

Registered number: 01053039
Charity number: 309100

LUDGROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

LUDGROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Charity, its directors and advisers	1 - 2
Trustees' Annual Report	3 - 9
Trustees' Responsibilities Statement	10
Independent Auditor's Report	11 - 13
Consolidated Statement of Financial Activities	14
Consolidated Statement of Financial Position	15
Company Statement of Financial Position	16
Consolidated Statement of Cash Flows	17
Notes to the Financial Statements	18 - 37

LUDGROVE SCHOOL TRUST LIMITED

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Directors

P D Edey, Chairman

C L Butterworth, Deputy chairman

G W Barker

N R Brooks

R N T Cormack

R M den Besten

A B Henshilwood

A J Hinchliff

B J Holden

W S Johnston

M A Smyth-Osbourne

D D Vigers

R M Wiggin

Company secretary

M E Brittain

Company registered number

01053039

Charity registered number

309100

LUDGROVE SCHOOL TRUST LIMITED

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Registered office

Ludgrove School
Wokingham
Berkshire
RG40 3AB

Auditor

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

Bankers

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

Natwest Bank Plc
13 Market Place
Reading
RG1 2EG

Bank of Scotland
600 Gorgie Road
Edinburgh
EH11 3XP

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report and the financial statements for the year ended 31 August 2020. The financial statements consolidate the results of the School and Ludgrove School Foundation Limited.

Legal and administrative details

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

Directors

The directors, who are also governors and trustees, of the School at 31 August 2020 and during the year were:

P D Edey, Chairman
C L Butterworth, Deputy chairman
G W Barker
N R Brooks
E C Chappell (resigned 11 March 2020)
R N T Cormack
R M den Besten (appointed 24 June 2020)
A B Henshilwood
A J Hinchliff (appointed 12 February 2020)
B J Holden
W S Johnston
M A Smyth-Osbourne
D D Vigors
R M Wiggin

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

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

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

LUDGROVE SCHOOL TRUST LIMITED

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

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

The School had 191 (2019: 191) pupils on the register at the year end. The School rose to the extraordinary challenges thrown up by the Covid-19 pandemic, which meant the School was required to be closed physically for most of the Summer term. Teaching took place virtually and every effort was made to provide as complete an all round education as was possible in the circumstances. Some staff were furloughed for the Summer term but all received 100% of their salaries. Fees charged to parents were reduced to reflect the fact that the pupils were not able to attend the School for most of the term, resulting in a substantially reduced surplus for the Summer term. Throughout, the School followed the relevant guidance. The School was one of the first in the country to welcome some boarders back once permitted to do so.

Achievements and performance

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

When one thinks of a curriculum it is very easy to focus on the academic side of things. However, life outside the classroom is just as much a part of a child's education and sporting activity, cultural, musical and artistic studies continue to be an important part of life at the school. Sadly, Covid-19 meant such activities could only take place remotely in the Summer Term, but before that, team games of football and rugby were played against other schools at all ages and at all levels of ability. Additional matches are arranged in hockey, tennis, squash, fives, swimming, golf, chess, general knowledge, judo and athletics. Music and drama continue to play an important role in school life and all the boys take part in public speaking and poetry reciting events as well as in debates. The theatre, in its sixth year, continues to exceed expectations providing another spectacular dimension to our community. It has without doubt enhanced the confidence and character of the boys providing a 21st Century platform for their performances. It is also a venue which attracts high quality speakers and the lectures enjoyed this year have significantly enriched us all.

Once again the Chapel Choir sang at a charity Carol Service at St. Luke's Church, Chelsea, in aid of the Henry van Straubenzee Memorial Trust. The School's dramatic production 'Oliver!' in December involved over forty boys. Sadly, Covid restrictions prevented both the Middle School (Year 6) Play and the Fours' (Year 5) Summer Production from taking place.

During the summer holidays the construction of the Exploration Centre neared its completion and there was continued investment in ICT as well as a refurbishment of some dormitories. Likewise, there was re-painting of the exterior of the Chapel and extensive general repairs and redecoration.

