

Company registration number 07974434 (England and Wales)

**LUDDENHAM SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

# LUDDENHAM SCHOOL

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# LUDDENHAM SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

F Sowrey  
R Woodroffe  
S Bayford  
M Hogben

### Trustees

D Deeson (Chair)  
A Carroll  
C Mitchell  
E Ranson-McCabe (Resigned 27 November 2022)  
A Sartre  
S K Bhagat  
C Vincett (Accounting Officer from 1 September 2022) (Appointed 3 October 2022)  
G Burrows (Appointed 19 June 2023)  
P Smith (Appointed 9 May 2023)  
K Fisher (Appointed 9 May 2023)  
P James (Appointed 16 January 2023)  
J Mehigan (Appointed 21 September 2023)

### Senior leadership team

- Headteacher  
- Deputy Headteacher  
- School Business Manager

C Vincett  
J Wickham  
V Harwood

### Company secretary

V Harwood

### Company registration number

07974434 (England and Wales)

### Registered office

Luddenham School  
Faversham  
Kent  
ME13 0TE  
United Kingdom

### Independent auditor

Azets Audit Services  
5th Floor  
Ashford Commercial Quarter  
1 Dover Place  
Ashford  
Kent  
TN23 1FB  
United Kingdom

### Bankers

Lloyds Bank plc  
49 High Street  
Canterbury  
Kent  
CT3 1AA  
United Kingdom

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Academy Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Faversham and the surrounding villages. It has a pupil capacity of 210 and had a roll of 203 in the school census on 23 May 2023.

#### **Structure, governance and management**

##### Constitution

Luddenham School is a company limited by guarantee with no share capital (registration no. 07974434) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The trustees are responsible for the charitable activities of Luddenham School and are also directors of the charitable company for the purposes of company law. The charitable company is known as Luddenham School.

The Academy was incorporated on 2 March 2012 and obtained Academy status from 1 April 2012.

The trustees of Luddenham School are also the directors of the charitable company for the purposes of company law. 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

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost is included in the total insurance and cannot be separated out.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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#### Method of recruitment and appointment or election of trustees

The members of the Academy Trust shall comprise:

- the signatories to the Memorandum; the Principal;
- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- the Chair of the Trustees; and
- any person appointed under Article 16.

Each of the persons entitled to appoint members in Article 12 shall have the right, from time to time by written notice delivered to the office, to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The Academy Trust should have the following Trustees:

- up to 10 Trustees;
- any Staff Trustees;
- up to 1 Local Authority Trustee if appointed by the Local Education Authority under Article 51
- a minimum of 2 Parent Trustees;
- the Headteacher;
- any additional / further Trustees;
- the Academy Trust may also have any Co-opted Trustee appointed.;
- the first Trustees shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006;
- future Trustees shall be appointed or elected, as the case may be.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

#### Policies and procedures adopted for the induction and training of trustees

During the period under review the Trustees held 8 meetings. The training and induction provided for new Trustees will depend on their existing experience. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. Trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Safeguarding training for all Trustees is delivered annually. As the number of new Trustees in any year is normally small, induction tends to be done informally and is tailored specifically to the individual.

#### Organisational structure

The management structure consists of the Trustees and the Senior Leadership Team with evolving Middle Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets, regular monitoring visits, and other data and making major decisions about the direction of the Academy, capital expenditure and participate in senior staff appointments. The Board of Trustees is structured in a way to provide sufficient attention to supporting both curriculum and operational matters of the Academy.

The Senior Leadership Team from September 2022 to August 2023 included the Headteacher, Deputy Headteacher and School Business Manager. The Headteacher is the Accounting Officer. Spending control is devolved to the Headteacher, with limits above which the Chair/Vice Chair of Trustees must countersign up to a certain limit, after which approval is required from the Board of Trustees.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

The Board of Trustees reviewed the Pay and Remuneration Policy in line with other local academies with the aim of:

- Focusing on the importance of high-quality teaching and learning; improving standards and making a positive impact on pupil progress and outcomes
- Supporting the recruitment and retention of a high-quality workforce
- Ensuring all decisions on pay and reward are managed in a fair, just and transparent way, recognising and rewarding all staff appropriately and fairly for their contribution and achievements
- Ensuring the priorities and targets within the School Improvement Plan are fully supported

The Board of Trustees undertakes to:

- Reward all staff appropriately recognising their contribution to the school as individuals and as valued members of the school team
- Use the discretions and flexibility available within the various terms and conditions to recruit, reward and retain the highest quality staff according to the needs of the school
- Ensure that appropriate funding is allocated for performance pay progression for all groups of staff
- Ensure all staff are treated fairly and equitably under this policy
- Communicate the policy and related procedures to all staff ensuring that any appeal or other concerns are managed promptly, fairly and objectively
- Ensure compliance with the principles set down by the Committee on Standards in Public Life

#### Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of Luddenham School.

Luddenham School Friends Association is supporting the School and have contributed the costs of running the school minibus and trips as well as the introduction of an enrichment resource called Now Press Play.

#### **Objectives and activities**

##### Objects and aims

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

Our School aims to support our whole school vision of 'Every Child Can Achieve.' We believe that this is in all things that interest and inspire them to grow and become lifelong learners.

Our Core Values also aim to support our curriculum in the following ways:

- Fairness - we believe that everyone has the right to be treated fairly based on who they are and what they need to achieve
- Leadership - we want our pupils to develop the skills to lead in various aspects of both their current and future life
- Imagination - we think children should be curious and creativity in their learning. To ask questions to find out more and acquire the knowledge and skills they need
- Grit - we want our children to be resilient and determined learners, keen to achieve in all aspects of the curriculum
- Honesty - we feel that owning our actions and words helps us become responsible individuals and learn from our mistakes
- Teamwork - we know that often more can be achieved when working with others and this requires skills to be harmonious and effective

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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The focal point of our School is the ethos behind 'Every Child Can Achieve'. We recognise and take account of the differences between individual children. The relationships with pupils and families reflect this ethos. We aim to make the school environment safe, welcoming, secure and stimulating for children. The School's curriculum must provide a sound general education for every child and provide a moral framework for life. We aim to establish an open, honest and informed partnership with our community. We practise collaborative decision making. We aim to provide value for money for the funds expended. We conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Luddenham School values diversity and seeks to give everyone in our School an equal chance to promote a positive self-image and to respect their individuality, providing for all pupils according to their needs.

