

Registered number: 01053039  
Charity number: 309100

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**LUDGROVE SCHOOL TRUST LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**LUDGROVE SCHOOL TRUST LIMITED**  
**(A company limited by guarantee)**

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**LUDGROVE SCHOOL TRUST LIMITED**

**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Directors**

C L Butterworth, Chairman  
G W Barker (resigned 21 June 2021)  
N R Brooks  
R N T Cormack  
R M den Besten  
P D Edey, (resigned 21 June 2021)  
L C L Fitzwilliams (appointed 24 April 2021)  
A B Henshilwood  
A J Hinchliff  
B J Holden  
W S Johnston  
M A Smyth-Osbourne  
D D Vigers  
R M Wiggin

**Company secretary**

M E Brittain

**Company registered number**

01053039

**Charity registered number**

309100

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**LUDGROVE SCHOOL TRUST LIMITED**

**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Registered office**

Ludgrove School  
Wokingham  
Berkshire  
RG40 3AB

**Auditor**

Nexia Smith & Williamson  
Chartered Accountants  
Statutory Auditor  
Onslow House  
Onslow Street  
Guildford  
Surrey  
GU1 4TL

**Bankers**

Barclays Bank Plc  
P O Box 61  
Bracknell  
Berkshire  
RG12 1GJ

Natwest Bank Plc  
13 Market Place  
Reading  
RG1 2EG

Bank of Scotland  
600 Gorgie Road  
Edinburgh  
EH11 3XP

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## LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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### TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

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The directors present their annual report and the financial statements for the year ended 31 August 2021. The financial statements consolidate the results of the School and Ludgrove School Foundation Limited.

#### **Legal and administrative details**

The School is a private company limited by guarantee incorporated under the Companies Acts 1948 to 1967, registered number 01053039, and a registered charity, number 309100. The Company was incorporated on 4 May 1972 and its governing document is the Memorandum and Articles of Association.

#### **Directors**

The directors, who are also governors and trustees, of the School at 31 August 2021 and during the year were:

C L Butterworth, Chairman  
G W Barker (resigned 21 June 2021)  
N R Brooks  
R N T Cormack  
R M den Besten  
P D Edey, (resigned 21 June 2021)  
L C L Fitzwilliams (appointed 24 April 2021)  
A B Henshilwood  
A J Hinchliff  
B J Holden  
W S Johnston  
M A Smyth-Osbourne  
D D Vigors  
R M Wiggin

D D Vigors and R M den Besten have boys who attended the School during the year. Fees were paid on normal commercial terms.

There are no trustees other than the directors. Meetings of the full board of directors were held three times during the year, virtually in the summer term. As well as these meetings, there is frequent communication between the directors and there are sub-committee meetings with appropriate professional advisors in attendance. A Covid-19 Sub-Committee of Directors was set up to assist the School and provide oversight in relation to dealing with the effect of Covid-19 on the School. Regular contact is maintained with the headmaster between full board meetings. Details of new legislation, new regulations and news of other significant developments which will affect the School, together with appropriate training material, are sent to the directors as they arise.

The Board is responsible for identifying, recruiting and appointing new directors. New directors are inducted by individual board members, the headmaster and company secretary. The day to day running of the School is delegated to the headmaster, S W T Barber and deputy headmaster, G W Musson.

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## LUDGROVE SCHOOL TRUST LIMITED

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### TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2021

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#### **Objectives and activities**

The principal aim and activity of the Company continues to be the provision and promotion of a first class education. Ludgrove seeks to be a school where boys can grow and develop in a happy, caring environment, learn an awareness and concern for others around them and achieve their full potential, at the same time as providing facilities, employment and resources for the local community of Wokingham. The Company's strategies for achieving its aims include the recruitment, employment and training of a high quality, caring and professional workforce; the maintenance of a high standard of academic, moral and personal education; the maintenance, continual improvement and, when necessary, the addition of facilities at the School; and making available and seeking opportunities for the use of the School's grounds and facilities by other schools, clubs and other organisations in the local community.

The School had 193 (2020: 191) pupils on the register at the year end. The School rose to the extraordinary challenges thrown up by the Covid-19 pandemic, which meant the School was required to be closed physically for much of the Spring term. Teaching took place virtually and every effort was made to provide as complete an all-round education as was possible in the circumstances. Some staff were furloughed for the Spring term but all received 100% of their salaries. Summer term fees charged to parents were reduced to reflect the fact that the pupils were not able to attend the School for much of the Spring term, resulting in a substantially reduced surplus for the Summer term. Throughout, the School followed the relevant guidance.

#### **Achievements and performance**

As always we remain unashamedly ambitious for our boys in whatever they do, particularly on the academic front and it is a fact that every year, with a non-selective intake in Year 4, our boys achieve incredible academic success. We were delighted that all the top year boys gained entry to twelve distinguished schools, including nine to Eton, eight to Radley, four to Marlborough, three to Harrow, three to Wellington, two each to Winchester, Charterhouse, Rugby, Tonbridge and Sherborne, and one each to Stowe, Bradfield, Cheltenham, Oundle and Monkton Combe.

When one thinks of a curriculum it is very easy to focus on the academic side of things. However, life outside the classroom is just as much a part of a child's education and sporting activity, cultural, musical and artistic studies continue to be an important part of life at the school. Team games of football and rugby were played against other schools at all ages and at all levels of ability. Additional matches are arranged in hockey, tennis, squash, fives, swimming, golf, chess, general knowledge, judo and athletics. Music and drama continue to play an important role in school life and all the boys take part in public speaking and poetry reciting events as well as in debates. The theatre continues to provide a wonderful space for the performing arts and it has without doubt enhanced the confidence and character of the boys. It is also a venue which attracts high quality speakers and the lectures enjoyed this year have significantly enriched us all. Sadly Covid restrictions prevented many of the dramatic productions taking place this year.

