

LONGDEAN SCHOOL

(A Company Limited by Guarantee)

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

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr C Hughes Mr Roger Bowley Mr M Evans (resigned 23 September 2019) Mr P Fallon Mrs L Butler (appointed 21 September 2020)
Trustees	Ms K McKerrell, Staff Governor Mrs J Hewison, Community Governor (resigned 15 December 2019) Mrs J Green, Parent Governor Mrs K Falconer, Parent Governor (resigned 18 May 2020) Mr C Barling, Community Governor Mr P Dunford, Parent Governor (resigned 10 May 2020) Mr M Gurney, Parent Governor (resigned 15 December 2019) Ms A Tattershall, Community Governor Mr M Evans, Parent Governor (resigned 23 September 2019) Mr A Hales, Community Governor (resigned 23 November 2019) Mr K Falconer, Community Governor (resigned 18 May 2020) Mr G Cunningham, Headteacher Mr N Parsons, Co-opted Governor Ms M Quinn, Staff Governor Mr I Loffler, Staff Governor Mr R Upson, Community Governor Mrs K Papakonstantinou, Parent Governor (appointed 15 October 2019, resigned 21 September 2020) Mrs N Glaysher, Community Governor (appointed 13 July 2020) Mr M Tattershall, Parent Governor (appointed 16 December 2019) Mrs C Rumble, Parent Governor (appointed 16 December 2019) Mr R Venn, Parent Governor (appointed 16 December 2019) Mr A Quirke, Community Governor (appointed 21 September 2020) Ms T Andrews, Parent Governor (appointed 14 December 2020)
Company registered number	07695624
Company name	Longdean School
Registered and principal office	Rumballs Road, Hemel Hempstead, Hertfordshire HP3 8JB
Company Secretary	Ms T Doyle
Accounting Officer	Mr G Cunningham

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Senior Leadership Team

Mr G Cunningham, Headteacher
Miss S Embrey, Deputy Headteacher
Mr D Lawrence, Assistant Headteacher
Mrs G Segal, Deputy Headteacher
Mr R Muskett, Assistant Headteacher
Mr P Ratcliffe, Assistant Headteacher
Ms T Doyle, Finance Director
Ms B Segalini, Assistant Headteacher
Ms C Ring, Acting Assistant Headteacher

Independent Auditors

Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers

Lloyds TSB
PO Box 1000
BX1 1LT

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

LONGDEAN SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Longdean School for the year ended 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an Academy School for students aged 11-19 serving the catchment area of East Dacorum. It has a Planned Admission Number (PAN) of 1,476, a physical capacity of 1,500 in its new building, and a roll of 1,339 in the 2020 school census.

Structure, Governance and Management

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Longdean School (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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 and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Board of Trustees. There are 6 Parent Trustees and 3 Staff Trustees who are elected to office or appointed if there are insufficient candidates offering themselves for election. 6 Community Trustees have been nominated and elected by the Board of Trustees. There are two co-opted Trustees nominated by the Board of Trustees, with the option for a third co-opted Trustee to be nominated by the Members.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development led by School staff and links with relevant training providers, as well as subscriptions to useful websites.

All new Trustees are entitled to an induction to the role, according to their need, which may include introductory sessions, mentoring and formal courses.

Trustees are linked to their own departments or specific areas of focus.

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

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least 5 occasions per year, and each individual Committee at least 3 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results, approves major expenditure requests, sets the budget for the following year, sets the organisational staffing structure, agrees the performance objectives of the Headteacher with the School Educational Adviser, and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

To improve effectiveness and efficiency, and where circumstances may permit, the Board of Trustees looks to devolve certain responsibilities to specific Committees. These Committees operate within their own Terms of Reference and under a delegated authority from the Trust Board, with certain matters referred back to the full Trust Board where circumstances dictate, e.g. there is a statutory requirement to do so, or where matters significantly impact across committee boundaries. These Committees include: Business, Finance & Premises, Personnel, Pastoral & Teaching and School Development.

The overall financial responsibility (strategic and specific) is devolved by the Board of Trustees, Business, Finance & Premises Committee and Headteacher (Accounting Officer) to the Finance Director who in turn has agreed authority to devolve responsibilities to the Site Manager, Finance office, ICT Support and all other account holders. A system of financial controls is in place to manage and monitor this process.

The full details of this delegation, including decision-making responsibilities can be found in the Schedule of Financial Delegation.