LUDGROVE SCHOOL TRUST LIMITED

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2020

Public Benefit

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

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

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

Bursary policy

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

Ancillary or incidental educational and other associated activities

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

- During the first national lockdown the school has supported the community by producing 500 protective visors which were distributed to local schools, surgeries, care homes and hospices. With the national shortage of PPE, organisations of this type were struggling to source items such as this and were tremendously grateful of the support.
 - In addition, a number of furloughed staff volunteered to cook, pack and deliver meals for vulnerable school age children and their families in conjunction with the Grub Club, a local organisation set up to feed children in receipt of free school meals during school holidays. The staff volunteered their time and the school allowed use of the kitchen and provided the ingredients. While the school was closed deliveries to 160 people in 33 families were taking place twice weekly.
 - During the lockdown links were forged with local care homes and a large number of our boys corresponded with, and sent Easter cards to, elderly residents which was greatly appreciated.
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LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2020

- Ludgrove has entered into a partnership with a cluster of six local state schools and employs a part-time administrator who is responsible for identifying and implementing opportunities for collaborative working with those schools. In addition, Ludgrove provides a budget to allow the organisation of a range of curriculum enrichment events, ranging from large scale events reaching 1,000 + students to targeted activities designed to focus on small groups with specific needs.
- Ludgrove provides the use of the pool and pays the salary of a specialist swimming teacher to work with poor and non-swimmers in years 7 and 8, from a local state-funded secondary school, with a view to making them competent swimmers. This will be continued on a rolling basis with candidates for the programme being identified each year at the start of their secondary school careers.
- Ludgrove has made a specialist EAL teacher available one day a week to work one-to-one and with small groups of children with little or no English in KS1 and KS2 at three local state-funded primary schools. The schools do not have the specialist resources to provide the right level of support so Ludgrove's input both releases local school staff to work elsewhere and ensures that the children make the best progress possible with their English language development.
- Ludgrove has made a specialist teacher of Classics available one morning per week to deliver 'Archaeology of Language' course to gifted and talented English students in years 7, 8 and 9 at a local state-funded secondary school. About 180 children are benefitting from this experience
- During the year a quantity of surplus books was identified and distributed to local state schools to be made available to children who otherwise would have no access to books during school holidays. This helps to ensure that literacy skills do not deteriorate during periods away from school.
- Ludgrove's drama department lent a variety of props and costumes to local state-funded primary schools for use in their end-of-year productions.

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

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

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

Fundraising

All fundraising activities for the School are carried out by our staff with assistance from parents for specific fundraising events. The School does not use professional fundraisers. All fundraising activities are managed by the Head of Development and monitored by the directors. The School's subsidiary charity, The Ludgrove School Foundation, carries out fundraising activity for the Group and during the year raised £95,979 (2019: £850,344) in donations.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2020

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

Reserves policy

The Group's reserves of £11,715,364 (2019: £11,959,497) are held to enable the School to meet its objectives. The unrestricted reserves are substantially represented by fixed assets enabling the School to provide its services. During the year an amount of £893,715 was transferred from designated funds to unrestricted funds to cover Exploration Centre costs and to offset the small loss suffered in the Summer term as a result of the School closure in the School (2019: £477,946 was transferred from unrestricted funds into designated funds). The Group also holds £770,616 (2019: £1,191,362) in restricted funds, as explained in note 19. £479,630 was transferred from restricted funds in the year, mainly in respect of the cost of the Exploration Centre which has been partially funded by donations restricted for this purpose.

Investment policy

The Company's investments are held as cash. This cash and the Company's unrestricted funds are held by three different banks. Some of the cash that is not immediately required is held on time deposits.

Market value of land and buildings

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

Guarantee

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

Voluntary help

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

Financial Review

The surplus for the year amounted to £180,867 (2019: £1,231,267). This surplus is before actuarial gains and losses on the defined benefit pension scheme. The actuarial loss for 2020 was £425,000 (2019: £933,000) and the net decrease in funds totals £244,133 (2019: £298,267). At the year end, the Group had retained reserves of £11,715,364 (2019: £11,959,497) of which £9,947,243 (2019: £8,535,351) relates to tangible fixed assets in the school and the balance of these funds is to be used in financing current and future developments. During the year there was capital expenditure of £1,704,254 (2019: £521,113).

The principal key financial performance indicators monitored by the governors are number of boys and operating surplus. The operating surplus has reduced on the prior year as a result of the directors' policy of seeking to keep fees as manageable as possible, while maintaining the necessary investment in the school and its staff. The number of boys in the school at the year end was 191 (2019: 191) and the directors consider this to be satisfactory.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED FOR THE YEAR ENDED 31 AUGUST 2020

The Ludgrove School Foundation

The Ludgrove School Foundation, a wholly owned subsidiary of Ludgrove School Trust Limited and a registered charity with the objects of the advancement of education, in particular by the support and promotion of Ludgrove School, had a deficit for the year of £811,800, after making donations of £863,114 to the School (2019: surplus of £790,368), and is consolidated in these accounts.