The Exploration Centre was formally opened on 21 June and has been a tremendous addition to school life.

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## LUDGROVE SCHOOL TRUST LIMITED

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### TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2021

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#### Public Benefit

Ludgrove strives to fulfil its charitable objects to promote and provide for the advancement of education for the benefit of both its pupils and the wider community. The Governors, as charity trustees, have a duty to report in their Annual Report on the public benefit provided by the school.

The Governors have given consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on running a charity and charging for services, and have concluded:

1. That there are clearly identifiable benefits from the School's work which relate directly to its aims as set out above;
2. There is no significant detriment flowing directly from the School's work which we consider needs to be balanced against those benefits;
3. That the benefits which the school provides are widely available. A bursary policy has been established and funds put aside to provide a genuine opportunity for those who cannot afford the School's fees to benefit from it.

#### Bursary policy

The School has a subsidiary charitable foundation to raise money to be available for the funding and advertising of scholarships and bursaries to be offered by the School. Until the foundation has raised sufficient funds to be able to provide such funding, the School makes a budgetary provision of an appropriate and affordable proportion of gross fee income to be applied to means tested bursaries (ranging up to 100% remission of fees). This bursary funding is available for all prospective and existing pupils including those in receipt of Continuity of Education Allowance and those supported by the Royal National Children's SpringBoard Foundation. Ludgrove is proud to be a RNCSF approved school. A bursary policy is in operation and is available to be viewed on the School's website. In addition, the School has arrangements in place with certain public schools for the identification of potential bursary candidates.

#### Ancillary or incidental educational and other associated activities

Locally Ludgrove does not exist in isolation and is part of the wider community. It offers educational support to members of the public on different levels, employs many local people and wherever possible supports local suppliers and businesses. During the year the school facilities were used on numerous occasions for the educational benefit of teachers and pupils from other schools. It is our intention to build on existing relationships to forge stronger links with local community schools, in particular:

- Following the success of the partnership with the Grub Club, a local organisation set up to feed children in receipt of free school meals during the school holidays, we were pleased to be able to provide Christmas craft and activity packs for the children they support and also fresh fruit and vegetables for weekly food parcels delivered during the school holidays during the second lockdown.
- Ludgrove has entered into a partnership with a cluster of six local state schools and employs a part-time administrator who is responsible for identifying and implementing opportunities for collaborative working with those schools. In addition, Ludgrove provides a budget to allow the organisation of a range of curriculum enrichment events, ranging from large scale events reaching 1,000 + students to targeted activities designed to focus on small groups with specific needs.

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## LUDGROVE SCHOOL TRUST LIMITED

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### TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2021

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- Ludgrove has made a specialist EAL teacher available one day a week to work one-to-one and with small groups of children with little or no English in KS1 and KS2 at three local state-funded primary schools. The schools do not have the specialist resources to provide the right level of support so Ludgrove's input both releases local school staff to work elsewhere and ensures that the children make the best progress possible with their English language development.

In addition to the above, the minibuses, swimming pool and sports hall are all used by the wider community.

Six members of staff are currently serving on the governing bodies of local state schools.

The School will continue to further foster links with the local community and Local Authority funded schools focusing on the provision of access to the School's facilities and opportunities to share expertise in academic, cultural and sporting activities as well as regularly reviewing how it can best deliver its charitable objectives.

#### **Fundraising**

All fundraising activities for the School are carried out by our staff with assistance from parents for specific fundraising events. The School does not use professional fundraisers. All fundraising activities are managed by the Head of Development and monitored by the directors. The School's subsidiary charity, The Ludgrove School Foundation, carries out fundraising activity for the Group and during the year raised £16,715 (2020: £95,979) in donations.

No complaints relating to fundraising activities have been received by the School during this financial year. The School does not currently subscribe to any specific fundraising standards or schemes but considers that it has set appropriate standards for the operations and management of its fundraising activities. In particular the School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion.

#### **Reserves policy**

The Group's reserves of £12,324,015 (2020: £11,715,364) are held to enable the School to meet its objectives. The unrestricted reserves are substantially represented by fixed assets enabling the School to provide its services. During the year an amount of £238,108 was transferred into designated funds from general funds to cover possible future expenditure requirements. The Group also had £770,616 in restricted funds at the beginning of the year and transferred £20,082 from the covid hardship fund into general funds to cover hardship bursaries awarded in the year, and £793,042 from the Exploration Centre fund to reflect the fact that these funds have been spent. Restricted funds at the end of the year were £33,442.

#### **Investment policy**

Some of the Company's investments are held as cash with remainder being held in an investment portfolio. This cash and the Company's unrestricted funds are held by two different banks and the portfolio is managed by Cazenove Capital.

#### **Market value of land and buildings**

The directors do not consider it possible to quantify the difference between the net book value and the market value of the Group's fixed assets without a professional valuation.



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## LUDGROVE SCHOOL TRUST LIMITED

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### TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2021

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#### Guarantee

Each of the directors has guaranteed to contribute to the assets of the Company a sum of £1 in the event of a deficiency on winding up.

#### Voluntary help

During the year various individuals gave their time in supporting the School's activities. The value of this substantial support cannot be readily quantified and has not been included in the financial statements.

#### Financial Review

The surplus for the year amounted to £31,651 (2020: £180,867). This surplus is before actuarial gains and losses on the defined benefit pension scheme. The actuarial gain for 2021 was £577,000 (2020: loss of £425,000) and the net increase in funds totals £608,651 (2020: net decrease of £244,133). At the year end, the Group had retained reserves of £12,324,015 (2020: £11,715,364) of which £10,245,419 (2020: £9,947,243) relates to tangible fixed assets in the school and the balance of these funds is to be used in financing current and future developments. During the year there was capital expenditure of £648,992 (2020: £1,704,254).