Students will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success. We support students' mental health by reinforcing a wellbeing approach to behaviour and support. We prioritise getting to know the children by developing positive relationships between children and families.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfil their roles as partners, recognising their role in the home/school partnership to ensure that their child realises his/her potential.

Trustees are responsible for providing a strategic view; the focus is on seeking areas which can add most value and setting the broad framework within which the Headteacher and staff should run the school. Key issues are to decide the strategy for improvement, through effective teaching and learning. The trustees, in their role as critical friend, bring support and advice, drawing on its members' knowledge and experience. Such experience is used to ensure adequate monitoring and questioning of the school's performance. The Board of Trustees, in its turn, answers to parents and the wider community.

Trustees maintain regular contact with the school through regular Board and Sub-committee meetings, as well as regular visits, providing guidance and direction whilst also maintaining a level of scrutiny on the delivery of education and support to pupils.

#### Objectives, strategies and activities

##### Equal opportunities:

We strive to make the best possible provision for all pupils/students, regardless of disability, ethnicity, culture, religious belief, national origin or status, gender or sexual orientation.

We respect diversity. We know that treating people equally is not simply a matter of treating everyone the same and try to ensure that every young person is given an equality of opportunity to develop socially, to learn and to enjoy community life. This means that we do our best to make reasonable adjustments for disability, recognise and celebrate cultural differences, and understand the different needs and experiences of boys and girls.

##### Disabled persons

The Academy complies fully with the Equality Act 2010 regulations and is equipped to welcome and / or teach any child or adult with a disability where possible. Trustees have adopted the equality policy in light of recommendations related to the 2010 Act.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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#### Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aim and objectives and in planning further activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. Luddenham School is part of the Swale Rural Cluster and has been an Academy since April 2012. The School is an average sized village primary school and serves the village, surrounding rural area and Faversham. It is situated in an area of outstanding natural beauty and in a rural location.

Applications for entrance into Luddenham School should be made through Kent Primary Admissions Scheme.

Applicants for a place at Luddenham School, in any other year group except reception class, will need to complete the standard In-Year Casual Admission Form (YCAF).

#### **Strategic report**

##### **Achievements and performance**

Luddenham School is in its eleventh period of operation as an Academy and continues to maintain pupil numbers largely in line with recent history. Total children in the period ended 31 August 2023 numbered 204. The Academy continues to work hard to raise its profile in the local community.

- Luddenham School is an average sized village primary academy.
- The number of pupils known to be eligible for the pupil premium is higher than the national average and school has been promoting FSM application to families which required support. The percentage of SEN is broadly in line with national levels and EAL is below national levels. The delivery of structured educational support for these pupils is part of an inclusive learning experience.
- To meet the progress element a school needs to have sufficient progress scores in reading, writing and maths. The School Improvement Plan incorporates these development areas for the next academic year.
- A robust data tracking system is in place with accountability to teachers for progress and attainment through termly Teaching and Learning Review meetings five times a year, regular monitoring across the School and performance related pay.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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The Academy was last inspected by Ofsted in February 2019, gaining Good overall with Outstanding elements. Senior leaders and Trustees are continuing to address the recommendations resulting from this visit, through the School Improvement Plan and continuous improvement initiatives, with the aim of exceeding this result in future Ofsted inspections. Key findings of the inspection included:

- Senior leaders are ambitious and have created a strong culture of improvement across the school.
- Provision for pupils with special educational needs and/or disabilities (SEND) is effective. As a result, they make good progress from their starting points.
- Children make a good start to their learning in the early years. Leaders in the early years have formed a strong team and now have a clear understanding of what children need to do to improve.
- Pupils' health and well-being is nurtured well. The sports premium funding is used to provide a wide range of sporting activities.
- Pupils' behaviour is resoundingly positive both in class and around the school.
- Teaching has strengthened quickly.
- The curriculum captures pupils' imagination across a wide range of subjects. Opportunities to write across the curriculum help pupils practise writing skills.
- Pupils are keen to be in school, and they attend school regularly. The School has a range of highly effective systems to encourage positive attendance.
- Outcomes are strengthening across the School. However, the progress of the most able pupils is not yet consistently strong.
- Trustees undertake their responsibilities conscientiously. However, their checks do not yet consistently hold school leaders to account.

#### Key performance indicators

Key performance indicators are monitored monthly by the Headteacher, the Chair of Trustees and the School Business Manager. As funding is based on pupil numbers this is considered to be a key performance indicator. These KPIs are reviewed in greater detail and challenged as appropriate as part of regular review by the Operation Team throughout the academic year. In 2022-23 the Academy was funded on pupil numbers of 192 (2022: 192).

Another key financial performance indicator is staffing costs as a percentage of GAG, for 2023 this was 92% (2022: 88%).

Indicator	Actual
Average pupil numbers	203
Total unrestricted funds balance	£86k
Pupil to teacher ratio	21.6
Total income per pupil	£5,655k
Total GAG per pupil	£4,250
Percentage of GAG to total income	75%
Percentage of total staff costs to total income	69%
In year balance as a percentage of total income	1%
Unrestricted Revenue reserve as a percentage of total income	8%
Cash balances at year-end	£187k

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

£7k Recovery Grant received spent mostly on maintaining the role of our Family Liaison Officer (FLO) as a response to the increased need to support our pupils and their parents. Our FLO runs a quiet space at lunchtimes for children who would like to access it, as well as regular checks for children who are feeling emotional. She also liaises with outside agencies to support pupils through one to one mentoring to support their social, emotional and mental health needs. Our FLO is also trained in Drawing and Talking, a therapy used to support children to emotionally manage difficult situations they are going through. Demand for Drawing and Talking continues to be high and in need regularly.

