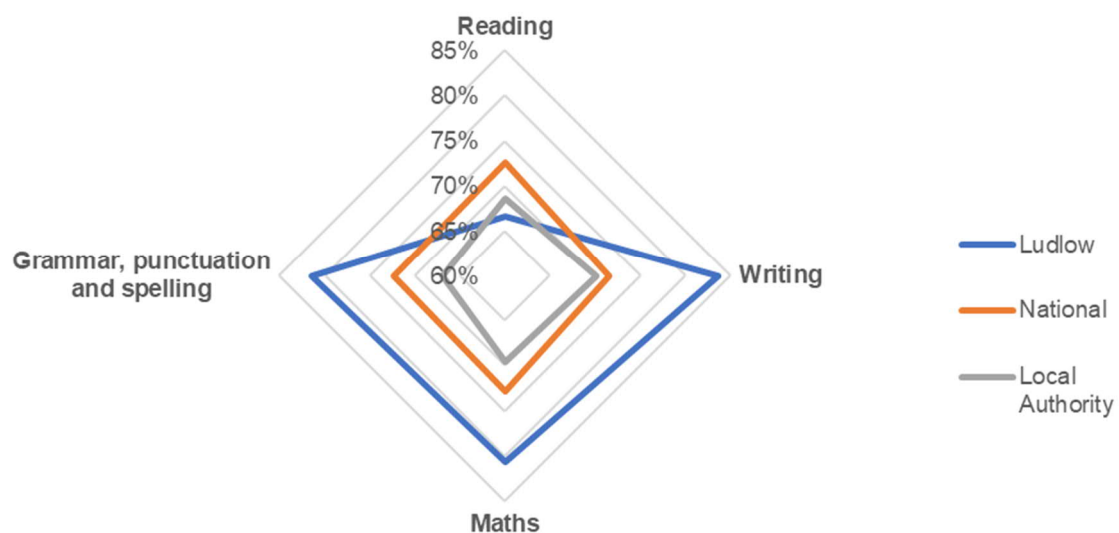
The national tests were administered in the Summer of 2023, with strong oversight, and there were notable areas of strong performance in terms of attainment and progress – including in key areas identified by Trustees. The Trustees are supported in looking at both attainment and progress by the School Improvement Officer.