The Headteacher manages the Trust on a daily basis, supported by a Senior Leadership Team (SLT). The SLT meet twice a week to discuss emerging matters and to help develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

In order to ensure there is a separation between the Trustee Board and the Members, and in line with the requirements set out in the Academies Financial Handbook, no Trustees sit as Members. The Members meet annually, but in line with current best practice and direction, Trustees undertake to keep Members regularly updated and informed. One mechanism that has been instigated is to extend the invitation to Members to attend Committee meetings as observers when it is appropriate.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees, i.e. the Headteacher, and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the School group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. Annual progression is determined based on an appraisal of performance each year.

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All amendments to key management personnel pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is possible that from time-to-time transactions will take place with organisations in which Trustees may have an interest. Any transactions involving such organisations, should they arise, are mandated to be conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

The Trust, however, maintains its ethos of Mathematics and Computing by working closely with, and supporting its feeder Primary Schools, Dacorum Secondary Consortium, East Dacorum Co-operative Learning Trust, various community groups and International Schools through the Comenius project and curriculum links with Bedomase Methodist Junior High School in Ghana.

The Trust works and co-ordinates with the Dacorum School Sports Network (DSSN) which is a collective partnership of schools in the borough of Dacorum.

Objectives and Activities

Objects and aims

The principal object and activity of the Trust is the operation of Longdean School to provide free, non-selective education and care for students of different abilities between the ages of 11 and 19.

Strategies and activities

Our vision is for every Longdean student to achieve their academic and social best in an engaging, inspiring, and challenging environment. Our Strap Line 'Rejoice in thy youth' illustrates this. Longdean School will empower all students to become confident, responsible, productive lifelong learners and engaged citizens.

We want everyone in the Longdean Community to:

- Feel safe and secure in our learning environment.
- Be inspired, challenged and motivated to learn.
- Possess the emotional and academic skills needed to be an independent learner and celebrate their talents.
- Leave Longdean highly literate and numerate as these are crucial skills needed to succeed in life beyond School.
- Have the aspiration and resilience to seek out new opportunities and overcome challenges.
- Recognise the role we play and make a positive contribution to the personal, local, national and international communities we are an integral part of.
- Leave Longdean with control and choice over our future.

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

Our priorities for the school year 2020/21 are as follows:

- People
 - o recruit, develop, retain or move onwards & upwards
- Culture
 - o Strap line, pastoral structure, student voice, cultural capital,
- Technologies
 - o 'Laptops for all', Social Media, Marketing, streamlined systems
- Teaching & Learning
 - o Curriculum (links to Primary, Performing Arts stream, PSHCE), Disadvantaged students, SEND cohorts, collaboration, Using baseline information
- Well Being
 - o 5 ways to wellbeing, develop our programme in this area,
- Parental Engagement

The rationale for these priorities comes predominantly from our Ofsted inspection of November 2019. This event provides an opportunity to reset where we want the School to be in the next four to five years and to begin to work towards this end.

The priorities were also drawn from our own internal self-evaluation work. This work is triangulated by our School Effectiveness Advisor, allocated by Hertfordshire.

Some of the processes began in the last academic year but the onset of lockdown in March 2020 meant that progress in some areas was stalled. An example here would be the work of the School linked to marketing and culture. An independent marketing review linked to the need to expand our Post 16 numbers led to our work in this area. It also impacted on our work on culture this year and the need to promote student voice and reward.

Some of the priorities reflect national pressures such as staffing recruitment and retention of teachers.

Other priorities for the year are linked to ongoing larger changes in the School. Having moved from a vertical to horizontal pastoral system and having adjusted our curriculum in KS3 there is a need to monitor and evaluate the impact of this change.

A focus on groups of students reflects their growing numbers in the School. Special Educational Needs and Disability (SEND) provision and the number of Education, Health and Care Plan (EHCP) students, as well as the growing number of disadvantaged students, a group for which there is an increasing national focus.

The detail relating to these significant priorities are set out in the annual School Improvement Plan.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Trust has operated in accordance with its funding agreement as a noncharging, not for profit organisation throughout the period in question. Student admissions to the Trust have been conducted in accordance with the Hertfordshire LA admissions policy.

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Strategic Report

Achievements and Performance

Longdean School was inspected by OFSTED in November 2019 and was again rated as 'a Good School.'

The report highlights the positive environment of the School. OFSTED state in the report that:

- “Pupils are kind to each other and to visitors to the School. Staff ensure that the School welcomes everybody. They want all pupils to do their best.”