Remuneration of Key Management Personnel

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

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

Impact of COVID-19

In early 2020, a coronavirus pandemic, COVID-19, emerged. The duration of this pandemic and the wider economic impacts are as yet unknown. In the UK there were immediate social and economic restrictions imposed, including the Government mandated closure of all schools. Ludgrove responded by arranging for the boys to travel home immediately, and the School buildings closed on 23 March 2020. The boys participated in lessons remotely for the duration of the Summer Term with a partial re-opening for some groups of boys from 1 June 2020.

Plans for future periods

The Exploration Centre was partially opened in September 2020 and promises to be an excellent addition to the School. The School was open as usual throughout the Michaelmas Term 2020 but closed again, as directed by the Government, for the first half of the Lent Term 2021. Robust remote learning plans are in place and the school is confident in its ability to function effectively remotely and safely physically depending on the guidelines laid down by the authorities.

Principal risks and uncertainties

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

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

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

LUDGROVE SCHOOL TRUST LIMITED
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TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

Provision of information to auditors

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

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

This report, incorporating the Group Strategic Report, was approved by the directors on 10 March 2021 and signed on their behalf by:


.....
P Edey
Director

LUDGROVE SCHOOL TRUST LIMITED

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Trustees' Responsibilities Statement

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

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

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

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

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

LUDGROVE SCHOOL TRUST LIMITED

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

Opinion

We have audited the financial statements of Ludgrove School Trust Limited (the 'Parent Charitable Company') and its subsidiary (the 'Group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2020 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

LUDGROVE SCHOOL TRUST LIMITED

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

Other information

The other information comprises the information included in the Trustees' Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Annual Report.

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

- adequate and sufficient accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are directors of the Parent Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

LUDGROVE SCHOOL TRUST LIMITED

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

In preparing the financial statements, the trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

This report is made solely to the Parent Charitable Company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Charitable Company's members and trustees, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Charitable Company, and the Parent Charitable Company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Julie Mutton (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

Onslow House
Onslow Street
Guildford
Surrey
GU1 4TL

Date: 19 April 2021

LUDGROVE SCHOOL TRUST LIMITED

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations	3	29,876	68,932	-	98,808	814,960
Charitable activities	4	4,850,745	-	-	4,850,745	5,426,767
Other trading activities	5	17,238	-	-	17,238	16,349
Investments	6	13,239	-	-	13,239	15,359
Other income	7	120,663	-	-	120,663	1,097
TOTAL INCOME		5,031,761	68,932	-	5,100,693	6,274,532
EXPENDITURE ON:						
Raising funds	8	33,416	-	-	33,416	28,160
Charitable activities	9	4,876,362	10,048	-	4,886,410	5,015,105
TOTAL EXPENDITURE		4,909,778	10,048	-	4,919,826	5,043,265
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		121,983	58,884	-	180,867	1,231,267
Transfers between funds	20	1,373,345	(479,630)	(893,715)	-	-
Other recognised (losses)/gains:						
Actuarial losses on defined benefit pension schemes		(425,000)	-	-	(425,000)	(933,000)
NET INCOME / MOVEMENT IN FUNDS FOR THE YEAR		1,070,328	(420,746)	(893,715)	(244,133)	298,267
Reconciliation of funds:						
<i>Total funds at 1 September 2019</i>		<i>7,250,775</i>	<i>1,191,362</i>	<i>3,517,360</i>	<i>11,959,497</i>	<i>11,661,230</i>
TOTAL FUNDS AT 31 AUGUST 2020		8,321,103	770,616	2,623,645	11,715,364	11,959,497

All activities relate to continuing operations.

The notes on pages 18 to 37 form part of these financial statements.

LUDGROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
NON CURRENT ASSETS					
Property, plant and equipment	15		9,947,243		8,535,351
Investments	16		<u>2,121,411</u>		<u>2,119,964</u>
			12,068,654		10,655,315
CURRENT ASSETS					
Trade and other receivables	17	205,490		352,746	
Cash and cash equivalents		<u>2,722,752</u>		<u>4,047,819</u>	
		2,928,242		4,400,565	
CURRENT LIABILITIES					
Trade and other payables	18	<u>(1,544,532)</u>		<u>(1,604,383)</u>	
NET CURRENT ASSETS			<u>1,383,710</u>		<u>2,796,182</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,452,364		13,451,497
PROVISIONS FOR LIABILITIES					
Pension liability	22		<u>(1,737,000)</u>		<u>(1,492,000)</u>
NET ASSETS			<u>11,715,364</u>		<u>11,959,497</u>
CONSOLIDATED FUNDS					
Designated funds	20		2,623,645		3,517,360
Restricted funds	20		770,616		1,191,362
Unrestricted funds	20		<u>8,321,103</u>		<u>7,250,775</u>
TOTAL FUNDS			<u>11,715,364</u>		<u>11,959,497</u>