# Ludlow Junior School

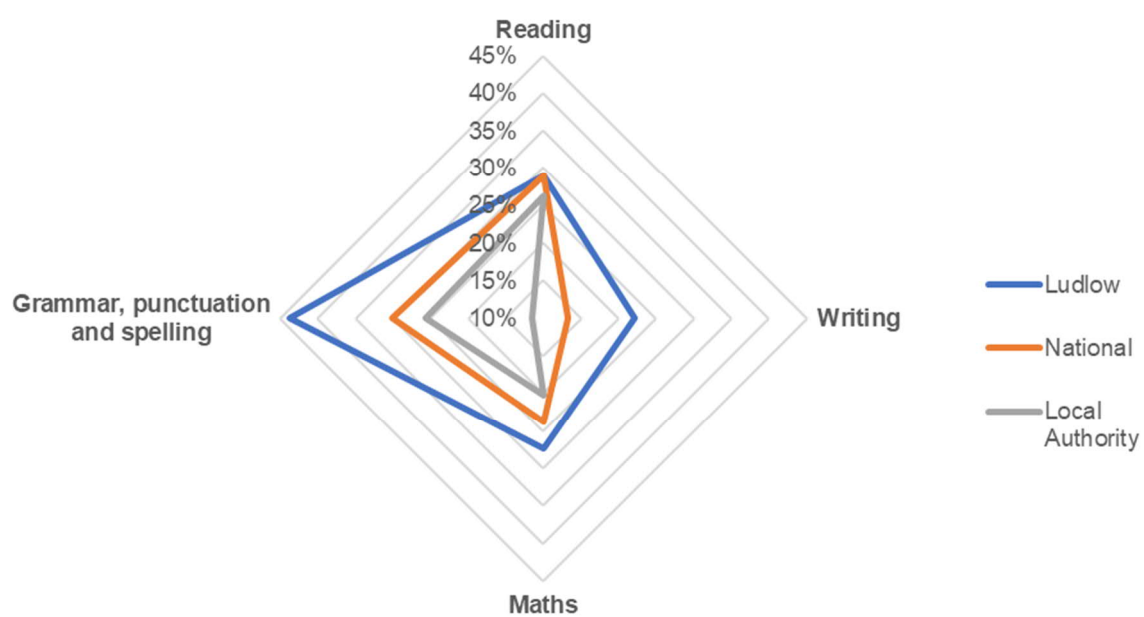
## Trustees' Report

### Key Performance Indicators

#### Key Performance Indicator - Expected Standards



#### Key Performance Indicator - High Standards



# Ludlow Junior School

## Trustees' Report

### Key Performance Indicators (continued)

Key Performance Indicator	Ludlow	National	Local Authority
Reading - Expected Standard	66.7%	72.6%	68.6%
Writing - Expected Standard	83.7%	71.5%	70.2%
Maths - Expected Standard	80.7%	72.9%	69.6%
Grammar, punctuation and spelling - Expected Standard	81.5%	72.3%	66.9%
Reading - High Standard	28.9%	29.0%	26.2%
Writing - High Standard	22.2%	13.3%	8.4%
Maths - High Standard	27.4%	23.8%	20.2%
Grammar, punctuation and spelling - High Standard	43.7%	30.1%	25.6%

### Other key achievements:

- Securing an ongoing very well managed budget with sustainable surplus in the 3 year budget plan.
- Creating a key list of capital improvement priorities including ICT and pupil toilets within a comprehensive and well managed asset management plan (AMP).
- Formulating a very clear 5 year trustee plan and a dynamic risk register.
- Receiving strong positive feedback from many areas of the school community.
- Providing very high-quality remote learning and personalised support for parents and pupils if pupils are not in school.
- A strong and further planned focus on staff and pupil wellbeing has already led to sustainable changes.
- Delivery of robust network filtering and monitoring arrangements.
- Continued support of other school/LA developments as part of our wider role.

### Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

# Ludlow Junior School

## Trustees' Report

### Financial Review

All Trusts are faced with rapidly increasing costs and Trustees have taken preventative steps within the budget setting process to ensure that potential rises are being accounted where they are reasonably foreseeable. Trustees also took every possible step to ensure that clear and accurate budget preparation ensured increased security for staff on fixed term or temporary contracts.

The current budget sets a secure surplus figure and Trustees are committed to maintaining performance against their strategic plan – subject to detailed and accurate financial reviews on a very regular basis.

Trustees are aware that they must monitor closely the ongoing financial performance of the academy when balancing an increase in complex pupil needs, higher staffing levels and agreed staffing to income costs.

### Reserves Policy

Our aim is to use the allocated funding each year for the full benefit of our current pupils. Any ongoing surplus will be retained for future projects and it is likely that these will be focused on capital works. There is a robust reserves policy set at £217,000 which will be maintained alongside a clear strategic plan for capital investment/improvement.

In this period of review Trustees took the robust and well researched decision to reduce capital reserves to address critical capital issues within the academy in order to ensure sustainability, cyber security, capital priorities and filtering/monitoring duties were met.

Due to increasing external costs Trustees will keep reserves under review.

The reserves as at 31 August 2023 were as follows:

- Unrestricted (free) reserves of £31,958 (2022: £26,936)
- A restricted fixed asset fund of £2,656,341 (2022: £2,572,455), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £43,000 (2022: £352,000)
- Other restricted funds of £697,522 (2022: £708,395)
- Total funds of £3,342,821 (2022: £2,955,786)

### Investment Policy

The Academy Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is no tangible risk to the loss of these cash funds. Trustees will review any investment policy on an annual basis. Funds are currently invested in a short access / higher interest account with no negative impact on cash flow.



# Ludlow Junior School

## Trustees' Report

### Principal Risks and Uncertainties

The Academy Trust practices through its Board, namely the FGB and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the FGB with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The FGB accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks are dealt with by the Executive Head Teacher and Senior Leadership Team.

Risks are managed in accordance with our Risk Management Principles and policy and are monitored through a risk register. Risk Registers have been compiled by Senior Leadership and are reviewed by Trustees regularly. Currently our principal risks and uncertainties are:

- Financial sustainability
- Resources (including finance and staffing)
- Site (external)
- Site (internal)
- Reputational risk
- Standards
- Cyber security and network integrity

Control procedures are in place to mitigate all risks and the meetings of the Governing Board are designed to review these.

### Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Academy Trust during the year.

# Ludlow Junior School

## Trustees' Report

### Plans for Future Periods

As a Governing Body, we spend time in carefully analysing the needs of our school and community. We aim to spend our funding for the benefit of the pupils who are currently in the school but also realise that we must plan prudently for the future needs of the school. In doing this we intend to retain part of our funding as a contingency and some of it for larger improvement tasks.

Trustees have well planned and strategically focused plans for ongoing school improvement including the School Improvement, 5 Year Strategic Plan and Asset management plan.

Areas of planning for the next financial year include:

- Financial planning and extensive ongoing review to ensure financial sustainability.
- Continuing to raise school standards and ensuring the continued growth and development of teaching and learning against financial constraints – in line with agreed standards priorities.
- Driving forward with plans for IT infrastructure development for staff and pupil benefit.
- Increasing levels of demand on the school budget, increasingly complex needs, wider social remit for schools, increasingly supporting families in the wider context – e.g. mental health, wellbeing and hardship.

