LDBS Academies Trust
LAT and LAT 2

Accounting Statement
2025-26 Accounts

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On behalf of the Trust Board of Directors			
Name	Peter King	**Name**	Christalla Jamil
Position	Chair of the Board of Directors	**Position**	CEO
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1 Purpose

This Statement sets out the principal accounting policies applied by LDBS Academies Trust and LDBS Academies Trust 2 (together, "the Trusts") in preparing their annual financial statements.

It records the principles, bases, conventions, rules and practices used to recognise, measure, present and disclose material transactions, balances and events. It does not replace the Trust Finance Manual, which contains the detailed financial controls, authorisation arrangements and operational procedures.

The Board approves this Statement and is responsible for ensuring that the policies are applied consistently across the Trusts. The policies are reviewed annually and whenever a change in accounting standards or sector requirements makes an earlier review necessary.

2 Regulatory framework

The annual financial statements will be prepared in accordance with the requirements applying to the relevant accounting period, including:

- the Companies Act 2006
- applicable charity law;
- Financial Reporting Standard 102 (FRS 102);

- the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102;
- the current Academies Accounts Direction and model accounts issued by the Department for Education;
- the current Academy Trust Handbook; and
- the Trusts' Funding Agreements.

Where any provision in this Statement conflicts with a mandatory legal, accounting or Department for Education requirement, that requirement takes precedence.

3 Basis of preparation

The financial statements are prepared under the accruals convention and principally on the historical cost basis, modified where an applicable accounting standard requires another measurement basis. The Trusts are public benefit entities.

The financial statements must give a true and fair view. Accounting policies will be applied consistently between accounting periods unless a change is required by FRS 102 or results in information that is more reliable and relevant.

4 Going concern

The Board assesses whether use of the going-concern basis is appropriate when approving the annual financial statements. The assessment will cover at least the period required by the accounting framework applying to those statements and will consider the approved budget, financial forecasts, cash flow, pupil-number and funding assumptions, reserves, known commitments, material liabilities and any other conditions that could cast significant doubt on the Trusts' ability to continue operating.

Any material uncertainty and the basis of the Board's conclusion will be disclosed in the annual financial statements as required.

5 Income Recognition

Income is recognised when the Trusts are entitled to the income, receipt is probable and the amount can be measured reliably.

- Grants are recognised in accordance with the terms and conditions attached to the funding.
- Income received before the Trusts are entitled to it is recognised as deferred income where required.
- Where entitlement arises before receipt, income is accrued.
- Capital grants are accounted for within restricted fixed-asset funds where applicab
- Donations and gifts in kind are recognised where there is a measurable and material benefit and the recognition criteria are met.
- Other income is recognised in the period to which it relates.

6 Expenditure recognition

Expenditure is recognised in the period in which the related goods or services are received or the obligation arises, provided that the amount can be measured reliably. Expenditure is classified according to the nature of the activity and includes irrecoverable VAT where applicable.

Income and expenditure are recorded gross and are not offset unless an applicable accounting standard permits or requires net presentation..

7 Debtor, creditors, accruals and prepayments

Material income and expenditure will be recognised in the accounting period to which it relates. Debtors, creditors, accruals, prepayments and deferred income will be recognised where required by the applicable accounting framework.

This Statement does not prescribe a separate de minimis threshold for these balances. Materiality will be assessed for the annual financial statements, taking account of the nature and amount of the item and advice from the external auditor where appropriate.

8 Provisions and contingent liabilities

A provision is recognised where the Trusts have a present legal or constructive obligation arising from a past event, it is probable that settlement will require an outflow of resources, and the amount can be estimated reliably.

Possible obligations, and present obligations that do not meet the recognition criteria, will be considered for disclosure as contingent liabilities in accordance with the applicable accounting framework.

9 Financial instruments

Financial assets and financial liabilities are recognised and measured in accordance with FRS 102. Basic financial instruments may include cash, deposits, debtors, creditors and other contractual amounts receivable or payable. The particular categories and measurement bases used will be disclosed in the annual financial statements where required.

10 Tangible fixed assets

Tangible fixed assets are recognised where the Trusts control the asset, it is expected to provide economic benefit or service potential for more than one financial year, its cost or value can be measured reliably, and the capitalisation criteria in Annex A are met.

Purchased assets are initially measured at cost, including directly attributable expenditure necessary to bring the asset into use. Donated and transferred assets are recognised at the value required by the applicable accounting framework.

Assets under construction are held at cost and are not depreciated until they are available for use. Assets are reviewed for indicators of impairment at each reporting date.

11 Leases

Lease arrangements are recognised, measured, presented and disclosed in accordance with the requirements applying to the relevant accounting period. The Finance Manager will review material lease arrangements as part of the year-end process and obtain external audit advice where the appropriate accounting treatment is unclear.

12 Investments and cash deposits

Investments and cash deposits are recognised and measured in accordance with FRS 102 and the nature of the instrument. Operational arrangements, authority limits and the management of risk are governed by the Trust Finance Manual and any Board-approved investment arrangements.

13 Employee benefits and pensions

Short-term employee benefits are recognised as expenditure in the period in which the service is received.

Retirement benefits are provided through the Teachers' Pension Scheme and the Local Government Pension Scheme. Pension costs, assets, liabilities and disclosures are recognised in accordance with FRS 102, the applicable sector guidance and information supplied by the schemes and their actuaries

14 Taxation

The Trusts are charitable companies. Tax liabilities are recognised where they arise. Exemptions available to charitable companies are applied only to the extent that the relevant income and gains are used for charitable purposes and the applicable conditions are met.