The financial statements were approved by the directors on 10/3/21 and signed on their behalf, by:

P Edey

The notes on pages 18 to 37 form part of these financial statements.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020**

		2020		2019	
	Note	£	£	£	£
NON CURRENT ASSETS					
Property, plant and equipment	15		9,947,243		8,535,351
Investments	16		<u>2,121,411</u>		<u>2,119,964</u>
			12,068,654		10,655,315
CURRENT ASSETS					
Trade and other receivables	17	933,214		191,699	
Cash and cash equivalents		<u>1,609,776</u>		<u>3,012,154</u>	
		2,542,990		3,203,853	
CURRENT LIABILITIES					
Trade and other payables	18	<u>(1,534,452)</u>		<u>(1,594,643)</u>	
NET CURRENT ASSETS			<u>1,008,538</u>		<u>1,609,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,077,192		12,264,525
PROVISION FOR LIABILITIES					
Pension liability	22		<u>(1,737,000)</u>		<u>(1,492,000)</u>
NET ASSETS			<u>11,340,192</u>		<u>10,772,525</u>
CHARITY FUNDS					
Designated funds	20		2,623,645		3,517,360
Restricted funds	20		764,664		410,456
Unrestricted funds	20		<u>7,951,883</u>		<u>6,844,709</u>
TOTAL FUNDS			<u>11,340,192</u>		<u>10,772,525</u>

The unconsolidated net surplus of Ludgrove School Trust Limited for the year was £567,667 (2019: deficit of £492,371).

The financial statements were approved by the directors on 10/3/2021 and signed on their behalf, by:

P Edey

The notes on pages 18 to 37 form part of these financial statements.

LUDGROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash generated from operating activities	A	208,472	1,560,802
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		13,239	15,359
Purchase of property, plant and equipment		(1,545,331)	(311,659)
Increase in fixed asset investments		<u>(1,447)</u>	<u>(1,736)</u>
Net cash used in investing activities		<u>(1,533,539)</u>	<u>(298,036)</u>
Change in cash and cash equivalents in the reporting period		(1,325,067)	1,262,766
Cash and cash equivalents at the beginning of the reporting period		4,047,819	2,785,053
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		<u>2,722,752</u>	<u>4,047,819</u>

NOTE TO THE STATEMENT OF CASH FLOWS:

A. RECONCILIATION OF NET INCOME TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income before other recognised gains and losses	180,867	1,231,267
Interest received	(13,239)	(15,359)
Depreciation of property, plant and equipment	292,362	286,190
Decrease/(Increase) in trade and other receivables	147,256	(161,054)
(Decrease)/Increase in trade and other payables	(218,774)	151,758
Defined benefit pension scheme adjustments	<u>(180,000)</u>	<u>68,000</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>208,472</u>	<u>1,560,802</u>

The notes on pages 18 to 37 form part of these financial statements.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

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

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

1.2 Basis of consolidation

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

1.3 Going concern

The School has revised its cashflow projections to take account of the COVID-19 related closure from January 2021. The full impact of the pandemic is as yet unknown but the directors have reviewed the funds available to the School together with the expected ongoing demand for places and the future projected cash flows, and have concluded that the school has adequate resources to continue its activities for the foreseeable future. Additionally, despite the current uncertainty in the wider economy, the strength of the School's Balance Sheet is such that the directors consider that there is currently no material uncertainty over the school's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Company status

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

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

1.5 Fund accounting

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

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

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

1.6 Income

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

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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

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

1.7 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

1.8 Property, plant and equipment

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

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

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

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

1.9 Operating leases

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

1.10 Taxation

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

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

1.11 Pensions

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

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

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

1.11 Pensions (continued)

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

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

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

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

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises: (a) the increase in pension benefit liability arising from employee service during the period; and (b) the cost of plan introductions, benefit changes, curtailments and settlements.