The principal key financial performance indicators monitored by the governors are number of boys and operating surplus. The operating surplus has reduced on the prior year as a result of the directors' policy of seeking to keep fees as manageable as possible, while maintaining the necessary investment in the school and its staff. The number of boys in the school at the year end was 193 (2020: 191) and the directors consider this to be satisfactory.

#### The Ludgrove School Foundation

The Ludgrove School Foundation, a wholly owned subsidiary of Ludgrove School Trust Limited and a registered charity with the objects of the advancement of education, in particular by the support and promotion of Ludgrove School, had a deficit for the year of £19,023, after making donations of £25,213 to the School (2020: deficit of £811,800 after donations of £863,114) and is consolidated in these accounts.

#### Remuneration of Key Management Personnel

The remuneration of staff is set by the board with the objective of providing appropriate incentives to encourage first class performance and of rewarding members of staff fairly for their contributions to the success of the School. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single component of the School's charitable expenditure.

Staff remuneration is reviewed annually, with benchmarking exercises against other comparable independent schools carried out as appropriate to ensure the School remains aware of the broader issues of pay and employment conditions elsewhere.

#### Impact of COVID-19

In early 2020, a coronavirus pandemic, COVID-19, emerged. The duration of this pandemic and the wider economic impacts are as yet unknown. The school was open for the Michaelmas term 2020 but then did not re-open in January and remained closed, in line with government guidance, until 8<sup>th</sup> March 2021. The boys participated in lessons remotely for the duration of the closure. Subsequently, the impact of COVID-19 upon the operations of the school has been minimal.

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## LUDGROVE SCHOOL TRUST LIMITED

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### TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2021

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#### Plans for future periods

The Exploration Centre was fully opened in 2021 and has been an excellent addition to the School. In the event of future COVID-19 closures the school has robust remote learning plans in place and the school is confident in its ability to function effectively remotely and safely physically depending on the guidelines laid down by the authorities.

#### Principal risks and uncertainties

The board has assessed the major risks to which the School is exposed, in particular those related to the operations and finances of the School and is satisfied that systems are in place to mitigate exposure to the major risks. The directors' risk assessment process has identified those risks standard in owning and operating any private school. These include inter alia financial/fiscal, operational, legal/regulatory, strategic, and reputational risks.

These are regularly and carefully monitored by the directors and appropriate risk management measures implemented.

The Company keeps a risk register, to which newly identified risks are added as and when they are noted. Consideration is given to appropriate mitigation of all risks identified. The whole register is reviewed annually by the directors. The School put in place and maintains a separate COVID-19 related risk register.

The principal risks to the school arise as a result of the importance of maintaining its outstanding reputation. This ensures that that school is able to attract sufficient boys and to recruit and retain the highest quality staff. This is of paramount importance to the directors who closely monitor all the factors that influence these areas to ensure that any risk to the school is minimal. The high level of demand for places and the school's excellent track record of supporting boys with gaining places at their first choice of public school are testament to their success in managing these risks.

In addition, the school has a significant deficit on its defined benefit pension scheme. This scheme is now closed, and the directors have approved a deficit repayment plan. The repayment plan carefully balances the need to reduce the deficit with the operational needs of the school and will have a very limited impact on operational finances. The governors have appointed a dedicated board of directors to manage the risks associated with the scheme; these directors work closely with a team of professional advisers to manage and minimise any risks associated with the scheme and to ensure compliance with all legislation.

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## LUDGROVE SCHOOL TRUST LIMITED

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### TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2021

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#### Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Charitable Company's auditors in connection with preparing their report and to establish that the Charitable Company's auditors are aware of that information.

This report, incorporating the Group Strategic Report, was approved by the directors on 13/05/2022  
and signed on their behalf by: .....

*charles butterworth*  
charles butterworth (May 13, 2022 10:09 GMT+1)

.....  
**C L Butterworth**  
**Chairman**

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## LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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### Trustees' Responsibilities Statement

The trustees (who are also directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## LUDGROVE SCHOOL TRUST LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LUDGROVE SCHOOL TRUST LIMITED

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#### Opinion

We have audited the financial statements of Ludgrove School Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Statement of Financial Position, Company Statement of Financial Position, the Consolidated Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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.

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## LUDGROVE SCHOOL TRUST LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LUDGROVE SCHOOL TRUST LIMITED (continued)

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#### Other information

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Annual 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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are directors of the parent 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.

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## LUDGROVE SCHOOL TRUST LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LUDGROVE SCHOOL TRUST LIMITED (continued)

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In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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 a general understanding of the Group's and the Parent Charitable Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entities' policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group's and the Parent Charitable Company's industry and regulation.

We understand that the Group and the Parent Charitable Company comply with the framework through:

- Outsourcing financial statement preparation and tax compliance to external experts;
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- Management's oversight through regular meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's and the Parent Charitable Company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group's and the Parent Charitable Company's activities:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- The Charities Act 2011.

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## LUDGROVE SCHOOL TRUST LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LUDGROVE SCHOOL TRUST LIMITED (continued)

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Based on our understanding we performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- We identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the sector;
- Making enquiries of management and those charged with governance to understand their awareness of any non-compliance of laws and regulations;
- Reviewing minutes of meetings of those charged with governance to identify any instances of non-compliance.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via fraudulent journal entries.

The procedures we carried out to gain evidence in the above areas included:

- Substantive work on material areas affecting the results, in particular significant items of expenditure and revenue;
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those with unusual or no descriptions; and
- Reviewing and challenging estimates made by management.

A further description of our responsibilities is available 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 auditor's report.