It also identified that the School strives to develop students to meet their full potential:

- “Leaders design ambitious pathways for pupils to study. For example, there is extra provision for pupils in Year 7 who are interested in science, technology, engineering or mathematics.”
- “Teachers plan a good sequence of learning for the whole of key stages 3 and 4.”
- “Staff are ambitious for pupils with special educational needs and/or disabilities (SEND).”
- “The arrangements for safeguarding are effective.”

A common theme through the report was that students feel safe and comfortable at Longdean:

- “Pupils are taught how to keep themselves safe from harm including online.”
- “Pupils say they feel safe at School and are confident to speak to staff when they are worried.”

Key Performance Indicators

The Trust measures its success partly through a series of performance indicators. These indicators comprise:

- Student numbers.
- Examination results.
- Recruitment and retention of staff.
- Staff and student attendance.
- Financial performance.

These Key Performance Indicators are an area under review by the current Trust Board. Trustees are seeking to outline KPI's that can be used to measure the whole School and feed into Headteacher Appraisal and reporting to the Trust Board. Trustees are looking for a number of qualitative and quantitative measures that will contribute to a dashboard that gives a clearer and broader picture of overall performance.

The Trustees receive regular information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets. Financial performance is reviewed on a monthly basis

Examination results and other indicators for 2019-20 were as follows:

Key Stage 4

Students were given Centre Assessed Grades (CAG's) in 2020. As such here are no formal comparison that can be made against prior years or other school cohorts.

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CAG performance is presented as follows:

Overall

Average Attainment	4.5
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English and Mathematics

English & Maths Strong Pass (5+)	44.30%
English & Maths Standard Pass (4+)	65.80%
English Strong Pass (5+)	58.40%
English Standard Pass [4+]	74.90%
Mathematics Strong Pass [5+]	74.90%
Mathematics Standard Pass [4+]	68.00%

EBACC

Percentage of Pupils entered for EBACC	53.40%
EBACC Average Points Score	4.05%
Percentage Achieving grade 5 or above in the EBACC	19.60%
Percentage Achieving grade 4 or above in the EBACC	32.00%

Destination Data

Staying in education or entering apprenticeship	98.00%
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Key Stage 5

Students were given Centre Assessed Grades in 2020. There is, therefore, no official value added data for this year:

A Level Qualifications

Average Point Score per Entry (APS)	37.95
Average Grade Per Entry	B-
%A*-A	0.313
%A*-B	0.596
%A*-C	0.831
%A*-D	0.934
%A*-E	0.982

Academic Qualifications

Average Point Score Per Entry (APS)	38
Average Grade Per Entry	B-

Applied General Qualifications (Vocational):

Average Point Score Per Entry (APS)	27.54
Average Grade Per Entry	Merit

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FOR THE YEAR ENDED 31 AUGUST 2020

The School undertook a robust process around the setting of Centre Assessed Grades which were required in 2020 due to cancellation of Summer exams. This was led by the Deputy Headteacher. The process was utilised at class, department, Senior and finally Headteacher level. It is worthy of note that the CAG's issued to students were in line with the last forecasts offered in School and the grades awarded against some indicators when results were published in August were higher than the School itself awarded. Our internal work around Go4Schools to support data and assessment as well as holding two sets of preliminary examinations helped provide a strong evidence base for the grades we awarded.

Expansion of the School

The Planned Admission Number for Year 7 increased to 240 with the move to the new building. Longdean is increasingly popular and for 2020/21 there were again a number of School admission appeals. We expect to be full again in Year 7 for 2021/22.

Going Concern

Having considered the latest management information and future forecasts, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.3.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2020, the Trust received £8,210,882 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £7,986,299 on general running costs and transferred £4,451 to support capital purchases for the building. The Trust brought forward from 18/19, £8,580 restricted funds and £80,648 unrestricted funds. The carry forward for 19/20 is £52,542 restricted funding and £268,379 unrestricted funding. As the planned increase in pupil numbers takes effect, there is a requirement for staff numbers to be adjusted accordingly, with grant income following on a 'lagged' basis. Trustees have agreed to rebuild reserves whilst ensuring that the necessary staff are in post.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,868,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Internal Audit Annual Scrutiny Report

This is a new requirement on academies and was produced for the first time this year. This report summarises the work commissioned for the period 2019-20. The overall opinion given for our internal control and risk framework is "Good". This was provided by Price Bailey, who have been providing internal scrutiny services to Longdean for three years. The Internal Scrutiny report states that no fraud was detected by Internal Auditors in their work in 19/20.