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

1.12 Financial instruments

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

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

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

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

1.12 Financial instruments (continued)

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

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

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

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

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

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

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

Defined benefit pension scheme

The Charity has an obligation to pay pension benefits to employees. The costs of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary and pension increases, and the discount rate on corporate bonds. The directors make appropriate judgements and estimates based on professional advice received from the scheme's actuary. The discount rate used as at 31 August 2020 has reduced to 1.60% from 1.90% at the previous year end. This has resulted in a significant increase in the present value of scheme liabilities and therefore an increase in the net deficit recorded on the Balance Sheet.

Useful lives of depreciable assets

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

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

3. INCOME FROM DONATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	<u>29,876</u>	<u>69,932</u>	<u>-</u>	<u>98,808</u>	<u>814,960</u>

Included in donations income of £814,960 for the year ended 31 August 2019 is £780,906 which relates to restricted funds and the balance of £34,054 relates to unrestricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fees receivable	4,736,690	-	-	4,736,690	5,178,900
Extras	263,964	-	-	263,964	352,961
Non-refundable registration fees	10,497	-	-	10,497	14,285
Discounts and bursaries	(160,406)	-	-	(160,406)	(117,470)
Release of refundable deposits	-	-	-	-	(1,909)
	<u>4,850,745</u>	<u>-</u>	<u>-</u>	<u>4,850,745</u>	<u>5,426,767</u>

All income from other charitable activities in 2019 relates to unrestricted funds.

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Designated funds 2019 £	Total funds 2020 £	Total funds 2019 £
Rent receivable	4,098	-	-	4,098	4,098
Other income	13,140	-	-	13,140	12,251
	<u>17,238</u>	<u>-</u>	<u>-</u>	<u>17,238</u>	<u>16,249</u>

All income from other trading activities in 2019 relates to unrestricted funds.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

6. INCOME FROM INVESTMENTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	<u>13,239</u>	<u>-</u>	<u>-</u>	<u>13,239</u>	<u>15,359</u>

All investment income in 2019 relates to unrestricted funds.

7. OTHER INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Insurance proceeds	-	-	-	-	1,097
Job Retention Scheme grant income	120,663	-	-	120,663	-
	<u>120,663</u>	<u>-</u>	<u>-</u>	<u>120,663</u>	<u>1,097</u>

All other income in 2019 relates to unrestricted funds.

8. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank charges	-	-	-	-	1,926
Fundraising events	2,217	-	-	2,217	-
Fundraising administration	9,558	-	-	9,558	-
Staff costs	21,641	-	-	21,641	26,234
	<u>33,416</u>	<u>-</u>	<u>-</u>	<u>33,416</u>	<u>28,160</u>

All expenditure on raising funds in 2019 relates to unrestricted funds.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

9. EXPENDITURE BY CHARITABLE ACTIVITY

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	3,000,104	-	-	3,000,104	2,956,205
Direct costs	655,474	10,048	-	665,522	881,675
Depreciation	292,361	-	-	292,361	286,190
Support costs (note 10)	928,423	-	-	928,432	891,035
	<u>4,876,362</u>	<u>10,048</u>	<u>-</u>	<u>4,886,410</u>	<u>5,015,105</u>

Included in direct costs in 2019 is £13,252 which relates to restricted funds. All other expenditure on charitable activities in 2019 relates to unrestricted funds.

10. SUPPORT COSTS

	Basis of Allocation	Support costs £	Total 2020 £	Total 2019 £
Other finance expense (note 13)	Direct	26,000	26,000	13,000
Office costs	Direct	1,788	1,788	3,840
Premises	Direct	575,439	575,439	561,143
Garden & grounds	Direct	75,849	75,849	80,996
Professional fees	Direct	47,604	47,604	66,301
Other support costs	Direct	133,428	133,428	142,526
Donations	Direct	5,009	5,009	1,269
Governance costs	Direct	63,306	63,306	21,960
		<u>928,423</u>	<u>928,423</u>	<u>891,035</u>

All expenditure on support costs relates to unrestricted funds.

11. NET INCOME

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets: - owned by the Charitable Group	292,362	286,190
Auditor's remuneration:		
- statutory audit of the Group	15,000	6,160
- statutory audit of the subsidiary	8,400	9,600
- statutory audit of the pension fund	10,788	9,540
- accounting services	39,144	54,258
- tax advisory	1,944	1,920
Operating lease rentals	<u>75,234</u>	<u>63,421</u>

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

12. STAFF COSTS

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	2,492,417	2,521,339
Social security costs	234,317	236,411
Defined contribution pension costs	295,011	169,689
Defined benefit pension cost (note 22)	-	55,000
	<u>3,021,745</u>	<u>2,982,439</u>

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

	2020	2019
	No.	No.
Teaching, pastoral and household	93	93
Maintenance	6	6
Administration	7	7
	<u>106</u>	<u>106</u>

The number of higher paid employees was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	<u>1</u>	<u>-</u>

The Charity and Group's key management personnel comprise the directors, the headmaster, the deputy head and the bursar. Total remuneration paid to key management personnel was £281,991 (2019: £227,915).