### Funds Held as Custodian Trustee on Behalf of Others

No funds are held by the Academy on behalf of others.

### Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2023 and signed on the Board's behalf by:

S Howells

Chair of Trustees

# Ludlow Junior School

## Governance Statement

### Scope of Responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ludlow Junior School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Name	Governor Type	Meetings Attended	Meetings Total	Attendance
C Allen	Community governor	4	6	66.7%
A Butcher	Parent governor	4	6	66.7%
G Caldwell	Community governor	5	6	83.3%
S Howells	Community governor	6	6	100.0%
A Jenvey	Community governor	4	6	66.7%
A Lenza	Staff governor	6	6	100.0%
A Simpson	Community governor	6	6	100.0%
S Watkins	Executive Headteacher	5	6	83.3%

Across the year the Academy board has been very settled and consistent and maintained its core strengths in areas such as finance, audit, leadership and management, IT, education, charitable works, wellbeing, safeguarding and strategic management. Trustees have been mindful of continuing to strengthen their team and commissioned the school to deliver recruitment processes in the next academic year to take account of those Trustees who were coming to the end of the term of service. Departures at the end of year were two Trustees and some Trustees – through a change of status – moved categories within the Trustee Board.

# Ludlow Junior School

## Governance Statement

### Governance (continued)

Across the year Trustees have ensured a clear strategic focus across the academy and the main areas of impact of the Trustees work have been:

- Fully redeveloping IT infrastructure, connectivity, staff and pupil resources, filtering and content management
- A comprehensive asset management plan with planned improvements including toilet refurbishments and accommodation prioritisation
- Managing a challenging budget into a positive surplus whilst maintaining high standards
- Developing clear structures to support the wellbeing of staff
- Keeping a close watch on local and national developments including MAT initiatives
- Supporting and challenging the senior team to achieve the core performance targets set

Against the core targets set in the School Improvement plan and the 5 year strategic plan Trustees are able to show clear and sustained progress across all aspects of the Trusts work and maintain the Trust in a healthy financial and capital position.

Trustees ensure that it is not overly reliant on internal data to validate and benchmark performance and make positive use of a wide range of local and national comparative data as well as making good use of validated viewpoints on the school's performance e.g. audit, internal scrutiny and the School Improvement Officer reports. Trustees are also familiar with the range of benchmarking data which is available to them and use this as a key reference point in planning discussions.

### *Conflicts of interest*

Ludlow Junior School and its Trustees have a robust and clear approach to conflict of interest and other factors which might influence or compromise the impartiality of decision making. All attendees at meetings or potential decision makers must declare any and all conflicts of interest, pecuniary interests and any links to the school team, potential contract providers or suppliers. It is expected that all Trustees and senior leaders make relationships and interests transparent at all times.

### *Governance reviews*

Trustees maintain an ongoing review of performance and undertake a skills audit annually to inform a clear analysis of strengths and areas to develop. Recruitment activities will focus on areas where strengths are less well represented in order to continually improve the support and challenge from the Trustee group.

Trustees are supported in their work by a professional clerking system provided by Judicium. Trustees have access to comprehensive supporting materials within Governor Hub and have direct access to potential training opportunities to deepen their skills set.

# Ludlow Junior School

## Governance Statement

### Governance (continued)

The Finance Resources Audit and Risk ("FRAR") Committee is a sub-committee of the main Board of Trustees. The Academy Trust Handbook 22-23 requires that every Academy Trust must establish an audit and risk committee, appointed by the Trust Board, to maintain an oversight of the Academy Trust's governance and risk management, and to provide assurance over the suitability of, and compliance with, its financial systems and operational internal controls and for Multi Academy Trusts this must extend to the financial controls and risks of each Academy.

At Ludlow Junior School a FRAR committee has been developed. Trustees attend all phases of the meeting. Staff Trustees and other members of staff attend the finance and resources phases but are instructed to leave the meeting for the audit phase.

All Trusts with an annual income of over £50 million must have a dedicated audit committee. At Ludlow audit matters are covered within the FRAR committee.

The Academy Trust Handbook also directs that Academy Trusts should establish a finance committee to provide independent oversight and scrutiny of the Trusts revenue and capital budget setting, monitoring, outcomes and reporting, value for money, to review the Trust estate planning and to set, monitor and evaluate the central support cost contributions payable by the Academies in the Trust.

The Trust Board has therefore resolved to establish an FRAR Committee, to provide independent oversight and scrutiny of the Trusts risks and financial matters.