£7k Tutoring grant received as part of the Government's scheme for COVID catch up. Schools were offered money to provide one to one tutoring. We chose to focus on reading catch up as we know from our assessment key children needed this additional support. Pupil Premium children were given priority to help them to fill in the gaps in their learning. We selected the Reading Doctor Programme, where a trained teacher focusses on one-to-one reading and phonics with a child to boost their reading levels for 30-40 minutes a week. We were able to offer this to 8 children for up to 6 months. The results of this intervention were good, 100% of pupils who were on the programme made progress based on the assessments used in the programme. 100% of children increased their reading age by 6-18 months. 75% increased their reading age by over a year. For some of our children, they also received academic tutoring where positive progress can be seen through our inhouse tracking data.

£863k GAG income to support the whole school curriculum – We have developed our assessment approaches over the past year to support our curriculum changes and ensure interventions occur where required. We have begun our journey in using Opal Learning to support our lunchtime provision, and this will continue to be a main focus for the coming two years. Wellbeing activities and taking part in our Rangers days throughout the year have been a great success with our children. Sporting activities and a coronation event organised in the summer, as well as a whole school Christmas Panto Trip, have been highlights and memorable moments for all our pupils

During the year ended 31 August 2023, total expenditure of £1,205k (2022: £1,201k) was met by recurrent grant funding from the ESFA of £863k (2022: £847k) together with other incoming resources of £285k (2022: £270k). The excess of expenditure over income for the period was £57k(2022: £84k).

At 31 August 2023, the net book value of fixed assets was £1,322k (2022: £1,339k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The Kent County Council Pension Fund, in which the academy participates, showed a deficit of £Nil at 31 August 2023 (2022: £130k). A deficit of £111k was inherited by Luddenham School from Kent County Council on 1 April 2012, the date the local authority's staff transferred to employment with the academy.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The review includes an element of reserve required for the day-to-day running of the academy, and specific calculations to cover significant financial requirements triggered by a sudden requirement in terms of teaching or physical infrastructure. The trustees have determined that the appropriate level of unrestricted reserves should be approximately £140k (2022: £140k, not including specific element).

The reason for the day-to-day element is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with fluctuations in routine expenditure. Unexpected emergencies, such as urgent maintenance or a long-term staff absence, can be initially covered by the specific element of the reserves held. The academy's current level of unrestricted reserves is £86k (2022: £79k) (total funds less the amount held in fixed assets and restricted funds) is much less than is needed. The academy intends to make every effort to build up free reserves to the level needed.

The academy held fund balances at 31 August 2023 of £1,472k (2022: £1,385k) comprising £1,386k (2022: £1,306k) of restricted funds and £86k (2022: £79k) of unrestricted general funds. Of the restricted funds, £1,322k (2022: £1,339k) is represented by tangible fixed assets, £12k by unspent capital grants and £52k (2022: £85k) is represented by other restricted income funds.

#### Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

#### Principal risks and uncertainties

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Headteacher has implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, building and school trips) and in relation to the control of finance. The trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 18.

Luddenham has considerable reliance on continued government funding through the ESFA. In the last year 94% (2022: 95%) of the academy's incoming resources was ultimately government funded and whilst this level is expected to continue, there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the academy is dependent on continuing to attract and retain applicants and pupils in sufficient numbers by maintaining the highest educational standards. The school has advertised in the local press to raise its profile through press releases. To mitigate this risk trustees continue to review and ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the academy is reliant on the quality of its staff and so the trustees monitor and review policies and procedures to ensure continued development and training of staff, as well as ensuring there is clear succession planning.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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Fraud and mismanagement of funds - the academy has appointed an Internal Audit firm to carry out checks as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis. The risk of a cyber attack has been added to the register.

#### Financial and Risk Management Objectives and Policies

The financial risks to which Luddenham School is exposed to relates primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers
- Cyber risk

A risk arises in relation to the defined benefit pension scheme, even though the valuation at 31 August 2023 shows an asset position which is reduced to £nil once the asset ceiling calculation is applied (2022: deficit £130k).

#### Physical / estate risk

The trustees understand the importance to take a strategic approach to manage the school estate and facilities, by ensuring that good governance arrangements are in place and by identifying the needs and risks for the school by providing a safe environment for all. The Headteacher ensures that there is a full compliance with all health and safety regulations which is verified annually by a health and safety audit undertaken by an external qualified consultant.

Building checks are carried out by the caretaker and the school business manager who are appropriately skilled and trained to undertake a wide variety of tasks. External assistance is quality assured and sourced where skills are not available within the school. Major works are scheduled during school holidays wherever possible and out of school hours in order to minimise the impact to our children and day to day operations.

#### Fundraising

The Academy Trust does not employ any professional fundraisers to fund raise on its behalf but all staff members and any volunteers involved in fundraising activities are trained in accordance with recognised standards so as to ensure that the public, including vulnerable people, are protected from unreasonable or intrusive approaches. The Academy Trust has not received any complaints about its fund raising activities.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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#### **Plans for future periods**

Luddenham continually strives to improve the opportunities on offer to the children to ensure that they get the very best start to their education.

The School has a good understanding of its current strengths and priorities for development based on rigorous analysis of data and monitoring of teaching and learning, but due to numerous changes in staffing, including a new Headteacher, this will be under review. The school continues to re-establish good use of collaborative working with 3 local primary academies to secure its judgement on the quality of provision and subsequent outcomes as well as 5 other local primary schools. The School Improvement Plan (SIP) has all areas identified for improvement and is based on regular analysis of soft and hard data which is meticulously analysed by the Headteacher and the Senior Leadership Team. The SIP is regularly monitored and SLT feedback on the SIP termly. The SIP is amended annually by the SLT and Trustees. It is underpinned by appropriate budget links. Moving forward into the next academic year, the priorities for the school include raising the attainment in Reading, Writing and Maths through quality first teaching, focused interventions such as precision teaching and developing a school wide approach to regulating emotions and improve behaviour for learning. Key aspects of the SIP include a partnership with the English hub to develop and embed our phonics approach, development of our novel study approach, The Five a Day EEF guidance for teaching and learning, as well as the development of Opal Learning at lunchtimes.