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The most recent audit visit focussed on Risk Management and there were 4 points identified, two low risk, and two best practice (advisory). The Academy will act upon these recommendations which are:

- A learned member of staff such as the Finance Director could attend the Trust Board to present the risk register (advisory).
- A termly review of the School's risk register should be a regular Committee agenda item as part of an agreed cycle of business. Evidence of review should be retained in the BFP minutes or any other Committee reviewing risk issues (low risk).
- The risk register should be reviewed annually by the FTB (Full Trust Board) and evidence of this review reflected in the FTB minutes. Risk management review should be stated in the FTB terms of reference and the agreed cycle of FTB business as an annual agenda item (low risk).
- The risk management process could be referred to in a risk policy document. This would detail the scoring method adopted the risk review process, a broad description of how risk averse the Board is, the process of regular review, risk ownership and the need for annual review. (advisory)

The two Advisory points identified in the Audit of HR and Payroll of June 2019 have been actioned.

Reserves Policy

The Trustees must ensure that the Trust holds enough reserves to fund future strategy and minimise the financial risks around maintenance of working capital, cashflow, capital maintenance and other uncertainties relating to income and expenditure.

The Trustees review the reserves policy of the Trust annually as part of the Budget and Three-Year Plan processes.

Having regard for the utilisation of the significant level of reserves that were set aside to equip the new building, the Trustees have determined it would be appropriate to maintain a level of free reserves at a minimum of 2% of the total annual revenue income budget (for illustrative purposes this would be no less than £130,000). The level set is anticipated as being sufficient to meet current needs and provides the platform for the rebuilding of reserves to the level that will be required for funding significant projects, i.e. those future projects that are unfunded and must be covered from (revenue) grant income alone.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £320,921.

A steady upward trend in pupil numbers, and the formally increased PAN (Planned Admission Number) from 2018, generates increased grant income over the next few years.

Investment Policy

The Trustees have a policy of investing cash balances with a view to maximising returns, but with the enduring low/zero interest rate environment, there is understandably greater weight assigned to the safety of any investment. The policy aims to invest cash such that its cash balances and liquid investments are at least equal to the figure outlined in the reserves policy.

Principal Risks and Uncertainties

The Trustees maintain a risk register, identifying the major risks to which the Trust is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on a termly basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each BFPC meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

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

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an Academy School, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

Longdean is securely good, and had another successful OFSTED visit in November 2019. Exam results are improving year on year, the School is popular and full on the expanded PAN. We have an experienced and committed staff and no significant problems with recruitment and retention. Improving exam results. The main building was rebuilt in 2017 and is in excellent condition, with reduced costs for utilities and hard Facilities Maintenance. The PFI contract is overseen by the ESFA and is running well. The Sports Centre has undergone significant improvement works since taken over from Dacorum Borough Council and a substantial CIF (Condition Improvement Fund) grant was awarded in Summer 2020 to allow replacement of the boilers. The School has arranged support from the Local Authority and external professional support for issues such as School Trips, Health and Safety, Data Protection & Cybersecurity

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- Governance. Turnover of key Trustees as a result of the COVID crisis left several gaps. Additional Trustees have been appointed and others have stepped forward to cover the key roles.
- Loss of lettings income. The COVID crisis led to the closure of the Sports Centre and lost income from April - September 2020 and again from November 2020. This was mitigated in part by the 'furloughing' of sports centre staff.
- Inadequate Canteen size. Since the increase in PAN, the canteen became increasingly crowded. The forced move to 'staggered lunches' caused by COVID has alleviated this somewhat, but the Academy is still pursuing additional shelter outside and the construction of a 'Cafe' for older students.
- Staff and student wellbeing, especially in the time of COVID. The School employs two counsellors, and staff have had access to training on grief and loss. Staff can access support for themselves via an external Employee Assistance Programme and can access counselling. For 2020 the School has joined the Education Mutual, which as well as providing a level of staff absence insurance, gives access to physiotherapy, counselling, surgical procedures, and private GP appointments, all of which would assist in minimising staff absence from work.