13. DIRECTORS' REMUNERATION

During the year, no directors received any remuneration (2019: none).

During the year, no directors received any benefits in kind (2019: none).

During the year retirement benefits were accruing to no directors (2019: none) in respect of defined benefit pension schemes.

During the year, no directors were reimbursed expenses (2019: none).

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

14. FINANCE EXPENSE

	2020 £	2019 £
Interest income on pension scheme assets	172,000	221,000
Interest on pension scheme liabilities	(198,000)	(234,000)
Net interest on net defined benefit liability	<u>(26,000)</u>	<u>(13,000)</u>

15. PROPERTY, PLANT AND EQUIPMENT

Group and Company	Assets under the course of construction £	Land & Buildings £	Plant & machinery £	Motor vehicles £	Total £
Cost					
At 1 September 2019	383,714	10,412,279	1,452,351	30,469	12,278,813
Additions	<u>1,591,737</u>	<u>60,564</u>	<u>51,953</u>	<u>-</u>	<u>1,704,254</u>
At 31 August 2020	<u>1,975,451</u>	<u>10,472,843</u>	<u>1,504,304</u>	<u>30,469</u>	<u>13,983,067</u>
Depreciation					
At 1 September 2019	-	2,598,189	1,119,319	25,954	3,743,462
Charge for the year	<u>-</u>	<u>208,728</u>	<u>82,505</u>	<u>1,129</u>	<u>292,362</u>
At 31 August 2020	<u>-</u>	<u>2,806,917</u>	<u>1,201,824</u>	<u>27,083</u>	<u>4,035,824</u>
Net book value					
At 31 August 2020	<u>1,975,451</u>	<u>7,665,926</u>	<u>302,480</u>	<u>3,386</u>	<u>9,947,243</u>
At 31 August 2019	<u>383,714</u>	<u>7,814,090</u>	<u>333,032</u>	<u>4,515</u>	<u>8,535,351</u>
Included in net book value of land and buildings is:					
				2020 £	2019 £
Freehold land and buildings				9,316,514	7,922,577
Long leasehold				62,015	62,980
Short leasehold				<u>262,847</u>	<u>212,247</u>

LUDGROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. FIXED ASSET INVESTMENTS

Group and Company	Other investments £
Market value	
At 1 September 2019	2,119,964
Additions	<u>1,447</u>
At 31 August 2020	<u><u>2,121,411</u></u>

The investments held are held in sterling cash accounts.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Trade receivables	70,573	88,598	69,073	88,598
Amounts owed by group undertakings	-	-	736,806	594
Prepayments and accrued income	126,856	218,028	126,856	102,028
Grant receivables	7,582	-	-	-
Other receivables	479	46,120	479	479
	<u>205,490</u>	<u>352,746</u>	<u>933,214</u>	<u>191,699</u>

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

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

	Group		Company	
	2019 £	2019 £	2020 £	2019 £
Other payables	220,114	226,478	220,114	226,478
Accruals	505,952	405,960	495,872	396,360
Deferred income (note 19)	818,466	971,945	818,466	971,805
	<u>1,544,532</u>	<u>1,604,383</u>	<u>1,534,452</u>	<u>1,594,643</u>

19. DEFERRED INCOME

Deferred income relates to school fees paid in advance.

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
As at 1 September	971,945	817,856	971,805	817,856
Amounts released to SOFA	(971,945)	(817,856)	(971,805)	(817,856)
Amounts deferred in the year	818,466	971,945	818,466	971,805
As at 31 August	<u>818,466</u>	<u>971,945</u>	<u>818,466</u>	<u>971,805</u>