Luddenham Rangers has continued with more visitors coming into school and children going out to learn new life skills. This provision is currently under review to ensure that it develops a progression of skills in various areas and ultimately develops the whole child.

This year the class teachers have looked for ways to embed drama using the Now Press Play devices. The Year 6 children also successfully completed a Shakespeare Play with other local schools in conjunction with a team from the Marlowe Theatre.

Luddenham currently aims to be: knowledge rich, inspire curiosity and develop and apply skills learnt with purpose. We are working on developing curriculum knowledge which meet expectations of Ofsted in the new framework and have established new curriculum teams to review and develop this curriculum. We will be using links with other schools to help strengthen this understanding.

Luddenham will continue to take part in many different sporting challenges, supporting all the children with training and transportation. It also aims to provide a variety of enrichment activities, such as after school clubs, to support children beyond the school day.

Pupil voice is an integral part of developing all priorities at Luddenham in the coming years and we have now established a new Pupil Leadership Team which has enabled them to help drive and support changes. The Team includes Lunchtime Helpers, Eco Squad, Reading Ambassadors and Play Leaders using Year 6 children, as well as representatives from all classes who are led by a Head Pupil and their deputy who will report back to SLT fortnightly.

The continual drive for improvement is evident in many aspects of school life. The commitment from leaders and staff is to improve provision for all children that attend Luddenham. Due to the changes in staffing this academic year, CPD and induction has been a priority as we have had 4 ECTs and 4 new mentors to support. We also have had a student teacher and 2 apprenticeships which clearly shows our commitment to supporting the development of all staff members at all levels.

# LUDDENHAM SCHOOL

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2023*

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### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 04 December 2023 and signed on its behalf by:

D Deeson  
**Chair**

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Luddenham 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.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Luddenham School and the Secretary of State for Education. The accounting officer is 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 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
D Deeson (Chair)	8	8
A Carroll	8	8
C Mitchell	8	8
E Ranson-McCabe (Resigned 27 November 2022)	0	2
A Sartre	6	8
S K Bhagat	7	8
C Vincett (Accounting Officer from 1 September 2022) (Appointed 3 October 2022)	8	8
G Burrows (Appointed 19 June 2023)	0	1
P Smith (Appointed 9 May 2023)	2	2
K Fisher (Appointed 9 May 2023)	2	2
P James (Appointed 16 January 2023)	4	4
J Mehigan (Appointed 21 September 2023)	0	0

The Board has maintained a core membership of ten Trustees in the second part of the academic year, following some changes earlier in the year. The Board has a good balance of skills and experience but are looking to further supplement skills in some areas. Information provided to the Board has been of sufficient quality to support decision making.

#### Conflicts of interest

The Board maintains an up-to-date register of business interests and has the declaration of conflicts of interest as a standing item for each full trustee board meeting. If a potential conflict of interest is identified or declared, the trustee affected will not take part in any discussions or decisions relating to the conflict. The Academy Trust avoids conflicts of interest in its ownership or control of any subsidiaries, joint ventures or associates. A Business Interest Register is published on the Trust's website.

#### Governance reviews

Meetings in the year have been carried out in accordance with Paragraph 2.3 of the Academy Trust Handbook 2022. Full trustee board meetings take place each term. These meetings have now largely returned to being in-person. However, the option to join remotely remains.

As previously noted, the Board of Trustees regularly discuss the skills, capabilities and experience offered by Board members. The most recent skills audit was completed November 2022. The Board has undergone a number of changes over the past year with the addition of 4 new Trustees.

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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The Operations team is a sub-committee of the main board of trustees. Its purpose is to:

Monitor the budget and expenditure of the school to ensure sufficient controls are in place, and to ensure compliance with necessary ESFA regulations. The team met 6 times during the year.

Attendance at meetings in the year was as follows.

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Deeson (Chair)	6	6
A Carroll	6	6
C Mitchell	5	5
C Vincett (Accounting Officer from 1 September 2022) (Appointed 3 October 2022)	6	6

The Audit committee is a sub-committee of the main board of trustees. Its purpose is to:

Consider and plan the internal scrutiny for the forthcoming year and review the reports consider, plan and liaise with the external auditors.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Deeson (Chair)	1	1
A Carroll	1	1
A Sartre	0	1
C Vincett (Accounting Officer from 1 September 2022) (Appointed 3 October 2022)	1	1

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### **Review of value for money**

As accounting officer, the Headteacher 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 is accountable for the way in which the school's resources are allocated to meet the objectives set out in the School's development plans. The Accounting Officer needs to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

#### What Is Best Value?

The Accounting Officer has applied the four principles of best value:

- Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools and nationally?
- Consult - How does the school seek the views of stakeholders about the services the School provides?
- Compete - How does the school secure efficient and effective services? Are services of appropriate quality, and of good value?

#### The Accounting Officer's approach

The Accounting Officer and school managers have applied the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the School.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

The Accounting Officer and the school managers, have:

- made comparisons with other/similar schools using data provided by the LA and the Government, e.g. analyse school performance, quality of teaching & learning, levels of expenditure.
- challenged proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.
- required suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration.
- consulted individuals and organisations on quality/suitability of service we provide to parents and pupils.

This has been applied in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety

The accounting officer and school managers:

- have not wasted time and resources on investigating minor areas where few improvements can be achieved.
- have not wasted time and resources to make minor savings in costs.
- have not wasted time and resources by seeking tenders for minor supplies and services.

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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We have taken time to investigate ways of saving money and time management by investing in a new administration and communication system. This has been further utilised and embedded throughout the year.

#### Staffing

The Accounting Officer and school managers have deployed staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management based on our current school budget.

#### Use of Premises

The Accounting Officer and school managers have considered the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources.