#### Use of our report

This report is made solely to the parent 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 parent charitable company's members and trustees, 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Nexia Smith & Williamson*  
Nexia Smith & Williamson (May 17, 2022 12:32 GMT+1)

**Julie Mutton**

Senior Statutory Auditor, for and on behalf of  
Statutory Auditor  
Chartered Accountants

Onslow House  
Onslow Street  
Guildford  
Surrey  
GU1 4TL

Date: 17/05/2022



**LUDGROVE SCHOOL TRUST LIMITED**

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME FROM:</b>						
Donations	3	16,715	75,950	-	92,665	98,808
Charitable activities	4	5,060,209	-	-	5,060,209	4,850,745
Other trading activities	5	8,069	-	-	8,069	17,238
Investments	6	2,039	-	-	2,039	13,239
Other income	7	113,637	-	-	113,637	120,663
<b>TOTAL INCOME</b>		<b>5,200,669</b>	<b>75,950</b>	<b>-</b>	<b>5,276,619</b>	<b>5,100,693</b>
<b>EXPENDITURE ON:</b>						
Raising funds	8	13,787	-	-	13,787	33,416
Charitable activities	9	5,262,875	-	-	5,262,875	4,886,410
<b>TOTAL EXPENDITURE</b>		<b>5,276,662</b>	<b>-</b>	<b>-</b>	<b>5,276,662</b>	<b>4,919,826</b>
<b>Net gains on fixed asset investments</b>		<b>31,694</b>	<b>-</b>	<b>-</b>	<b>31,694</b>	<b>-</b>
<b>NET (LOSS)/ INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(44,299)</b>	<b>75,950</b>	<b>-</b>	<b>31,651</b>	<b>180,867</b>
Transfers between funds	20	575,016	(813,124)	238,108	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes		577,000	-	-	577,000	(425,000)
<b>NET INCOME / MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>1,107,717</b>	<b>(737,174)</b>	<b>238,108</b>	<b>608,651</b>	<b>(244,133)</b>
<b>Reconciliation of funds:</b>						
Total funds at 1 September 2020		8,321,103	770,616	2,623,645	11,715,364	11,959,497
<b>TOTAL FUNDS AT 31 AUGUST 2021</b>		<b>9,428,820</b>	<b>33,442</b>	<b>2,861,753</b>	<b>12,324,015</b>	<b>11,715,364</b>

All activities relate to continuing operations.

The notes on pages 19 to 38 form part of these financial statements.

**LUDGROVE SCHOOL TRUST LIMITED**

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2021**

		2021	2020
	Note	£	£
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	15	10,245,419	9,947,243
Investments	16	2,301,400	2,121,411
		<u>12,546,819</u>	<u>12,068,654</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	17	229,539	205,490
Cash and cash equivalents		1,910,930	2,722,752
		<u>2,140,469</u>	<u>2,928,242</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	<u>(1,175,273)</u>	<u>(1,544,532)</u>
<b>NET CURRENT ASSETS</b>		<u>965,196</u>	<u>1,383,710</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,512,015	13,452,364
<b>PROVISIONS FOR LIABILITIES</b>			
Pension liability	22	(1,188,000)	(1,737,000)
<b>NET ASSETS</b>		<u>12,324,015</u>	<u>11,715,364</u>
<b>CONSOLIDATED FUNDS</b>			
Designated funds	20	2,861,753	2,623,645
Restricted funds	20	33,442	770,616
Unrestricted funds	20	<u>9,428,820</u>	<u>8,321,103</u>
<b>TOTAL FUNDS</b>		<u>12,324,015</u>	<u>11,715,364</u>

The financial statements were approved by the directors on 13/05/2022 and signed on their behalf, by:

Charles Butterworth  
Charles Butterworth (May 13, 2022 10:09 GMT+1)

**C Butterworth**

The notes on pages 19 to 38 form part of these financial statements.

# LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

## COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

		2021	2020
	Note	£	£
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	15	10,245,419	9,947,243
Investments	16	<u>2,301,400</u>	<u>2,121,411</u>
		12,546,819	12,068,654
<b>CURRENT ASSETS</b>			
Trade and other receivables	17	241,621	933,214
Cash and cash equivalents		<u>1,531,539</u>	<u>1,609,776</u>
		1,773,160	2,542,990
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	<u>(1,164,113)</u>	<u>(1,534,452)</u>
<b>NET CURRENT ASSETS</b>		<u>609,047</u>	<u>1,008,538</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,155,806	13,077,192
<b>PROVISION FOR LIABILITIES</b>			
Pension liability	22	<u>(1,188,000)</u>	<u>(1,737,000)</u>
<b>NET ASSETS</b>		<u>11,967,866</u>	<u>11,340,192</u>
<b>CHARITY FUNDS</b>			
Designated funds	20	2,861,753	2,623,645
Restricted funds	20	48,105	764,664
Unrestricted funds	20	<u>9,058,008</u>	<u>7,951,883</u>
<b>TOTAL FUNDS</b>		<u>11,967,866</u>	<u>11,340,192</u>

The unconsolidated net surplus of Ludgrove School Trust Limited for the year was £627,674 (2020: surplus of £567,667).

The financial statements were approved by the directors on 13/05/2022 and signed on their behalf, by:

*Charles Butterworth*  
charles.butterworth (May 13, 2022 10:09 GMT+1)

**C Butterworth**

The notes on pages 19 to 38 form part of these financial statements.

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**LUDGROVE SCHOOL TRUST LIMITED****(A company limited by guarantee)**

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**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2021**

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	Note	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net cash generated from operating activities	A	241,786	208,472
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received		2,039	13,239
Purchase of property, plant and equipment		(907,352)	(1,545,331)
Proceeds on disposal of fixed asset investments		1,174,824	
Increase in fixed asset investments		(1,323,119)	(1,447)
<b>Net cash used in investing activities</b>		<b>(1,053,608)</b>	<b>(1,533,539)</b>
Change in cash and cash equivalents in the reporting period		(811,822)	(1,325,067)
Cash and cash equivalents at the beginning of the reporting period		2,722,752	4,047,819
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>		<b>1,910,930</b>	<b>2,722,752</b>

**NOTE TO THE STATEMENT OF CASH FLOWS:****A. RECONCILIATION OF NET INCOME TO NET CASH GENERATED FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net income before other recognised gains and losses	31,651	180,867
Interest received	(2,039)	(13,239)
Depreciation of property, plant and equipment	350,816	292,362
Gains on investments	(31,694)	-
(Increase)/decrease in trade and other receivables	(24,049)	147,256
Decrease in trade and other payables	(110,899)	(218,774)
Defined benefit pension scheme adjustments	28,000	(180,000)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>241,786</b>	<b>208,472</b>

The notes on pages 19 to 38 form part of these financial statements.