Plans for Future Periods

The Trust will continue striving to improve the levels of performance of its students at all levels, through embedding current initiatives such as:

- Development of the curriculum and pastoral systems.
 - o Improving the retention of students from Year 11 into Post 16 through marketing and reviewing the curriculum in this area.
 - o Improving the performance of PP students and those with an underlying SEND.
- Development of the School estate to further enhance opportunities for our young people.
 - o Developing the School sports facilities for the benefit of students and the wider community.
 - o Using our successful bid for an SRP facility to improve standards of teaching across the whole School.
 - o Seek ways to recruit and retain the best staff.
- Continued priority given to staff development, and close involvement in the Alban Federation/Dacorum Teaching Schools Alliance.

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Specifically in response to the COVID crisis, we are focusing on:

- 'Build Back Better' and strengthening staff ability to deliver blended and remote learning;
- Availability of IT access at home by establishing a laptop library and a 1:1 leasing scheme; and
- Effective planning for the use of the COVID catch up premium during 2020/21

Trade Unions

During the year three employees of the Trust on a 100% full time equivalent contract acted as union representatives. The employees did not spend any time on union facility time.

Fundraising

The Trust only held small fundraising events during the year including non-uniform days, cake sales and performing arts events. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Auditor

Insofar 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2020 and signed on its behalf by:

Mr C Barling
Acting Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Longdean School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. The Board is satisfied that through the use of a sub-committee it maintains effective oversight of funds. Details of such sub-committees are noted below.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms K McKerrell, Staff Governor	6	6
Mrs J Hewison, Community Governor	2	2
Mrs J Green, Parent Governor	5	6
Mrs K Falconer, Parent Governor	4	5
Mr C Barling, Community Governor	5	6
Mr P Dunford, Parent Governor	3	4
Mr M Gurney, Parent Governor	0	0
Ms A Tattershall, Community Governor	3	6
Mr M Evans, Parent Governor	1	2
Mr A Hales, Community Governor	0	0
Mr K Falconer, Community Governor	4	5
Mr G Cunningham, Headteacher	5	6
Mr N Parsons, Co-opted Governor	1	6
Ms M Quinn, Staff Governor	5	6
Mr I Loffler, Staff Governor	5	6
Mr R Upson, Community Governor	4	6
Mrs K Papakonstantinou, Parent Governor	4	4
Mrs N Glaysher, Community Governor	1	1
Mr M Tattershall, Parent Governor	2	4
Mrs C Rumble, Parent Governor	5	5
Mr R Venn, Parent Governor	4	6
Mr A Quirke, Community Governor	0	0
Ms T Andrews, Parent Governor	0	0

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Coronavirus pandemic has presented a number of new and significant challenges in relation to the operation of School governance since March 2020.

Three Trustees had completed their term of office prior to the outbreak and, having already completed multiple terms, these Trustees did not put themselves forward for a further term. Three other Trustees, including the Chair of Trustees, stepped down due to changes in personal circumstances related to the outbreak. Mr C Barling stepped into the role of Acting Chair of Trustees to help ensure a continuity of leadership of the Trustee group as a whole. In addition, other Trustees stepped into the chairing roles of the various Committees where those positions had become vacant. Over the same period, an additional Trustee, one with significant relevant experience was appointed, with at least one other Trustee appointment in the pipeline and due for completion in time for the new academic year. In addition, there was consideration of openings for two new parent Trustee elections for which would be due to take place in the first term of the new academic year.

With a duty to ensure maintenance in the standards of governance, although Trustees are now unable to do learning walks, the majority of governance activities have now been moved online. Meetings, as well as third party training, other than those that really require Trustees to be present on site, are now all held remotely. Over the initial stages of the outbreak, the various Committees extended engagement with all Trustees in order to ensure appropriate and timely responses on matters of importance and so any decisions effectively become decisions of whole Trust Board. While this state of affairs may be sustained for some time, Trustees recognise that it would be important to get back to the normal way of working in order to underpin the benefits realised from the previous programme of an increased numbers of School visits and learning walks.

The ability to respond to these challenges and the ability to fill Trustee positions, has demonstrated a level of robustness in the Trust's governance. Succession planning and recruitment of Trustees continues at the heart of the Board of Trustees agenda with new Trustees recruited and further plans being developed to recruit more when required.

As a result of all these steps, the Board of Trustees continues to improve its understanding of the School's operations in order to increase effectiveness.

The quality of data provided by the School is good and the information required will continue to evolve and adapt as School and Trustee reporting requirements change. Trustees regularly engage in exam meetings in order to discuss, support and challenge progress with the Headteacher and Directors of Learning.

Trustees were able to play a full part in the OFSTED inspection of November 2019.