Attendance at meetings in the year was as follows:

Name	Governor Type	Meetings Attended	Meetings Total	Attendance
C Allen	Community governor	6	6	100.0%
A Butcher	Parent governor	0	6	0.0%
G Caldwell	Community governor	5	6	83.3%
S Howells	Community governor	6	6	100.0%
A Jenvey	Community governor	6	6	100.0%
A Lenza	Staff governor	3	6	50.0%
A Simpson	Community governor	6	6	100.0%
S Watkins	Executive Headteacher	6	6	100.0%

# Ludlow Junior School

## Governance Statement

### Review of Value for Money

As Accounting Officer the Executive Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Critically examining and recommending all capital investment – especially in relation to IT developments.
- Conducting a review of staffing structure and related needs/costs.
- Recommending to Trustees' key areas for KPI's linked to benchmarking.
- Maintaining a constant focus on the staffing costs/income ratio.
- Ensuring that all aspects of statutory compliance are met within the delegated budget and that any additional remedial/improvement actions are undertaken quickly.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ludlow Junior School for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

# Ludlow Junior School

## Governance Statement

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the FRAR Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from Strictly Education.

The internal auditor's/reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

*Review 1 - Risk Management*, to include a high-level review of policies and documents in the following areas;

- Risk register
- Risk appetite
- Risk management policy
- Board and the relevant commit minutes to determine the trust's ability to manage risk

*Review 2 - Finance -centralised financial controls*, to include a high-level review of the following:

- Finance policy and procedures
- Management Accounts process
- Budget preparation process
- Month end routine process

*Review 3 - Finance Cash and bank*, to include:

- A high-level review of Trust policies and procedures on banking and Treasury arrangements
- Review of cash flow projections and their reasonableness and monitoring
- Detailed arrangements over banking including:
  - Bank mandates
  - Bank reconciliations
  - Segregation of duties
  - Change of details

# Ludlow Junior School

## Governance Statement

### The Risk and Control Framework (continued)

On a Termly basis, the Internal Auditor provides reports to the Board of Trustees, through the Chair of the Finance, Resource, Audit & Risk (FRAR) Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor additionally and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the Committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the internal auditor's work and, if relevant, described what remedial action is being taken to rectify the issues.

Trustees based their decision on the key areas for testing in the period, on the risk register priorities. Strictly Education provided a menu of possible areas of review which Trustees selected from. Testing is completed remotely and is driven by Strictly Education provision of a scope of services and timeline to the Trust. A detailed list of evidence required is issued, and evidence is provided by the Trust via a secure portal. Testing is then undertaken, and an opportunity is facilitated to the Trust for verbal feedback on outcomes. A draft report is issued to the Trust - Management responses are returned to the Auditor by the Trust, with a final report issued to the Chair of the FRAR Committee each term; the annual report following. The outcomes and actions of each termly report remain open agenda items of the FRAR Committee meetings.

### Review of Effectiveness

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

- the work of the internal audit/internal scrutiny processes
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the FRAR Committee and a plan to address weaknesses/development points in a timely manner and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2023 and signed on its behalf by:

S Howells  
Chair of Trustees

S Watkins  
Accounting Officer



# Ludlow Junior School

## Statement of Regularity, Propriety and Compliance

As Accounting Officer of Ludlow Junior School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

I confirm that no instances of material irregularity, impropriety, or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

S Watkins  
Accounting Officer  
6 December 2023

# Ludlow Junior School

## Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2023 and signed on its behalf by:

S Howells  
Chair of Trustees

# Ludlow Junior School

## Independent Auditor's Report on the Financial Statements to the Members of Ludlow Junior School

### Opinion

We have audited the financial statements of Ludlow Junior School ('the charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

### 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

# Ludlow Junior School

## Independent Auditor's Report on the Financial Statements to the Members of Ludlow Junior School

### 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. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. 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.

### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 charitable 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# Ludlow Junior School

## Independent Auditor's Report on the Financial Statements to the Members of Ludlow Junior School

### Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

### Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academy Trust Handbook 2022, and the Academies Accounts Direction 2022 to 2023.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

# Ludlow Junior School

## Independent Auditor's Report on the Financial Statements to the Members of Ludlow Junior School

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Independent Auditor's Report.

### 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 those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M Johns FCCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date .....

# Ludlow Junior School

## Independent Reporting Accountant's Assurance Report on Regularity to Ludlow Junior School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ludlow Junior School during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ludlow Junior School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ludlow Junior School and the ESFA those matters we are required to state in a 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 Ludlow Junior School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ludlow Junior School's Accounting Officer and the reporting accountant  
The Accounting Officer is responsible, under the requirements of Ludlow Junior School's funding agreement with the Secretary of State for Education dated 7 December 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# Ludlow Junior School

## Independent Reporting Accountant's Assurance Report on Regularity to Ludlow Junior School and the Education & Skills Funding Agency

### Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2022) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.