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## **LUDGROVE SCHOOL TRUST LIMITED**

**(A company limited by guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The consolidated accounts are prepared under the Companies Act 2006 and the historical cost convention, in accordance with applicable United Kingdom Generally Accepted Accounting Practice including FRS 102 “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) - (Charities SORP (FRS 102)).

Ludgrove School Trust Limited is a school offering education to boys aged 8 to 13, which meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Parent Company has taken advantage of the exemption available to qualifying entities under FRS 102 from preparing a Statement of Cash Flows.

##### **1.2 Basis of consolidation**

The consolidated financial statements present the results of Ludgrove School Trust Limited and its subsidiary undertaking ('the Group'). The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

##### **1.3 Going concern**

The School has had periods of closure over the last two years due to Covid-19 lockdowns, and this has impacted on fee income. The full impact of the pandemic is as yet unknown but the directors have reviewed the funds available to the School together with the expected ongoing demand for places and the future projected cash flows, and have concluded that the school has adequate resources to continue its activities for the foreseeable future. Additionally, despite the current uncertainty in the wider economy, the strength of the School's Balance Sheet is such that the directors consider that there is currently no material uncertainty over the school's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### **1.4 Company status**

The School is a registered charity and a private company limited by guarantee incorporated in England and Wales. The members of the Company are the directors named on page 1. The registered office is Ludgrove School, Wokingham, Berkshire, RG40 3AB. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

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## **LUDGROVE SCHOOL TRUST LIMITED**

**(A company limited by guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **1.5 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds represent unspent monies received for a particular donor-specified purpose, as explained in the notes to the financial statements.

#### **1.6 Income**

All incoming resources are included in the Consolidated Statement of Financial Activities when the Company has entitlement to the funds, it is probable that monies will be received, and the amount can be measured with sufficient reliability.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Fee income represents fees, extras and disbursements, received for the education of the pupils attending the school, less discounts. Income received from the rendering of tuition services is recognised over the period the service is provided.

#### **1.7 Expenditure**

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All resources expended are inclusive of irrecoverable VAT.

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## LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1.8 Property, plant and equipment

All assets costing more than £2,000 are capitalised.

Property, plant and equipment are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% straight-line
Leasehold buildings	-	over the term of the lease
Freehold land	-	not depreciated
Plant and machinery	-	15% straight-line
Motor vehicles	-	25% reducing balance

Included in leasehold properties are buildings held under short leases which are being depreciated at the rate of 2% per annum. In the directors' opinion the leases will be renewed indefinitely.

#### 1.9 Operating leases

Rentals under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.10 Taxation

As a charity, the Company and its subsidiary are exempt from tax on income and gains under current tax legislation to the extent that these are applied to charitable objects. No tax charges have arisen in the Group.

The Group is unable to recover the input VAT associated with the supply of goods and services as the provision of education is exempt from VAT. The irrecoverable VAT is included in the total cost applicable to each expense heading.

#### 1.11 Pensions

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

The Company additionally maintains a funded defined benefit pension scheme called the Ludgrove School Staff Pension Scheme. This scheme ceased to accrue benefits for active members as from 31 August 2011. Under the provisions of FRS 102, any surplus or deficit on the pension scheme is included in the Company's Balance Sheet.

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## LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1.11 Pensions (continued)

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains/losses. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Income and expenditure account as 'Finance expense'.

#### 1.12 Financial instruments

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.



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## **LUDGROVE SCHOOL TRUST LIMITED**

**(A company limited by guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **1.12 Financial instruments (continued)**

Financial liabilities are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

##### **Defined benefit pension scheme**

The Charity has an obligation to pay pension benefits to employees. The costs of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary and pension increases, and the discount rate on corporate bonds. The directors make appropriate judgements and estimates based on professional advice received from the scheme's actuary. The inflation rates used as at 31 August 2021 have increased from 3.20% to 3.50% for RPI and 2.40% to 2.90% for CPI compared to the previous year end. This has resulted in an increase in the present value of scheme liabilities. The increase in fair value of the scheme assets is higher than the increase in present value of the scheme liabilities, resulting in a reduction in the net provision recognised on the Balance Sheet.

##### **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based upon the utility of assets.

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**LUDGROVE SCHOOL TRUST LIMITED**

(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**3. INCOME FROM DONATIONS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	16,715	75,950	-	92,665	98,808

Included in donations income of £98,808 for the year ended 31 August 2020 is £69,932 which relates to restricted funds and the balance of £29,876 relates to unrestricted funds.

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fees receivable	4,995,425	-	-	4,995,425	4,736,690
Extras	256,383	-	-	256,383	263,964
Non-refundable registration fees	10,956	-	-	10,956	10,497
Discounts and bursaries	(202,556)	-	-	(202,556)	(160,406)
	5,060,209	-	-	5,060,209	4,850,745

All income from other charitable activities in 2020 relates to unrestricted funds.

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rent receivable	4,097	-	-	4,097	4,098
Other income	3,972	-	-	3,972	13,140
	8,069	-	-	8,069	17,238

All income from other trading activities in 2020 relates to unrestricted funds.

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**LUDGROVE SCHOOL TRUST LIMITED**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**6. INCOME FROM INVESTMENTS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	2,039	-	-	2,039	13,239

All investment income in 2020 relates to unrestricted funds.

**7. OTHER INCOME**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Job Retention Scheme grant income	113,637	-	-	113,637	120,663

All other income in 2020 relates to unrestricted funds.