The changes to the Academies Financial Handbook requires management accounts to be produced and distributed on a monthly basis. Distribution of the management accounts is to Members of the Business, Finance and Premises Committee, of which the Chair of Trustees is a Member.

The Trustees believe they have an excellent working relationship with the Headteacher and are able to challenge supportively and constructively in order to hold the Headteacher to account for the educational performance of the School.

The number of Finance Committee meetings was increased to eight in the 2019/20 year to better support the School and as part of Trustee due diligence. Trustees recognise that nationally, school finances are constrained. Whilst our School is growing, finances remain adequate. Trustees are able to set a balanced budget in order to maintain a specified minimum level of reserves. It was felt that the Trustees would benefit from a deeper understanding of the financial data to set the foundation for an improvement in our reported reserves position. The monthly management account reports continue to be in a more consistent format and are contributing to better trend analysis and a better understanding of the School finances in general.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A Trustee Strategic Planning day is scheduled for the end of January 2021 to consider the current vision and future strategic direction of Longdean. Trustees keep Terms of Reference under constant review and will amend Trustee Terms of Reference, Roles, Responsibilities and any relevant Policies where necessary.

The Business, Premises and Finance Committee is a sub committee of the main Board of Trustees. Its purpose is as set out in the scheme of delegation and includes the following:

- Review the annual budget and three year forecasts before sending for approval to The Board of Trustees.
- Determining the School's financial priorities through the School Improvement Plan & the Asset Management Plan.
- Receiving monthly management reports, to facilitate the monitoring of the School's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary.

The BFPC is a sub-committee of the Board of Trustees. Its purpose is as set out in the scheme of delegation and includes the following:

- Review the annual budget before sending for approval to The Board of Trustees.
- Determining the School's financial priorities through the School Improvement Plan & the Asset Management Plan.
- Receiving monthly management reports, to facilitate the monitoring of the School's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Barling	8	8
Ms K Falconer	6	6
Mr G Cunningham	8	8
Mr M Evans	2	3
Mr K Falconer	6	6
Mr R Venn	4	4
Mr I Loffler	0	8
Mr N Parsons	5	8
Mr R Upson	8	8
Mrs C Rumble	4	5
Mr M Tattershall	3	4

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 achieved in return for the taxpayer resources received.

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

- Close review of major contracts such as catering in order to obtain best value.
- Use of public sector frameworks to obtain value for money.
- Closely monitoring the operation of the building PFI contract to ensure contractual deductions are made in case of performance failure or unavailability. Using a specialist broker for the procurement of utilities and ensuring adherence to financial regulations that require multiple quotes or formal tendering for all substantial expenditure.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 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 Longdean School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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 BFP Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Trustees has considered the need for a specific Internal Audit function and has been utilising Price Bailey as Internal Auditor.

The revised FRC Ethical Standard for Auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements to conclude. As a result, Longdean will be appointing a new internal auditor for 2020/21.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Risk Management
- Annual Scrutiny Report

As part of a planned cycle of focused visits, the Internal Auditor reports to the Board of Trustees, through the Business, Premises and Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities, and annually prepares an Annual Summary Report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 financial management and governance self-assessment process or the School resource management self-assessment tool; and
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business, Premises and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on their behalf by:

Mr C Barling
Acting Chair of Trustees

Mr G Cunningham
Accounting Officer

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Longdean School I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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.

Mr G Cunningham
Accounting Officer
Date: 18 December 2020

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on its behalf by:

Mr C Barling
Acting Chair of Trustees

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LONGDEAN SCHOOL**

Opinion

We have audited the financial statements of Longdean School (the 'Academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Academy'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.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LONGDEAN SCHOOL (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 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.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LONGDEAN SCHOOL (CONTINUED)**

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Auditors' Report.

Use of our Report

This Report is made solely to the Academy'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 Academy's Members those matters we are required to state to them in an Auditors' 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 Academy and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House

1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

18 December 2020

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 16 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Longdean School during the year 1 September 2019 to 31 August 2020 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 Longdean School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Longdean 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 Longdean School and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Longdean School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Longdean School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 year 1 September 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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's income and expenditure.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Price Bailey LLP