# Ludlow Junior School

## Independent Reporting Accountant's Assurance Report on Regularity to Ludlow Junior School and the Education & Skills Funding Agency

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

M Johns FCCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date .....

# Ludlow Junior School

## Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
Income and endowments from:							
Donations and capital grants	2	-	-	-	31,405	31,405	10,323
Other trading activities	4	4,925	-	-	-	4,925	4,321
Investments	5	97	-	-	-	97	88
Charitable activities:							
Funding for the academy trust's educational operations	3	-	3,089,090	-	-	3,089,090	3,036,012
Total		5,022	3,089,090	-	31,405	3,125,517	3,050,744
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	-	2,946,206	56,000	101,276	3,103,482	3,217,356
Net income / (expenditure)		5,022	142,884	(56,000)	(69,871)	22,035	(166,612)
Transfers between funds	15	-	(153,757)	-	153,757	-	-
Other recognised gains / (losses):							
Actuarial gains on defined benefit pension schemes	24	-	-	365,000	-	365,000	1,916,000
Net movement in funds		5,022	(10,873)	309,000	83,886	387,035	1,749,388
Reconciliation of funds							
Total funds brought forward		26,936	708,395	(352,000)	2,572,455	2,955,786	1,206,398
Total funds carried forward		31,958	697,522	(43,000)	2,656,341	3,342,821	2,955,786

The notes on pages 35 to 57 form part of these financial statements.

# Ludlow Junior School

## Balance Sheet as at 31 August 2023

Company Number 08291623

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	11		2,656,341		2,572,455
Current assets					
Stock	12	13,881		17,392	
Debtors	13	150,386		92,535	
Cash at bank and in hand		848,915		843,070	
		<u>1,013,182</u>		<u>952,997</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(283,702)</u>		<u>(217,666)</u>	
Net current assets			<u>729,480</u>		<u>735,331</u>
Total assets less current liabilities			3,385,821		3,307,786
Defined benefit pension scheme liability	24		(43,000)		(352,000)
Total net assets			<u>3,342,821</u>		<u>2,955,786</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	2,656,341		2,572,455	
Restricted income fund	15	697,522		708,395	
Pension reserve	15	<u>(43,000)</u>		<u>(352,000)</u>	
Total restricted funds			3,310,863		2,928,850
Unrestricted income funds	15		31,958		26,936
Total funds			<u>3,342,821</u>		<u>2,955,786</u>

The financial statements on pages 32 to 57 were approved by the Trustees and authorised for issue on 6 December 2023 and are signed on their behalf by:

S Howells  
Chair of Trustees

The notes on pages 35 to 57 form part of these financial statements.

# Ludlow Junior School

## Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	159,505	222,674
Cash flows from investing activities	20	(153,660)	(90,768)
Change in cash and cash equivalents in the reporting period		<u>5,845</u>	<u>131,906</u>
Cash and cash equivalents at 1 September 2022		843,070	711,164
Cash and cash equivalents at 31 August 2023	21	<u>848,915</u>	<u>843,070</u>

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

#### Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Income (continued)

- Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

- Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

### Expenditure

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

- Charitable Activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold Land and Buildings	2% to 10% straight line on buildings; not provided on land
Furniture and Equipment	25% straight line
Computer Equipment	10% or 33% straight line

No depreciation has been provided on long leasehold land as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

### Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

#### *Financial assets*

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

#### *Cash at bank*

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

#### *Financial liabilities*

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

### Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.



# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Critical accounting estimates and assumptions*

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 24.

### *Critical areas of judgement*

There are no other critical areas of judgement.

## 2 Donations and capital grants

	Unrestricted funds	Restricted funds	2022/23 Total	2021/22 Total
	£	£	£	£
Capital grants	-	31,405	31,405	10,323
<i>Total 2022</i>	-	<i>10,323</i>	<i>10,323</i>	

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	2,418,832	2,418,832	2,423,430
Pupil Premium	-	283,491	283,491	277,252
Rates reclaim	-	6,530	6,530	6,144
PE and sports grant	-	21,450	21,450	21,620
Other DfE grants	-	165,639	165,639	105,363
	-	2,895,942	2,895,942	2,833,809
Other government grants				
Local authority grants	-	77,714	77,714	91,739
Other income from the Academy Trust's educational operations				
Trip income	-	41,344	41,344	35,505
Other income	-	74,090	74,090	74,959
	-	115,434	115,434	110,464
	-	3,089,090	3,089,090	3,036,012
<i>Total 2022</i>	-	3,036,012	3,036,012	

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	805	-	805	240
Other trading income	4,120	-	4,120	4,081
	4,925	-	4,925	4,321
<i>Total 2022</i>	4,321	-	4,321	