#### Use of Resources

The Accounting Officer and school managers have deployed equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning. The School has invested in technology to meet demand for curriculum. Resources and expenditures are monitored frequently.

#### Teaching and Learning

The Accounting Officer and school leaders have reviewed the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve the nationally expected standards for their age and to exceed outcomes as stipulated within our Ofsted report.

#### Purchasing

The Accounting Officer and school managers have developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £30,000)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £3,000 direct from known, reliable suppliers (e.g. stationery, small equipment).

#### Pupils' Welfare

The Accounting Officer and school managers have reviewed the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

#### Health & Safety

The Accounting Officer and school managers have reviewed the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Monitoring

Those areas have been monitored for best value by:

- In-house monitoring by the Headteacher and Leadership Team, e.g. classroom practice, work sampling
- Termly target setting meetings between the Headteacher, class teachers and there with responsibility for learning.
- Annual appraisal
- Annual Budget Planning
- Financial Benchmarking
- Headteacher's monthly financial review
- Visits by the Peer reviews
- Analysis of school pupil performance data, e.g. SATs results, standardised test results, 11+ results, LA schools, similar schools
- Analysis of LA pupil performance data
- Analysis of financial audit reports, against bench mark data for all schools, LA schools, similar schools
- Analysis of DfE pupil performance data, e.g. Analyse School Performance
- Ofsted Inspection reports
- Trustees' monitoring visits and committee meetings
- Trustee panels and working parties
- Full governing body meetings
- Trustees' Annual Finance Review
- Trustees' Annual Development Plan Meeting

Luddenham School has prepared a risk register which is updated annually and reviewed by the Trustees.

In the next three years the Accounting Officer will:

- hold an annual performance plan meeting to set targets for improving pupil achievement.
- hold an annual development plan meeting.
- review their "Best Value" statement annually
- consider best value when arranging internal and external redecoration contracts.
- obtain tenders and a consultant's advice on the installation of any largescale refurbishment of the premises.

The trustees understand that demands and needs of the school estate directly impact finance. The school estate is managed with clear roles and responsibilities with a robust monitoring system. A maintenance plan is in place detailing the list of regular planned preventive maintenance works including cyclical maintenance. Decisions made are supported by evidence and resources are used effectively, and reviewed by the board of trustees regularly.

The board of trustees reviews annually the appointment of auditors to ensure best value and a fair representation of the accounts. This year a tendering process was followed and after consideration the board of trustees decided to continue with our current Auditors Azets. The tendering process took into account cost, the proposed program of work, and, in the case of Azets, the service provided in recent years.

#### **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 Luddenham School for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

#### **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 ongoing 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 accounts. This process is regularly reviewed by the board of trustees.

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2023*

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### **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 Finance and Budgeting monitoring pair of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees have appointed Williams Giles to the role of internal auditor. This is to ensure that the Academy meets both statutory requirements and best practice. The trustees are committed to learning from and applying the feedback obtained from the internal audit visits.

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

The following audits have taken place in 2022/23:

Audit	Date (Month)	Comments/Actions
Recruitment & Retention -Williams Giles Professional Services Ltd Xeina Group	July 2023	Testing was conducted on the areas below: <b>Staff Retention</b> Conducting ratio analysis of the past 3 financial years reviewing staff turnover, pupil to staff ratios, average pay, and absence rates. Conducting analysis of average employment length of currently employed members of staff. Review of internal staff surveys and exit interview processes. Conducting staff questionnaires and interviews and summarising on common themes identified in staff answers. <b>Staff Recruitment</b> A review of the effectiveness of recruitment procedures in place. A review of job advertisements posted in the year, comparing their contents to industry standard job postings The FGB will review and action the recommendations.
H&S Independent Audit – H&S Arrangements & Culture - Midlifestyle	May 2023	This audit was completed by an independent auditor measuring the health and safety performance of the school against a number of the standards laid out in the HSE self-assessment checklist. The FGB reviewed and actioned the recommendations.
RPA - Willis Towers Watson – School Audit Recommendation report – Blue Rating	May 2023	The Blue Risk Management Programme has been developed by the DfE in co-operation with Willis Towers Watson. The auditor rated a selected number of risk management aspects which were investigated and rating given. The FGB will review and action the recommendations.

#### Review of effectiveness

As accounting officer the Headteacher 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 auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

# LUDDENHAM SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

***FOR THE YEAR ENDED 31 AUGUST 2023***

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Operations team and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 04 December 2023 and signed on its behalf by:

D Deeson  
**Chair**

C Vincett  
**Accounting Officer from 1 September 2022**

# LUDDENHAM SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

***FOR THE YEAR ENDED 31 AUGUST 2023***

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As accounting officer of Luddenham School, I have considered my responsibility to notify the academy trust board of trustees and the Education and 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 in place 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's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the 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.

C Vincett  
**Accounting Officer**

04 December 2023

# LUDDENHAM SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2023

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The trustees (who are also the directors of Luddenham School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, 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 judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 04 December 2023 and signed on its behalf by:

D Deeson  
**Chair**

# LUDDENHAM SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUDDENHAM SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

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### Opinion

We have audited the accounts of Luddenham School for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- 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 prepared in accordance with the Charities SORP 2019 and the 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 academy trust'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.

### Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

# LUDDENHAM SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUDDENHAM SCHOOL (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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 statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust'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 have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

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

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

# LUDDENHAM SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUDDENHAM SCHOOL (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

- Enquiry of senior leadership, Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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

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

#### 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.

**Michelle Wilkes FCA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services

11 December 2023

**Chartered Accountants**  
**Statutory Auditor**

5th Floor  
Ashford Commercial Quarter  
1 Dover Place  
Ashford  
Kent  
United Kingdom  
TN23 1FB

# LUDDENHAM SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LUDDENHAM SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2023**

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In accordance with the terms of our engagement letter dated 26 June 2023 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 Luddenham 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 Luddenham School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Luddenham School and 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 Luddenham School and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Luddenham School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Luddenham School's funding agreement with the Secretary of State for Education dated 30 March 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.