**8. EXPENDITURE ON RAISING FUNDS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank charges	65	-	-	65	-
Fundraising events	-	-	-	-	2,217
Fundraising administration	11,250	-	-	11,250	9,558
Staff costs	2,472	-	-	2,472	21,641
	13,787	-	-	13,787	33,416

All expenditure on raising funds in 2020 relates to unrestricted funds.

# LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 9. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,032,846	-	-	3,032,846	3,000,104
Direct costs	758,055	-	-	758,055	665,522
Depreciation	350,816	-	-	350,816	292,361
Support costs (note 10)	1,121,158	-	-	1,121,158	928,432
	<b>5,262,875</b>	<b>-</b>	<b>-</b>	<b>5,262,875</b>	<b>4,886,410</b>

Included in direct costs in 2020 is £10,048 relating to restricted funds. All other expenditure on charitable activities in 2020 relates to unrestricted funds.

### 10. SUPPORT COSTS

	Basis of Allocation	Support costs £	Total 2021 £	Total 2020 £
Other finance expense (note 14)	Direct	28,000	28,000	26,000
Office costs	Direct	12,181	12,181	1,788
Premises	Direct	745,099	745,099	575,439
Garden & grounds	Direct	101,537	101,537	75,849
Professional fees	Direct	28,822	28,822	47,604
Other support costs	Direct	138,563	138,563	133,428
Donations	Direct	10	10	5,009
Governance costs	Direct	66,946	66,946	63,306
		<b>1,121,158</b>	<b>1,121,158</b>	<b>928,423</b>

All expenditure on support costs relates to unrestricted funds.

### 11. NET INCOME

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the Charitable Group	350,816	292,362
Auditor's remuneration:		
- statutory audit of the Group	15,450	15,000
- statutory audit of the subsidiary	8,250	8,400
- statutory audit of the pension fund	11,058	10,788
- accounting services	42,559	39,144
- tax advisory	882	1,944
Operating lease rentals	75,234	75,234

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**LUDGROVE SCHOOL TRUST LIMITED**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**12. STAFF COSTS**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	2,413,562	2,492,417
Social security costs	203,489	234,317
Other pension costs	418,267	295,011
	<u>3,035,318</u>	<u>3,021,745</u>

The average monthly number of employees during the year was as follows:

	2021 No.	2020 No.
Teaching, pastoral and household	104	93
Maintenance	8	6
Administration	7	7
	<u>119</u>	<u>106</u>

The number of higher paid employees was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	3
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

The Charity and Group's key management personnel comprise the directors, the headmaster, the deputy head and the bursar. Total remuneration paid to key management personnel was £282,617 (2020: £281,991).

**13. DIRECTORS' REMUNERATION**

During the year, no directors received any remuneration (2020: none).

During the year, no directors received any benefits in kind (2020: none).

During the year retirement benefits were accruing to no directors (2020: none) in respect of defined benefit pension schemes.

During the year, no directors were reimbursed expenses (2020: none).

**LUDGROVE SCHOOL TRUST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**14. FINANCE EXPENSE**

	2021 £	2020 £
Interest income on pension scheme assets	143,000	172,000
Interest on pension scheme liabilities	(171,000)	(198,000)
Net interest on net defined benefit liability	<u>(28,000)</u>	<u>(26,000)</u>

**15. PROPERTY, PLANT AND EQUIPMENT**

Group and Company	Assets under the course of construction £	Land & Buildings £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2020	1,975,451	10,472,843	1,504,304	30,469	13,983,067
Additions	500,857	29,725	118,410	-	648,992
Transfer	(2,476,308)	2,476,308	-	-	-
At 31 August 2021	<u>-</u>	<u>12,978,876</u>	<u>1,622,714</u>	<u>30,469</u>	<u>14,632,059</u>
<b>Depreciation</b>					
At 1 September 2020	-	2,806,917	1,201,824	27,083	4,035,824
Charge for the year	-	260,433	89,536	847	350,816
At 31 August 2021	<u>-</u>	<u>3,067,350</u>	<u>1,291,360</u>	<u>27,930</u>	<u>4,386,640</u>
<b>Net book value</b>					
At 31 August 2021	<u>-</u>	<u>9,911,526</u>	<u>331,354</u>	<u>2,539</u>	<u>10,245,419</u>
At 31 August 2020	<u>1,975,451</u>	<u>7,665,926</u>	<u>302,480</u>	<u>3,386</u>	<u>9,947,243</u>
<b>Included in net book value of land and buildings is:</b>					
	2021 £	2020 £			
Freehold land and buildings	9,570,269	9,316,514			
Long leasehold	61,050	62,015			
Short leasehold	<u>280,201</u>	<u>262,847</u>			

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**LUDGROVE SCHOOL TRUST LIMITED****(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**16. FIXED ASSET INVESTMENTS**

	Cash	Listed Investments	Total
Group and Company	£	£	£
<b>Market value</b>			
At 1 September 2020	2,121,411	-	2,121,411
Additions	-	1,323,119	1,323,119
Disposals	(1,166,882)	(10,954)	(1,177,836)
Revaluation	-	34,706	34,706
At 31 August 2021	954,529	1,346,871	2,301,400

Total investment gains of £31,694 (2020: £nil) as shown on the Statement of Financial Activities comprise unrealised gains of £34,706 and realised losses of £3,012.