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 5 Investment income

	Unrestricted funds	Restricted funds	2022/23 Total	2021/22 Total
	£	£	£	£
Short term deposits	97	-	97	88
<i>Total 2022</i>	<i>88</i>	<i>-</i>	<i>88</i>	

### 6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2022/23	2021/22
	£	£	£	£	£
Academy's educational operations:					
Direct costs	1,824,394	-	174,276	1,998,670	1,949,288
Allocated support costs	589,112	186,027	329,673	1,104,812	1,268,068
	<u>2,413,506</u>	<u>186,027</u>	<u>503,949</u>	<u>3,103,482</u>	<u>3,217,356</u>
<i>Total 2022</i>	<i>2,630,913</i>	<i>158,533</i>	<i>427,910</i>	<i>3,217,356</i>	

Net income/(expenditure) for the period includes:

	2022/23	2021/22
	£	£
Operating lease rentals	10,389	21,187
Depreciation	101,276	89,502
(Gain)/loss on disposal of fixed assets	-	1,719
Fees payable to auditor for:		
Audit	9,000	8,600
Other services	4,265	3,940

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 7 Charitable activities

	2022/23	2021/22
	Total	Total
	£	£
Direct costs – educational operations	1,998,670	1,949,288
Support costs – educational operations	1,104,812	1,268,068
	<u>3,103,482</u>	<u>3,217,356</u>

#### Analysis of support costs:

	Educational operations	2022/23	2021/22
		Total	Total
	£	£	£
Support staff costs	589,112	589,112	809,972
Depreciation	101,276	101,276	89,502
Technology costs	4,605	4,605	3,256
Premises costs	186,027	186,027	158,533
Other support costs	212,302	212,302	196,177
Governance costs	11,490	11,490	10,628
Total support costs	<u>1,104,812</u>	<u>1,104,812</u>	<u>1,268,068</u>
<i>Total 2022</i>		<u>1,268,068</u>	<u>1,268,068</u>

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 8 Staff

#### a) Staff costs

Staff costs during the period were:

	2022/23	2021/22
	£	£
Wages and salaries	1,806,532	1,792,352
Social security costs	160,711	151,841
Pension costs	434,625	632,832
	<u>2,401,868</u>	<u>2,577,025</u>
Agency staff costs	11,638	51,527
Staff restructuring costs	-	2,361
	<u>2,413,506</u>	<u>2,630,913</u>

Staff restructuring costs comprise:

Redundancy payments	-	2,361
	<u>-</u>	<u>2,361</u>

#### b) Staff numbers

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

	2022/23	2021/22
	No.	No.
Teachers	31	26
Administration and support	46	51
Management	5	5
	<u>82</u>	<u>82</u>

#### c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	2022/23	2021/22
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

#### d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £384,409 (2022: £395,209).

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 9 Related Party Transactions – Trustees’ remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of Trustees’ remuneration and other benefits was as follows:

		2022/23	2021/22
		£000	£000
A Lenza	Remuneration	20-25	20-25
(Staff trustee)	Employer’s pension contributions paid	5-10	5-10
S Watkins	Remuneration	90-95	85-90
(Staff trustee)	Employer’s pension contributions paid	20-25	20-25

During the period ended 31 August 2023, no Trustees received any reimbursement of expenses (2022: none).

### 10 Trustees’ and officers’ insurance

The Academy Trust has opted into the Department for Education’s risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2022	2,850,320	177,337	224,985	3,252,642
Acquisitions	47,806	6,211	131,145	185,162
At 31 August 2023	<u>2,898,126</u>	<u>183,548</u>	<u>356,130</u>	<u>3,437,804</u>
Depreciation				
At 1 September 2022	353,171	142,499	184,517	680,187
Charged in year	44,153	17,306	39,817	101,276
At 31 August 2023	<u>397,324</u>	<u>159,805</u>	<u>224,334</u>	<u>781,463</u>
Net book values				
At 31 August 2022	2,497,149	34,838	40,468	2,572,455
At 31 August 2023	<u>2,500,802</u>	<u>23,743</u>	<u>131,796</u>	<u>2,656,341</u>

### 12 Stock

	2022/23 £	2021/22 £
Other stocks	<u>13,881</u>	<u>17,392</u>

### 13 Debtors

	2022/23 £	2021/22 £
Trade debtors	1,089	13,942
VAT recoverable	49,011	9,184
Other debtors	442	-
Prepayments and accrued income	<u>99,844</u>	<u>69,409</u>
	<u>150,386</u>	<u>92,535</u>



# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 14 Creditors: amounts falling due within one year