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# LUDDENHAM SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LUDDENHAM SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2023*

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### **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.

### **Reporting Accountant**

Azets Audit Services  
5th Floor  
Ashford Commercial Quarter  
1 Dover Place  
Ashford  
Kent  
TN23 1FB  
United Kingdom

Dated: .....

# LUDDENHAM SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2023 £000	Total 2022 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	23	-	20	43	63
Charitable activities:						
- Funding for educational operations	4	-	1,072	-	1,072	1,026
Other trading activities	5	33	-	-	33	28
<b>Total</b>		<u>56</u>	<u>1,072</u>	<u>20</u>	<u>1,148</u>	<u>1,117</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	49	1,090	66	1,205	1,201
<b>Total</b>	6	<u>49</u>	<u>1,090</u>	<u>66</u>	<u>1,205</u>	<u>1,201</u>
<b>Net income/(expenditure)</b>		7	(18)	(46)	(57)	(84)
Transfers between funds	15	-	(29)	29	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	17	-	143	-	143	869
<b>Net movement in funds</b>		7	96	(17)	86	785
<b>Reconciliation of funds</b>						
Total funds brought forward		79	(44)	1,351	1,386	600
Total funds carried forward		<u>86</u>	<u>52</u>	<u>1,334</u>	<u>1,472</u>	<u>1,385</u>

# LUDDENHAM SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds £000	General £000	Fixed asset £000	2022 £000
<b>Income and endowments from:</b>					
Donations and capital grants	3	13	12	38	63
Charitable activities:					
- Funding for educational operations	4	-	1,026	-	1,026
Other trading activities	5	28	-	-	28
<b>Total</b>		41	1,038	38	1,117
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	28	1,103	70	1,201
<b>Total</b>	6	28	1,103	70	1,201
<b>Net income/(expenditure)</b>		13	(65)	(32)	(84)
Transfers between funds	15	(6)	-	6	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	17	-	869	-	869
<b>Net movement in funds</b>		7	804	(26)	785
<b>Reconciliation of funds</b>					
Total funds brought forward		72	(849)	1,377	600
Total funds carried forward		79	(45)	1,351	1,385

# LUDDENHAM SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	11		1,322		1,339
<b>Current assets</b>					
Debtors	12	14		19	
Cash at bank and in hand		187		205	
		<u>201</u>		<u>224</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(51)		(48)	
		<u></u>		<u></u>	
<b>Net current assets</b>			150		176
<b>Net assets excluding pension liability</b>			<u>1,472</u>		<u>1,515</u>
Defined benefit pension scheme liability	17		-		(130)
			<u></u>		<u></u>
<b>Total net assets</b>			<u>1,472</u>		<u>1,385</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			1,334		1,351
- Restricted income funds			52		85
- Pension reserve			-		(130)
			<u>1,386</u>		<u>1,306</u>
<b>Total restricted funds</b>			1,386		1,306
<b>Unrestricted income funds</b>	15		86		79
			<u>86</u>		<u>79</u>
<b>Total funds</b>			<u>1,472</u>		<u>1,385</u>

The accounts on pages 28 to 49 were approved by the trustees and authorised for issue on 04 December 2023 and are signed on their behalf by:

D Deeson  
Chair

Company registration number 07974434 (England and Wales)

# LUDDENHAM SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

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	Notes	2023 £000	£000	2022 £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		11		54
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		20		38	
Purchase of tangible fixed assets		(49)		(32)	
<b>Net cash (used in)/provided by investing activities</b>			(29)		6
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(18)		60
Cash and cash equivalents at beginning of the year			205		145
<b>Cash and cash equivalents at end of the year</b>			187		205

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# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

Luddenham School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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.

##### 1.1 Basis of preparation

The accounts 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.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

##### 1.3 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.

###### 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 period 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.

###### 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.

###### 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.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

---

#### 1 Accounting policies

(Continued)

##### 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

##### Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at 1 August 2011, the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

##### Interest receivable

Interest receivable is included with the Statement of Financial Activities on a receivable basis.

#### 1.4 Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principle activity of the academy.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### 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.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the academy was established are included in the accounts at cost. Assets costing less than £2,000 are written off in the period of acquisition. Where a group of assets are purchased collectively and cost £5,000 or more, these are capitalised. All other assets are capitalised.

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than leasehold land, 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	Leasehold Land: 125 years; Buildings 50 years
ICT equipment	3 years
Fixtures & fittings	5 years
Plant & equipment	5 years

Leasehold land is now depreciated over the term of the lease, being 125 years. This is a change in depreciation policy. The annual charge is £564. No depreciation had previously been charged in this respect so the accounts include a charge dating back to when the Trust acquired the land on a lease.

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.

##### 1.6 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.

##### 1.7 Leased assets

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

##### 1.8 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 is classified as a basic financial instrument and is measured at face value.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

#### 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.

#### 1.9 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 chapter 3 part 11 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.

#### 1.10 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 and the assets are held separately from those of the academy trust.

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. The 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 are 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 or 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.

#### 1.11 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 the Education and Skills Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 2 Critical accounting estimates and areas of judgement

Accounting 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.

#### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

#### *LGPS*

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18 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 2019 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 pension value also includes an asset ceiling adjustment and the assumptions used to calculate this are:

- The scheme is open to new entrants;
- There is a minimum funding requirement in relation to the LGPS;
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period;
- The present value in the above calculations are calculated using an annuity representing participation into perpetuity.

#### Critical areas of judgement

There are no critical areas of judgement.

### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Capital grants	-	20	20	38
Other donations	23	-	23	25
	<u>23</u>	<u>20</u>	<u>43</u>	<u>63</u>

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	863	863	847
Other DfE/ESFA grants:				
- UIFSM	-	24	24	20
- Pupil premium	-	69	69	62
- PE & Sports premium	-	18	18	18
- Supplementary Grant	-	26	26	11
- Mainstream Academy Grant	-	14	14	-
- Others	-	20	20	19
	-	1,034	1,034	977
<b>Other government grants</b>				
Local authority grants	-	38	38	49
<b>Total funding</b>	-	1,072	1,072	1,026

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Extended schools programme	33	-	33	28

### 6 Expenditure

	Staff costs £000	Non-pay expenditure		Total 2023 £000	Total 2022 £000
		Premises £000	Other £000		
Academy's educational operations					
- Direct costs	612	37	123	772	688
- Allocated support costs	198	133	102	433	513
	810	170	225	1,205	1,201

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

<b>6 Expenditure</b>		<b>(Continued)</b>	
<b>Net income/(expenditure) for the year includes:</b>		<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
Operating lease rentals		5	5
Depreciation of tangible fixed assets		66	70
Fees payable to auditor for:			
- Audit		11	9
- Other services		2	1
Net interest on defined benefit pension liability		4	15
		<u>          </u>	<u>          </u>
 <b>7 Charitable activities</b>			
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Direct costs</b>			
Educational operations	45	727	772
<b>Support costs</b>			
Educational operations	4	429	433
	<u>          </u>	<u>          </u>	<u>          </u>
	49	1,156	1,205
	<u>          </u>	<u>          </u>	<u>          </u>
			<b>2023</b>
			<b>£000</b>
<b>Analysis of support costs</b>			
Support staff costs			197
Depreciation			29
Technology costs			17
Premises costs			104
Legal costs			16
Other support costs			56
Governance costs			14
			<u>          </u>
			433
			<u>          </u>
			<u>          </u>

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 8 Staff

#### Staff costs

Staff costs during the year were:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	615	561
Social security costs	46	47
Pension costs	143	210
	<hr/>	<hr/>
Staff costs - employees	804	818
Agency staff costs	6	5
	<hr/>	<hr/>
	810	823
Staff development and other staff costs	10	7
	<hr/>	<hr/>
Total staff expenditure	820	830
	<hr/> <hr/>	<hr/> <hr/>

#### Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Teachers	9	7
Administration and support	17	17
Management	3	2
	<hr/>	<hr/>
	29	26
	<hr/> <hr/>	<hr/> <hr/>

#### Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

#### 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 £211k (2022: £186k ).

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 9 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, one trustee was reimbursed £101 for general school costs (2022: £39) (2022: 1 trustee for postage costs purchased for the school).

The value of trustees' remuneration, including pension contributions, was as follows:

C Vincett (headteacher) appointed 01 September 2022  
Remuneration £55,000 - £60,000  
Employers pension contributions £10,000-£15,000

Other related party transactions involving the trustees are set out within the related parties note.

### 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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

### 11 Tangible fixed assets

	Leasehold land and buildings	ICT equipment	Fixtures & fittings	Plant & equipment	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2022	1,620	140	52	3	1,815
Additions	31	-	18	-	49
At 31 August 2023	1,651	140	70	3	1,864
<b>Depreciation</b>					
At 1 September 2022	322	105	46	3	476
Charge for the year	37	23	6	-	66
At 31 August 2023	359	128	52	3	542
<b>Net book value</b>					
At 31 August 2023	1,292	12	18	-	1,322
At 31 August 2022	1,298	35	6	-	1,339

Transactions relating to land and buildings during the year include:

- New air conditioning units £12k
- New canopy £17k
- Other £2k

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 12 Debtors

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
VAT recoverable	2	4
Prepayments and accrued income	12	15
	<u>14</u>	<u>19</u>

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

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Other creditors	8	11
Accruals and deferred income	43	37
	<u>51</u>	<u>48</u>

### 14 Deferred income

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Deferred income is included within:		
Creditors due within one year	20	12
	<u>20</u>	<u>12</u>
Deferred income at 1 September 2022	12	13
Released from previous years	(12)	(13)
Resources deferred in the year	20	12
	<u>20</u>	<u>12</u>
Deferred income at 31 August 2023	20	12

At the balance sheet date the Academy Trust was holding funds received in advance for trips and Universal Infant Free School Meals.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 15 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	63	863	(866)	(29)	31
UIFSM	-	24	(24)	-	-
Pupil premium	-	69	(69)	-	-
Other DfE/ESFA grants	-	78	(78)	-	-
Other government grants	23	38	(40)	-	21
Pension reserve	(130)	-	(13)	143	-
	(44)	1,072	(1,090)	114	52
<b>Restricted fixed asset funds</b>					
DfE group capital grants	12	20	-	(20)	12
Fixed asset fund	1,339	-	(66)	49	1,322
	1,351	20	(66)	29	1,334
<b>Total restricted funds</b>	1,307	1,092	(1,156)	143	1,386
<b>Unrestricted funds</b>					
General funds	79	56	(49)	-	86
<b>Total funds</b>	1,386	1,148	(1,205)	143	1,472

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

#### General Annual Grant

Income received from the ESFA to cover the normal running costs of the Academy Trust. 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.

#### Other DfE/ESFA grants

This includes rates relief, recovery premium, national tutoring grant, supplementary grant, UIFSM, pupil premium, PE and Sports grant, Mainstream Schools Additional grant and small other grants.

#### Other government grants

This includes additional pupil premium and additional funding received from the Local Authority.

#### Other grants

Other grants funds include grant from KCC to support teaching of music within schools, funding provided by KCC for high needs pupils, term time only payment and other various items.