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

20. STATEMENT OF FUNDS - GROUP

	Brought forward 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward 31 August 2020 £
General Funds - all funds	<u>7,250,775</u>	<u>5,031,761</u>	<u>(4,909,778)</u>	<u>1,373,345</u>	<u>(425,000)</u>	<u>8,321,103</u>
Designated funds						
Strategic reserve	750,000	-	-	-	-	750,000
Long-term investment reserve	750,000	-	-	-	-	750,000
Bursary reserve	-	-	-	-	-	-
Facilities development reserve	40,002	-	-	(40,002)	-	-
Special projects reserve	<u>1,977,358</u>	-	-	<u>(853,713)</u>	-	<u>1,123,645</u>
Total designated funds	<u>3,517,360</u>	-	-	<u>(893,715)</u>	-	<u>2,623,645</u>
Restricted funds						
Learning support	10,456	-	-	-	-	10,456
COVID-19 hardship fund	-	47,464	(10,048)	(9,420)	-	27,996
Exploration Centre	<u>1,180,906</u>	<u>21,468</u>	-	<u>(470,210)</u>	-	<u>732,164</u>
Total restricted funds	<u>1,191,362</u>	<u>68,932</u>	<u>(10,048)</u>	<u>(479,630)</u>	-	<u>770,616</u>
Total of funds	<u>11,959,497</u>	<u>5,100,693</u>	<u>(4,919,826)</u>	-	<u>(425,000)</u>	<u>11,715,364</u>

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

20. STATEMENT OF FUNDS (continued) - COMPANY

	Brought forward 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward 31 August 2020 £
General Funds - all funds	<u>6,844,709</u>	<u>5,004,449</u>	<u>(4,896,312)</u>	<u>1,424,037</u>	<u>(425,000)</u>	<u>7,951,883</u>
Designated funds						
Strategic reserve	750,000	-	-	-	-	750,000
Long-term investment reserve	750,000	-	-	-	-	750,000
Bursary reserve	-	-	-	-	-	-
Facilities development reserve	40,002	-	-	(40,002)	-	-
Special projects reserve	<u>1,977,358</u>	-	-	<u>(853,713)</u>	-	<u>1,123,645</u>
Total designated funds	<u>3,517,360</u>	-	-	<u>(893,715)</u>	-	<u>2,623,645</u>
Restricted funds						
Learning support	10,456	-	-	-	-	10,456
COVID-19 hardship fund	-	31,464	-	(9,420)	-	22,044
Bursary fund	-	10,048	(10,048)	-	-	-
Exploration Centre	<u>400,000</u>	<u>853,066</u>	-	<u>(520,902)</u>	-	<u>732,164</u>
Total restricted funds	<u>410,456</u>	<u>894,578</u>	<u>(10,048)</u>	<u>(530,322)</u>	-	<u>764,664</u>
Total of funds	<u>10,772,525</u>	<u>5,899,027</u>	<u>(4,906,360)</u>	-	<u>(425,000)</u>	<u>11,340,192</u>

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. STATEMENT OF FUNDS (continued)

Designated funds

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

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

The Facilities development reserve has been set up for the provision of future development requirements of the School.

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

Restricted funds

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

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

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

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

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tangible fixed assets	9,947,243	-	-	9,947,243	8,535,351
Fixed asset investments	-	-	2,121,411	2,121,411	2,119,964
Current assets	1,655,392	770,616	502,234	2,928,242	4,400,565
Creditors due within one year	(1,544,532)	-	-	(1,544,532)	(1,604,383)
Provisions for liabilities and charges	(1,737,000)	-	-	(1,737,000)	(1,492,000)
	<u>8,321,103</u>	<u>770,616</u>	<u>2,623,645</u>	<u>11,715,364</u>	<u>11,959,497</u>

All tangible fixed assets for 2019 relate to unrestricted funds. All fixed asset investments for 2019 relate to designated funds. Included within current assets for 2019 is £1,191,362 relating to restricted funds, £1,397,396 relating to designated funds, with the balance of £1,811,807 relating to unrestricted funds. All creditors and provisions for liabilities and charges for 2019 relate to unrestricted funds.

COMPANY	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tangible fixed assets	9,947,243	-	-	9,947,243	8,535,351
Fixed asset investments	-	-	2,121,411	2,121,411	2,119,964
Current assets	1,276,092	764,664	502,234	2,542,990	3,203,853
Creditors due within one year	(1,534,452)	-	-	(1,534,452)	(1,594,643)
Provisions for liabilities and charges	(1,737,000)	-	-	(1,737,000)	(1,492,000)
	<u>7,951,883</u>	<u>764,664</u>	<u>2,623,645</u>	<u>11,340,192</u>	<u>10,772,525</u>

All tangible fixed assets for 2019 relate to unrestricted funds. All fixed asset investments for 2019 relate to designated funds. Included within current assets for 2019 is £410,456 relating to restricted funds, £1,397,396 relating to designated funds, with the balance of £1,396,001 relating to unrestricted funds. All creditors and provisions for liabilities and charges for 2019 relate to unrestricted funds.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

22. PENSION COMMITMENTS

Ludgrove School Trust Limited operates a Group Personal Pension scheme, a defined contribution scheme, for the benefit of certain employees. Contributions in the year were £295,011 (2019: £166,582).