	2022/23	2021/22
	£	£
Trade creditors	99,446	39,055
Other taxation and social security	35,297	35,679
Other creditors falling due within one year	64,664	27,048
Accruals and deferred income	84,295	115,884
	<u>283,702</u>	<u>217,666</u>

	2022/23	2021/22
	£	£
Deferred income at 1 September 2022	33,516	38,764
Released from previous years	(33,516)	(38,764)
Resources deferred in the year	20,593	33,516
Deferred income at 31 August 2023	<u>20,593</u>	<u>33,516</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips for the forthcoming year.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 15 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2023 £
Restricted general funds						
General Annual Grant (GAG)	677,880	2,418,832	(2,245,433)	(153,757)	-	697,522
Pupil premium	-	283,491	(283,491)	-	-	-
Rates reclaim	-	6,530	(6,530)	-	-	-
PE and sports grant	-	21,450	(21,450)	-	-	-
Other DfE grants	30,515	165,639	(196,154)	-	-	-
Local authority grants	-	77,714	(77,714)	-	-	-
Other educational activities	-	115,434	(115,434)	-	-	-
	708,395	3,089,090	(2,946,206)	(153,757)	-	697,522
Pension reserve	(352,000)	-	(56,000)	-	365,000	(43,000)
	356,395	3,089,090	(3,002,206)	(153,757)	365,000	654,522
Restricted fixed asset funds						
Fixed asset fund	2,572,455	-	(101,276)	185,162	-	2,656,341
ESFA capital grants (DFC)	-	31,405	-	(31,405)	-	-
	2,572,455	31,405	(101,276)	153,757	-	2,656,341
Total restricted funds	2,928,850	3,120,495	(3,103,482)	-	365,000	3,310,863
Total unrestricted funds	26,936	5,022	-	-	-	31,958
Total funds	2,955,786	3,125,517	(3,103,482)	-	365,000	3,342,821

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 15 Funds (continued)

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

#### General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

#### Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

#### Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### Other educational activities

This includes all other educational income/expenditure.

#### Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

#### Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

#### DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on capital improvements.

#### Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 15 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	559,528	2,423,430	(2,214,222)	(90,856)	-	677,880
Pupil premium	-	277,252	(277,252)	-	-	-
Rates reclaim	-	6,144	(6,144)	-	-	-
PE and sports grant	23,426	21,620	(45,046)	-	-	-
Other DfE grants	-	105,363	(74,848)	-	-	30,515
Local authority grants	-	91,739	(91,739)	-	-	-
Catch-up premium	18,420	-	(18,420)	-	-	-
Other educational activities	-	110,464	(110,464)	-	-	-
	601,374	3,036,012	(2,838,135)	(90,856)	-	708,395
Pension reserve	(1,980,000)	-	(288,000)	-	1,916,000	(352,000)
	(1,378,626)	3,036,012	(3,126,135)	(90,856)	1,916,000	356,395
Restricted fixed asset funds						
Fixed asset fund	2,562,497	-	(91,221)	101,179	-	2,572,455
ESFA capital grants (DFC)	-	10,323	-	(10,323)	-	-
	2,562,497	10,323	(91,221)	90,856	-	2,572,455
Total restricted funds	1,183,871	3,046,335	(3,217,356)	-	1,916,000	2,928,850
Total unrestricted funds	22,527	4,409	-	-	-	26,936
Total funds	1,206,398	3,050,744	(3,217,356)	-	1,916,000	2,955,786

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 16 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,656,341	2,656,341
Current assets	31,958	981,224	-	-	1,013,182
Current liabilities	-	(283,702)	-	-	(283,702)
Pension scheme liability	-	-	(43,000)	-	(43,000)
Total net assets	31,958	697,522	(43,000)	2,656,341	3,342,821

Comparative information in respect of the preceding period is as follows:

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,572,455	2,572,455
Current assets	26,936	926,061	-	-	952,997
Current liabilities	-	(217,666)	-	-	(217,666)
Pension scheme liability	-	-	(352,000)	-	(352,000)
Total net assets	26,936	708,395	(352,000)	2,572,455	2,955,786

### 17 Capital commitments

	2022/23	2021/22
	£	£
Contracted for, but not provided in the financial statements	52,856	-

### 18 Long-term commitments, including operating leases

#### Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022/23	2021/22
	£	£
Amounts due within one year	9,597	6,265
Amounts due between one and five years	3,057	6,529
	12,654	12,794

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022/23	2021/22
	£	£
Net income / (expenditure) for the reporting period	22,035	(166,612)
Adjusted for:		
Depreciation	101,276	89,502
(Gain)/loss on disposal of fixed assets	-	1,719
Capital grants from DfE and other capital income	(31,405)	(10,323)
Interest receivable	(97)	(88)
Defined benefit pension scheme cost less contributions payable	43,000	256,000
Defined benefit pension scheme finance cost	13,000	32,000
Decrease / (increase) in stocks	3,511	(8,740)
(Increase) / decrease in debtors	(57,851)	17,563
Increase in creditors	66,036	11,653
Net cash provided by Operating Activities	<u>159,505</u>	<u>222,674</u>