#### Transfer between funds

The transfer between funds represents the costs of devolved capital grant which have been used on revenue expenditure and purchase of fixed assets from other restricted grants.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) 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 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	28	847	(812)	-	63
UIFSM	-	20	(20)	-	-
Pupil premium	-	62	(62)	-	-
Other DfE/ESFA grants	-	19	(19)	-	-
Other government grants	19	49	(46)	-	22
PE and Sports Premium	1	18	(19)	-	-
Supplementary Grant	-	11	(11)	-	-
Other restricted funds	-	12	(12)	-	-
Pension reserve	(897)	-	(102)	869	(130)
	<u>(849)</u>	<u>1,038</u>	<u>(1,103)</u>	<u>869</u>	<u>(45)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	38	-	(26)	12
Fixed asset fund	1,377	-	(70)	32	1,339
	<u>1,377</u>	<u>38</u>	<u>(70)</u>	<u>6</u>	<u>1,351</u>
<b>Total restricted funds</b>	<u>528</u>	<u>1,076</u>	<u>(1,173)</u>	<u>875</u>	<u>1,306</u>
<b>Unrestricted funds</b>					
General funds	72	41	(28)	(6)	79
	<u>72</u>	<u>41</u>	<u>(28)</u>	<u>(6)</u>	<u>79</u>
<b>Total funds</b>	<u>600</u>	<u>1,117</u>	<u>(1,201)</u>	<u>869</u>	<u>1,385</u>

### 16 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Restricted funds: Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2023 are represented by:</b>				
Tangible fixed assets	-	-	1,322	1,322
Current assets	137	52	12	201
Current liabilities	(51)	-	-	(51)
<b>Total net assets</b>	<u>86</u>	<u>52</u>	<u>1,334</u>	<u>1,472</u>

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 16 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	1,339	1,339
Current assets	79	133	12	224
Current liabilities	-	(48)	-	(48)
Pension scheme liability	-	(130)	-	(130)
<b>Total net assets</b>	<b>79</b>	<b>(45)</b>	<b>1,351</b>	<b>1,385</b>

### 17 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 Kent 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 that of the LGPS related to the period ended 31 March 2019.

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

#### Teachers' Pension Scheme

##### Introduction

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 academy trusts. 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 4 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 latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 17 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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 next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £76k (2022: £72k).

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 contributions are as noted below. The agreed contribution rates for future years are 22.5% for employers and 5.5 to 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy 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.

<b>Total contributions made</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	56	50
Employees' contributions	14	14
	<hr/>	<hr/>
Total contributions	70	64
	<hr/> <hr/>	<hr/> <hr/>
<b>Principal actuarial assumptions</b>	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.90
	<hr/> <hr/>	<hr/> <hr/>

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 17 Pension and similar obligations

(Continued)

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

	<b>2023</b>	<b>2022</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	20.7	21.0
- Females	23.2	23.5
Retiring in 20 years		
- Males	22.0	22.3
- Females	24.6	24.9
	<u>          </u>	<u>          </u>

#### Sensitivity analysis

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate + 0.1%	-20	-25
Discount rate - 0.1%	21	+26
Mortality assumption + 1 year	25	+26
Mortality assumption - 1 year	-24	-25
Long term salary increase +0.1%	2	+2
Long term salary increase - 0.1%	-2	-2
Pension increase +0.1%	19	+24
Pension increase -0.1%	-18	-23
	<u>          </u>	<u>          </u>

#### Defined benefit pension scheme net asset/(liability)

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Scheme assets	953	790
Scheme obligations	(953)	(920)
	<u>          </u>	<u>          </u>
Net asset/(liability)	-	(130)
	<u>          </u>	<u>          </u>

#### The academy trust's share of the assets in the scheme

	<b>2023</b>	<b>2022</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£000</b>	<b>£000</b>
Equities	637	518
Other bonds	139	104
Cash	11	13
Gilts	6	5
Property	101	93
Other assets	110	57
Asset ceiling impact	(51)	-
	<u>          </u>	<u>          </u>
Total market value of assets	953	790
	<u>          </u>	<u>          </u>

The actual return on scheme assets was £99,000 (2022: £(10,000)).

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations	(Continued)	
<b>Amount recognised in the statement of financial activities</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Current service cost	65	137
Interest income	(35)	(13)
Interest cost	39	28
	<hr/>	<hr/>
Total operating charge	69	152
	<hr/> <hr/>	<hr/> <hr/>
<b>Changes in the present value of defined benefit obligations</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2022	920	1,639
Current service cost	65	137
Interest cost	39	28
Employee contributions	14	14
Actuarial gain	(79)	(892)
Benefits paid	(6)	(6)
	<hr/>	<hr/>
At 31 August 2023	953	920
	<hr/> <hr/>	<hr/> <hr/>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2022	790	742
Interest income	35	13
Actuarial (gain)/loss	115	(23)
Employer contributions	56	50
Employee contributions	14	14
Benefits paid	(6)	(6)
Asset ceiling impact	(51)	
	<hr/>	<hr/>
At 31 August 2023	953	790
	<hr/> <hr/>	<hr/> <hr/>

Included within the pension assets above is an "asset ceiling adjustment". The asset ceiling is the present value of the economic benefits that the employer can recover from the plan, such as reduced contributions or cash refunds. It is deemed for the Trust that the future costs expected for the employers contributions will outweigh the future service costs and therefore there is no economic benefit to the Trust and therefore the asset value is reduced to zero.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Reconciliation of net expenditure to net cash flow from operating activities	Notes	2023 £000	2022 £000
Net expenditure for the reporting period (as per the statement of financial activities)		(57)	(84)
Adjusted for:			
Capital grants from DfE and other capital income		(20)	(38)
Defined benefit pension costs less contributions payable	17	9	87
Defined benefit pension scheme finance cost	17	4	15
Depreciation of tangible fixed assets		66	70
Decrease in debtors		5	3
Increase in creditors		4	1
<b>Net cash provided by operating activities</b>		<u>11</u>	<u>54</u>

19 Analysis of changes in net funds	1 September 2022 £000	Cash flows £000	31 August 2023 £000
Cash	205	(18)	187
	<u>205</u>	<u>(18)</u>	<u>187</u>

### 20 Long-term commitments

#### Operating leases

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

	2023 £000	2022 £000
Amounts due within one year	4	5
Amounts due in two and five years	4	3
	<u>8</u>	<u>8</u>

### 21 Related party transactions

Owing to the nature of the academy trust's operations 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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

#### Income related party transactions

Valerie Harwood is a trustee of the Luddenham School Friends Association. During the year, the academy trust received £4k (2022: £7k) from the Luddenham School Friends Association.

# LUDDENHAM SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2023*

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### **22 Members' liability**

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