Date: 18 December 2020

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	49,091	242,602	261,077	552,770	663,197
Charitable activities	4	8,094	7,519,472	-	7,527,566	6,929,314
Other trading activities	5	130,180	-	-	130,180	164,023
Investments	6	366	-	-	366	347
Total income		187,731	7,762,074	261,077	8,210,882	7,756,881
Expenditure on:						
Charitable activities	7	-	7,914,112	289,097	8,203,209	8,014,750
Total expenditure		-	7,914,112	289,097	8,203,209	8,014,750
Net movement in funds before other recognised gains/(losses)		187,731	(152,038)	(28,020)	7,673	(257,869)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(2,000)	-	(2,000)	(524,000)
Net movement in funds		187,731	(154,038)	(28,020)	5,673	(781,869)
Reconciliation of funds:						
Total funds brought forward		80,648	(1,661,420)	5,422,764	3,841,992	4,623,861
Net movement in funds		187,731	(154,038)	(28,020)	5,673	(781,869)
Total funds carried forward		268,379	(1,815,458)	5,394,744	3,847,665	3,841,992

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 52 form part of these financial statements.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07695624

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	5,138,118	5,350,577
Current assets			
Debtors	14	555,910	346,042
Cash at bank and in hand		854,918	478,284
		1,410,828	824,326
Creditors: amounts falling due within one year	15	(833,281)	(662,911)
Net current assets		577,547	161,415
Net assets excluding pension liability		5,715,665	5,511,992
Defined benefit pension scheme liability	22	(1,868,000)	(1,670,000)
Total net assets		3,847,665	3,841,992
 Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	5,394,744	5,422,764
Restricted income funds	16	52,542	8,580
		5,447,286	5,431,344
Restricted funds excluding pension liability	16	5,447,286	5,431,344
Pension reserve	16	(1,868,000)	(1,670,000)
Total restricted funds	16	3,579,286	3,761,344
Unrestricted income funds	16	268,379	80,648
Total funds		3,847,665	3,841,992

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue on 14 December 2020 and are signed on their behalf, by:

Mr C Barling
Acting Chair of Trustees

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	119,642	(201,728)
Cash flows from investing activities	19	256,992	122,597
Change in cash and cash equivalents in the year		376,634	(79,131)
Cash and cash equivalents at the beginning of the year		478,284	557,415
Cash and cash equivalents at the end of the year	20, 21	<u>854,918</u>	<u>478,284</u>

The notes on pages 28 to 52 form part of these financial statements

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Longdean School meets the definition of a public benefit entity under FRS 102.

The Academy's functional and presentational currency is pounds sterling.

1.2 Company status

The Academy is a company limited by guarantee. The Members of the Company are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy's registered office is Rumballs Road, Hemel Hempstead, England, HP3 8JB.

1.3 Going concern

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

Following the year end the Academy has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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 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.

1.5 Expenditure

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

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

1. Accounting policies (continued)

1.7 Taxation

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

1.8 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. 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 freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long term leasehold land	- over the life of the lease
Long term leasehold buildings	- 50 years
Furniture and equipment	- between 1 and 25 years
Motor vehicles	- over 10 years

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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.11 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 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 operating surplus 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.

1.15 Agency arrangements

The Academy acts as an agent in running the Dacorum School Sports Network (DSSN). Payments received from the Schools Network and subsequent disbursements are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account, as the Academy does not have control over the charitable application of the funds.

Where the funds have not been fully applied in the accounting period then an amount will be included in the Balance Sheet as an other creditor.

1.16 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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

2. Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2020. 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	49,091	242,602	-	291,693	445,750
Capital grants	-	-	261,077	261,077	217,447
Total 2020	<u>49,091</u>	<u>242,602</u>	<u>261,077</u>	<u>552,770</u>	<u>663,197</u>
Total 2019	<u>78,617</u>	<u>367,133</u>	<u>217,447</u>	<u>663,197</u>	

In 2019, income from donations was £445,750 of which £78,617 was unrestricted and £367,133 was restricted.

In 2019, income from capital grants was £217,447 of which all was restricted fixed assets.

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

4. Funding for the Academy's provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,617,452	6,617,452	6,335,873
Other DfE / ESFA grants	-	741,443	741,443	415,341
	-	7,358,895	7,358,895	6,751,214
Other Government grants				
Local Authority grants	-	129,372	129,372	176,686
	-	129,372	129,372	176,686
Catering income	8,094	-	8,094	1,414
	8,094	-	8,094	1,414
Other funding				
Coronavirus exceptional support	-	20,462	20,462	-
Coronavirus Job retention scheme grant	-	10,743	10,743	-
Total 2020	8,094	7,519,472	7,527,566	6,929,314
Total 2019	1,414	6,927,900	6,929,314	

The Academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £20,462 of costs. These costs are included in notes 7 and 9 below as appropriate.