15 Fund accounting

- Unrestricted funds are resources available for use at the discretion of the Board in furtherance of the Trusts' charitable objects.
- Restricted general funds are resources subject to specific restrictions imposed by the funder or by the purpose of an appeal.
- Restricted fixed-asset funds are resources that must be applied to specified capital purposes and include the carrying value of assets financed from restricted funding, where applicable.

Income, expenditure, assets and liabilities are allocated to the appropriate fund. Transfers between funds are made only where permitted and are disclosed where required.

16 Reserves

The Board reviews the Trusts' reserves position at least annually and determines the level and composition of reserves considered appropriate in the light of financial risks, commitments and strategic plans. The annual report explains the reserves held, the purpose of designated amounts and the extent to which the Board's reserves objectives have been achieved.

Detailed financial planning, monitoring and use of reserves are governed by the Trust Finance Manual and the Board's approved financial plans.

17 Critical accounting judgements and estimates

Preparation of the financial statements requires the use of judgements, estimates and assumptions. Material judgements and sources of estimation uncertainty will be documented and disclosed where required. The annual review outlined in Annex B will support this assessment.

18 Monitoring and review

The Finance Manager is responsible for coordinating the annual review of this Statement, confirming consistency with the Trust Finance Manual and the accounting policies disclosed in the statutory accounts, and seeking external audit advice where required.

Material proposed changes will be reported to the Audit and Risk Committee before being recommended to the Board for approval. The Board retains responsibility for approving the accounting policies used in the annual financial statements.

Annex A: Capitalisation and depreciation schedule

A1. Capitalisation threshold

Expenditure on assets other than land and buildings is capitalised where the acquisition cost per item is £2,000 or more and the other recognition criteria in section 10 are met.

A group of related items, such as a suite of computers, is capitalised where the combined value is £2,000 or more, even if each individual item costs less than £2,000. Expenditure must not be divided artificially to avoid the threshold.

A2. Land and buildings

New land and buildings are recorded at actual build or acquisition cost, except where another measurement basis is required for gifted or transferred assets.

Repair, refurbishment or extension expenditure is capitalised only where the applicable accounting criteria are met. Routine repair and maintenance expenditure is charged to revenue.

A3. Depreciation

Depreciation is charged on a straight-line basis over the estimated useful economic life of the asset. The approved schedule is:

Asset category	Useful economic life
Land	Not depreciated
Buildings	50 years, or professionally assessed useful life
Furniture, plant and equipment	5 years
Motor vehicles	5 years
Computer equipment	5 years
Major IT and telecommunications infrastructure	10 years
Building improvements	10 years
Assets under construction	Not depreciated until available for use

Where a professional assessment supports a materially different useful life, that life may be used and the basis must be documented. Useful lives, residual values and impairment indicators are reviewed at least annually.

A4. Fixed-asset register

Capitalised assets are recorded in the fixed-asset register. The register will include sufficient information to identify the asset, its location, acquisition or completion date, cost or recognised value, source of funding, useful economic life, accumulated depreciation, net book value and disposal details where applicable.

Annex B: Annual accounting judgements and consistency review

This annex is a governance checklist. It does not create accounting thresholds that are not stated in the Trust Finance Manual or approved separately by the Board.

B1. Annual judgements review

Area	Required annual consideration	Evidence or conclusion
Going concern	Whether the going-concern basis remains appropriate and whether any material uncertainty requires disclosure.	
Income recognition	Whether entitlement, probability, measurement and any performance conditions have been assessed for material income streams.	
Restricted funds	Whether income, expenditure and balances are classified against the correct restrictions and grant conditions.	
Year-end cut-off	Whether material income and expenditure are recorded in the correct accounting period.	
Capital or revenue	Whether material projects and unusual expenditure have been classified according to their substance.	
Fixed assets	Whether useful lives remain appropriate and whether assets are obsolete, disposed of, damaged or impaired.	
Assets under construction	Whether completed projects have been transferred to the appropriate fixed-asset category.	
Leases	Whether material arrangements have been identified and treated under the requirements applying to the accounting period.	
Provisions and contingencies	Whether obligations require recognition or disclosure.	
Pensions	Whether scheme and actuarial information has been obtained and reflected correctly.	
Other material matters	Whether any new or unusual transaction requires a specific policy or disclosure.	

B2. Consistency with other documents

- the capitalisation threshold agrees with the Trust Finance Manual;
- the depreciation methods and useful lives agree with the Trust Finance Manual;
- the treatment of restricted and unrestricted funds is consistent across the accounting records and statutory accounts;
- the reserves wording is consistent with the Board-approved reserves position and annual report;
- lease accounting reflects the requirements applying to the relevant accounting period;
- obsolete regulatory references have been removed; and
- the policies disclosed in the statutory accounts are consistent with this Statement.

B3. Resolution of inconsistencies

If an inconsistency is identified, mandatory legal, accounting, Department for Education and Funding Agreement requirements take precedence. This Statement governs accounting recognition, measurement, presentation and disclosure. The Trust Finance Manual governs operational processes and internal controls. External audit advice will be obtained where the correct accounting treatment is uncertain, and any material amendment will be submitted through the Audit and Risk Committee to the Board.