Investments at 31 August 2021 comprise:

Equities - United Kingdom	62,592
Equities - Europe	98,084
Equities - North America	358,304
Equities - Japan	16,206
Equities - Asia ex Japan	26,868
Equities - Emerging markets	82,023
Bonds - United Kingdom	177,334
Bonds - North America	137,358
Bonds - Emerging markets	77,590
Bonds - Global	70,173
Alternatives - hedge funds	57,550
Alternatives - commodities	91,261
Alternatives - other	91,528
	<u>1,346,871</u>

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**LUDGROVE SCHOOL TRUST LIMITED****(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**17. TRADE AND OTHER RECEIVABLES**

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Trade receivables	111,639	70,573	108,464	69,073
Amounts owed by group undertakings	-	-	15,257	736,806
Prepayments and accrued income	117,421	126,856	117,421	126,856
Grant receivables	-	7,582	-	-
Other receivables	479	479	479	479
	<u>229,539</u>	<u>205,490</u>	<u>241,621</u>	<u>933,214</u>

**18. TRADE AND OTHER PAYABLES:  
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Other payables	268,295	220,114	268,295	220,114
Accruals	325,930	505,952	314,770	495,872
Deferred income (note 19)	581,048	818,466	581,048	818,466
	<u>1,175,273</u>	<u>1,544,532</u>	<u>1,164,113</u>	<u>1,534,452</u>

**19. DEFERRED INCOME**

Deferred income relates to school fees paid in advance.

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
As at 1 September	818,446	971,945	818,446	971,805
Amounts released to SOFA	(818,446)	(971,945)	(818,446)	(971,805)
Amounts deferred in the year	581,048	818,466	581,048	818,466
	<u>581,048</u>	<u>818,466</u>	<u>581,048</u>	<u>818,466</u>
As at 31 August				



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 20. STATEMENT OF FUNDS - GROUP

	Brought forward 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward 31 August 2021 £
General Funds - all funds	8,321,103	5,200,669	(5,276,662)	575,016	608,694	9,428,820
<b>Designated funds</b>						
Strategic reserve	750,000	-	-	-	-	750,000
Long-term investment reserve	750,000	-	-	-	-	750,000
Bursary reserve	-	-	-	-	-	-
Special projects reserve	1,123,645	-	-	238,108	-	1,361,753
<b>Total designated funds</b>	<b>2,623,645</b>	<b>-</b>	<b>-</b>	<b>238,108</b>	<b>-</b>	<b>2,861,753</b>
<b>Restricted funds</b>						
Learning support	10,456	-	-	-	-	10,456
COVID-19 hardship fund	27,996	15,072	-	(20,082)	-	22,986
Exploration Centre	732,164	60,878	-	(793,042)	-	-
<b>Total restricted funds</b>	<b>770,616</b>	<b>75,950</b>	<b>-</b>	<b>(813,124)</b>	<b>-</b>	<b>33,442</b>
<b>Total of funds</b>	<b>11,715,364</b>	<b>5,276,619</b>	<b>(5,276,662)</b>	<b>-</b>	<b>608,694</b>	<b>12,324,015</b>

# LUDGROVE SCHOOL TRUST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 20. STATEMENT OF FUNDS (continued) - COMPANY

	Brought forward 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward 31 August 2021 £
General Funds - all funds	7,951,883	5,183,164	(5,254,797)	569,064	608,694	9,058,008
<b>Designated funds</b>						
Strategic reserve	750,000	-	-	-	-	750,000
Long-term investment reserve	750,000	-	-	-	-	750,000
Bursary reserve	-	-	-	-	-	-
Special projects reserve	1,123,645	-	-	238,108	-	1,361,753
<b>Total designated funds</b>	<b>2,623,645</b>	<b>-</b>	<b>-</b>	<b>238,108</b>	<b>-</b>	<b>2,861,753</b>
<b>Restricted funds</b>						
Learning support	10,456	-	-	-	-	10,456
COVID-19 hardship fund	22,044	15,072	-	(14,130)	-	22,986
Bursary fund	-	25,213	(10,550)	-	-	14,663
Exploration Centre	732,164	60,878	-	(793,042)	-	-
<b>Total restricted funds</b>	<b>764,664</b>	<b>101,163</b>	<b>(10,550)</b>	<b>(807,172)</b>	<b>-</b>	<b>48,105</b>
<b>Total of funds</b>	<b>11,340,192</b>	<b>5,284,327</b>	<b>(5,265,347)</b>	<b>-</b>	<b>608,694</b>	<b>11,967,866</b>

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 20. STATEMENT OF FUNDS (continued)

##### **Designated funds**

The Strategic reserve has been set up to cover possible future expenditure of an exceptional nature.

The Long-term investment reserve has been set up to cover future expenditure on the School's land and buildings.

The Special projects reserve has been set up for potential future requirements of the school.

##### **Restricted funds**

The Learning support fund was created by the donation of funds specifically for learning support.

The Bursaries fund was created by the donation of funds in the subsidiary charity specifically for the purpose of providing bursaries.

The Hardship fund was created by donations in response to the COVID-19 pandemic and will be used to fund bursaries for families in need as a result of the pandemic.

The Exploration Centre fund was created by the donation of funds specifically for the creation of a new Exploration Centre within the school grounds.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>GROUP</b>	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Designated funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	10,245,419	-	-	10,245,419	9,947,243
Fixed asset investments	-	-	2,301,400	2,301,400	2,121,411
Current assets	1,546,674	33,442	560,353	2,140,069	2,928,242
Creditors due within one year	(1,175,273)	-	-	(1,175,273)	(1,544,532)
Provisions for liabilities and charges	(1,188,000)	-	-	(1,188,000)	(1,737,000)
	<b>9,428,820</b>	<b>33,442</b>	<b>2,861,753</b>	<b>12,324,015</b>	<b>11,715,364</b>

All tangible fixed assets for 2020 relate to unrestricted funds. All fixed asset investments for 2020 relate to designated funds. Included within current assets for 2020 is £770,616 relating to restricted funds, £502,234 relating to designated funds, with the balance of £1,655,392 relating to unrestricted funds. All creditors and provisions for liabilities and charges for 2020 relate to unrestricted funds.