### 20 Cash flows from investing activities

	2022/23	2021/22
	£	£
Dividends, interest and rents from investments	97	88
Purchase of tangible fixed assets	(185,162)	(101,179)
Capital grants from DfE Group	31,405	10,323
Net cash used in investing activities	<u>(153,660)</u>	<u>(90,768)</u>

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 21 Analysis of cash and cash equivalents

	2022/23	2021/22
	£	£
Cash at bank and in hand	548,915	843,070
Notice deposits (less than 3 months)	300,000	-
Total cash and cash equivalents	<u>848,915</u>	<u>843,070</u>

### 22 Analysis of changes in net debt

	At 1 September 2022	Cash flows	Acquisition/ disposal of subsidiaries	New finance leases	Other non-cash changes	At 31 August 2023
	£	£	£	£	£	£
Cash	843,070	(294,155)	-	-	-	548,915
Cash equivalents	-	300,000	-	-	-	300,000
	<u>843,070</u>	<u>5,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>848,915</u>
Total	<u>843,070</u>	<u>5,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>848,915</u>

### 23 Member liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 24 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £56,240 were payable to the schemes at 31 August 2023 (2022: £27,048) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.



# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 24 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £244,160 (2022: £233,704).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was as follows:

	2023	2022
	£	£
Employer's contributions	138,000	126,000
Employees' contributions	45,000	40,000
	<u>183,000</u>	<u>166,000</u>

The agreed contribution rates for future years are 17.9% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

#### Principal actuarial assumptions

	2023	2022
Rate of increase in salaries	4.0%	3.7%
Rate of increase for pensions in payment/inflation	3.0%	2.7%
Discount rate for scheme liabilities	5.2%	4.0%
Inflation assumption (CPI)	3.0%	2.7%
Commutation of pensions to lump sums	<u>70.0%</u>	<u>70.0%</u>

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

	2023	2022
<i>Retiring today</i>		
Males	22.1	22.9
Females	<u>24.7</u>	<u>25.4</u>
<i>Retiring in 20 years</i>		
Males	22.6	24.7
Females	<u>25.7</u>	<u>27.1</u>

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 24 Pension and similar obligations (continued)

#### Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2023	2022
	£	£
Discount rate +0.1%	(54,000)	(70,000)
Discount rate -0.1%	54,000	73,000
Mortality assumption – 1 year increase	85,000	63,000
Mortality assumption – 1 year decrease	(85,000)	(63,000)
CPI rate +0.1%	52,000	66,000
CPI rate -0.1%	(52,000)	(63,000)

The Academy Trust's share of the assets in the scheme were:

	2023	2022
	£	£
Equities	1,258,000	1,178,000
Gilts	682,000	309,000
Property	128,000	159,000
Cash and other liquid assets	64,000	18,000
Other	-	371,000
Total market value of assets	2,132,000	2,035,000

The actual return on scheme assets was a loss of £76,000 (2022: £130,000).

#### Amount recognised in the Statement of Financial Activities

	2022/23	2021/22
	£	£
Current service cost	183,000	379,000
Past service cost	(2,000)	3,000
Interest income	(85,000)	(35,000)
Interest cost	98,000	67,000
Total amount recognised in the SOFA	194,000	414,000

# Ludlow Junior School

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 24 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2022/23	2021/22
	£	£
At 1 September	2,387,000	3,988,000
Current service cost	183,000	379,000
Interest cost	98,000	67,000
Employee contributions	45,000	40,000
Actuarial gain	(526,000)	(2,081,000)
Benefits paid	(10,000)	(9,000)
Past service cost	(2,000)	3,000
At 31 August	<u>2,175,000</u>	<u>2,387,000</u>

Changes in the fair value of Academy Trust's share of scheme assets:

	2022/23	2021/22
	£	£
At 1 September	2,035,000	2,008,000
Interest income	85,000	35,000
Actuarial loss	(161,000)	(165,000)
Employer contributions	138,000	126,000
Employee contributions	45,000	40,000
Benefits paid	(10,000)	(9,000)
At 31 August	<u>2,132,000</u>	<u>2,035,000</u>

Included within the Defined Benefit Pension Scheme Liability is an additional provision of £42,000 (2022: £44,000) in relation to an early retirement with pension benefits.

### 25 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period:

#### Expenditure Related Party Transactions:

During the year, a close family member of S Watkins was employed by the academy. Remuneration of £15,660 (2022: £14,462) was paid and employer's pension contributions amounted to £2,896 (2022: £2,733).