The Group also operates a defined benefit pension scheme.

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

The amounts recognised in the Balance Sheet are as follows:

	2020 £	2019 £
Present value of funded obligations	(10,868,000)	(10,631,000)
Fair value of scheme assets	<u>9,131,000</u>	<u>9,139,000</u>
Net balance	<u><u>(1,737,000)</u></u>	<u><u>(1,492,000)</u></u>

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

	2020 £	2019 £
Past service cost - Guaranteed Minimum Pension equalisation	-	55,000
Net interest cost	<u>26,000</u>	<u>13,000</u>
	<u><u>26,000</u></u>	<u><u>68,000</u></u>

No amounts (2019: £Nil) were included in the cost of assets.

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	Assets £	Liabilities £	Total £
At 1 September 2019	9,139,000	(10,631,000)	(1,492,000)
Interest income on scheme assets	172,000	-	172,000
Expected return on assets	4,000	-	4,000
Interest cost	-	(198,000)	(198,000)
Actuarial gains / (losses)	-	(429,000)	(429,000)
Contributions by the employer	206,000	-	206,000
Past service cost	-	-	-
Benefits paid	(390,000)	390,000	-
At 31 August 2020	<u>9,131,000</u>	<u>(10,868,000)</u>	<u>(1,737,000)</u>

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

The Group expects to contribute £nil (2019: £200,000) to its defined benefit pension scheme in 2021 representing contributions made by the school.

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

	2020	2019
Pension revaluation in deferment (CPI, maximum 5% with effect from 6 April 1999 to 31 July 2007)	2.40%	2.50%
Pension revaluation in deferment (CPI, maximum 2.5% with effect from 1 August 2007)	2.40%	2.50%
Discount rate	1.60%	1.90%
Pension escalation in payment (RPI, max 2.5% with effect from 1 August 2007)	2.10%	2.10%
Pension escalation in payment (RPI, max 5% with effect from 6 April 1999 to 31 July 2007)	3.10%	3.20%
RPI inflation	3.20%	3.30%
CPI inflation	2.40%	2.50%

LUDGROVE SCHOOL TRUST LIMITED

(A company limited by guarantee)

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

23. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Group had annual commitments under non-cancellable operating leases as follows:

Group and Company	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Expiry date:				
Less than 1 year	46,143	40,923	12,609	17,376
Between 2 and 5 years	28,053	28,053	6,572	2,604
Greater than 5 years	<u>2,338</u>	<u>30,391</u>	<u>204</u>	<u>1,952</u>

24. CAPITAL COMMITMENTS

The School has a capital commitment in respect of construction costs of the Exploration Centre which amounted to £524,549 (2019: £nil) at the year end.

25. RELATED PARTY TRANSACTIONS

The Foundation made bursary grants of £10,048 (2019: £20,130) and grants in support of the Exploration Centre building project of £853,066 (2019: £nil) to the School during the year. £736,806 (2019: £Nil) was outstanding at the year end.

The Headmaster's wife works at the school and received remuneration in the year of £51,266 (2019: £53,304). The Deputy Headmaster's wife also works at the school and received remuneration in the year of £35,940 (2019: £34,978).

During the year, the Group received donations from trustees of £300 (2019: £5,000).

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

26. CONTROLLING PARTY

There is considered to be no ultimate controlling party.

LUDGROVE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. SUBSIDIARY

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

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

Summary of subsidiary assets and liabilities

	2020 £	2019 £
Debtors	9,082	161,641
Cash	1,112,976	1,035,665
Creditors	<u>(746,886)</u>	<u>(10,334)</u>
Net Assets	<u>375,172</u>	<u>1,186,972</u>

Income and expenditure summary

	2020 £	2019 £
Voluntary income	95,979	850,344
Costs of generating voluntary income	(33,416)	(26,234)
Donations	(863,114)	(20,130)
Professional fees	(74)	(1,926)
Governance costs	<u>(11,175)</u>	<u>(11,416)</u>
(Deficit)/surplus	<u>(811,800)</u>	790,638
Funds brought forward	<u>1,186,972</u>	<u>396,334</u>
Total	<u>375,172</u>	<u>1,186,972</u>