<b>COMPANY</b>	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Designated funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	10,245,419	-	-	10,245,419	9,947,243
Fixed asset investments	-	-	2,301,400	2,301,400	2,121,411
Current assets	1,164,702	48,105	560,353	1,773,160	2,542,990
Creditors due within one year	(1,164,113)	-	-	(1,164,113)	(1,534,452)
Provisions for liabilities and charges	(1,188,000)	-	-	(1,188,000)	(1,737,000)
	<b>9,058,008</b>	<b>48,105</b>	<b>2,861,753</b>	<b>11,967,866</b>	<b>11,340,192</b>

All tangible fixed assets for 2020 relate to unrestricted funds. All fixed asset investments for 2020 relate to designated funds. Included within current assets for 2020 is £764,664 relating to restricted funds, £502,234 relating to designated funds, with the balance of £1,276,092 relating to unrestricted funds. All creditors and provisions for liabilities and charges for 2020 relate to unrestricted funds.

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## LUDGROVE SCHOOL TRUST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 22. PENSION COMMITMENTS

Ludgrove School Trust Limited operates a Group Personal Pension scheme, a defined contribution scheme, for the benefit of certain employees. Contributions in the year were £418,267 (2020: £295,011).

The Group also operates a defined benefit pension scheme.

Contributions by both employees and the Company are held in director administered funds completely independent of the Company's finances. The profit and loss charge is based upon actuarial advice by a professionally qualified actuary. The Scheme's Actuary is not an employee of the sponsoring employer.

The amounts recognised in the Balance Sheet are as follows:

	2021 £	2020 £
Present value of funded obligations	(11,177,000)	(10,868,000)
Fair value of scheme assets	9,989,000	9,131,000
<b>Net balance</b>	<b>(1,188,000)</b>	<b>(1,737,000)</b>

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021 £	2020 £
Past service cost - Guaranteed Minimum Pension equalisation	-	-
<b>Net interest cost</b>	<b>28,000</b>	<b>26,000</b>
	<b>28,000</b>	<b>26,000</b>

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**LUDGROVE SCHOOL TRUST LIMITED****(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**22. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation and the fair value of scheme assets were as follows:

	Assets £	Liabilities £	Total £
At 1 September 2020	9,131,000	(10,868,000)	(1,737,000)
Interest income on scheme assets	143,000	-	143,000
Expected return on assets	1,092,000	-	1,092,000
Interest cost	-	(171,000)	(171,000)
Actuarial gains / (losses)	-	(515,000)	(515,000)
Contributions by the employer	-	-	-
Past service cost	-	-	-
Benefits paid	(377,000)	377,000	-
At 31 August 2021	9,989,000	(11,177,000)	(1,188,000)

The date of the most recent actuarial valuation of the scheme assets and liabilities was 5 August 2019.

The Group expects to contribute £nil (2020: £nil) to its defined benefit pension scheme in 2021 representing contributions made by the school.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Pension revaluation in deferment (CPI, maximum 5% with effect from 6 April 1999 to 5 April 2009)	2.90%	2.40%
Pension revaluation in deferment (CPI, maximum 2.5% with effect from 6 April 2009)	2.50%	2.40%
Discount rate	1.60%	1.60%
Pension escalation in payment (RPI, max 2.5% with effect from 1 August 2007)	2.20%	2.10%
Pension escalation in payment (RPI, max 5% with effect from 6 April 1999 to 31 July 2007)	3.30%	3.10%
RPI inflation	3.50%	3.20%
CPI inflation	2.90%	2.40%

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## LUDGROVE SCHOOL TRUST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 23. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Group had commitments under non-cancellable operating leases as follows:

Group and Company	Land and buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
<b>Expiry date:</b>				
Less than 1 year	51,303	46,143	20,515	12,609
Between 2 and 5 years	2,338	28,053	27,642	6,572
Greater than 5 years	-	2,338	19,555	204

#### 24. CAPITAL COMMITMENTS

There are no capital commitments as at 31 August 2021. At 31 August 2020 the School had a capital commitment in respect of construction costs of the Exploration Centre which amounted to £524,549 at the year end.

#### 25. RELATED PARTY TRANSACTIONS

The Foundation made bursary grants of £25,213 (2020: £10,048) and grants in support of the Exploration Centre building project of £nil (2020: £853,066) to the School during the year. £15,257 (2020: £736,806) was outstanding at the year end.

The Headmaster's wife works at the school and received remuneration in the year of £53,007 (2020: £51,266). The Deputy Headmaster's wife also worked at the school in the prior year and received remuneration in the year of £nil (2020: £35,940).

During the year, the Group received donations from trustees of £300 (2020: £300).

There have been no other related party transactions in the reporting period that require disclosure.

#### 26. CONTROLLING PARTY

There is considered to be no ultimate controlling party.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**27. SUBSIDIARY**

Company name	Country	Percentage shareholding	Description
The Ludgrove School Foundation	United Kingdom	100%	Charitable foundation

The Charity is the ultimate controlling party of The Ludgrove School Foundation Limited as established by its memorandum and articles of association dated 7 August 2012, company number 08170775 and charity number 1149573. The objective of The Ludgrove School Foundation Limited is to distribute funds available to it in support of charitable purposes approved by its directors. The assets and liabilities of the subsidiary which have been included in the consolidated accounts are shown below as are a summary of its income and expenditure. The registered office of The Ludgrove School Foundation is Ludgrove, Wokingham, RG40 3AB.

**Summary of subsidiary assets and liabilities**

	2021 £	2020 £
Debtors	3,175	9,082
Cash	379,391	1,112,976
Creditors	(26,417)	(746,886)
<b>Net Assets</b>	<b>356,149</b>	<b>375,172</b>

**Income and expenditure summary**

	2021 £	2020 £
Voluntary income	19,977	95,979
Costs of generating voluntary income	(2,472)	(33,416)
Donations	(25,213)	(863,114)
Professional fees	(65)	(74)
Governance costs	(11,250)	(11,175)
Deficit	(19,023)	(811,800)
Funds brought forward	375,172	1,186,972
<b>Total</b>	<b>356,149</b>	<b>375,172</b>