The academy furloughed some of its support staff under the government's CJRS. The funding received of £10,743 relates to staff costs in respect of staff which are included within note 10 below as appropriate.

In 2019, income from DfE/ESFA grants was £6,751,214 of which all was restricted.

In 2019, income from other government grants was £176,686 of which all was restricted.

In 2019, income from catering was £1,414 of which all was unrestricted.

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	54,393	54,393	46,924
Other income	75,787	75,787	117,099
Total 2020	130,180	130,180	164,023
Total 2019	164,023	164,023	

In 2019, hire of facilities was £46,924 of which all was unrestricted.

In 2019, other income was £117,099, all of which was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	366	366	347
Total 2019	347	347	

In 2019, all investment income was in relation to unrestricted funds.

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	5,823,041	-	624,529	6,447,570	6,366,080
Allocated support costs	454,870	763,013	537,756	1,755,639	1,648,670
Total 2020	<u>6,277,911</u>	<u>763,013</u>	<u>1,162,285</u>	<u>8,203,209</u>	<u>8,014,750</u>
Total 2019	<u>5,982,485</u>	<u>782,924</u>	<u>1,249,341</u>	<u>8,014,750</u>	

In 2020, of the total expenditure, £NIL (2019 - £288,380) was from unrestricted funds, £7,914,112 (2019 - £7,432,433) was from restricted funds and £289,097 (2019 - £293,937) was from restricted fixed asset funds.

In 2019, direct expenditure consisted of £5,563,717 staff costs and £802,363 other costs.

In 2019, support expenditure consisted of £418,768 staff costs, £716,339 premises costs and £513,563 other costs.

8. Charitable activities

	2020 £	2019 £
Direct costs	6,447,570	6,366,080
Support costs	1,755,639	1,648,670
	<u>8,203,209</u>	<u>8,014,750</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Analysis of support costs

	2020 £	2019 £
Support staff costs	454,870	418,768
Depreciation	216,910	235,205
Technology costs	140,087	106,894
Premises costs	546,103	693,134
Other support costs	377,756	155,460
Governance costs	17,609	21,913
Legal costs	2,304	17,296
Total	<u><u>1,755,639</u></u>	<u><u>1,648,670</u></u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	156,825	111,852
Depreciation of tangible fixed assets	216,910	235,205
Fees paid to Auditors for:		
- audit	7,595	7,375
- other services	4,925	4,780
	<u><u>7,595</u></u>	<u><u>7,375</u></u>
	<u><u>4,925</u></u>	<u><u>4,780</u></u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,573,247	4,578,380
Social security costs	474,789	466,459
Pension costs	1,189,167	875,864
	<u>6,237,203</u>	<u>5,920,703</u>
Agency staff costs	40,708	55,404
Staff restructuring costs	-	6,378
	<u>6,277,911</u>	<u>5,982,485</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £NIL (2019 - £6,378).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	84	86
Administration and support	79	64
Management	9	8
	<u>172</u>	<u>158</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	6	2
In the band £100,001 - £110,000	1	1
	<u>7</u>	<u>3</u>

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

10. Staff (continued)

e. Key management personnel

The key management personnel of the Academy 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 was £952,998 (2019 - £810,531).

Included in the above are employer pension contributions of £167,138 (2019 - £110,680).

Included in the above are employer national insurance contributions of £82,090 (2019 - £73,605).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
G Cunningham	Remuneration	105,000 -	105,000 -
		110,000	110,000
	Pension contributions paid	25,000 -	15,000 -
		30,000	20,000
I Loffler	Remuneration	25,000 -	20,000 -
		30,000	25,000
	Pension contributions paid	5,000 -	0 - 5,000
		10,000	
K McKerrell	Remuneration	45,000 -	45,000 -
		50,000	50,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
M Quinn	Remuneration	25,000 -	20,000 -
		30,000	25,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2020, travel and subsistence expenses totalling £366 were reimbursed or paid directly to 2 Trustees (2019 - £453 to 1 Trustee).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

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

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2019	4,991,643	1,651,388	4,625	6,647,656
Additions	4,451	-	-	4,451
At 31 August 2020	<u>4,996,094</u>	<u>1,651,388</u>	<u>4,625</u>	<u>6,652,107</u>
Depreciation				
At 1 September 2019	437,400	855,054	4,625	1,297,079
Charge for the year	63,133	153,777	-	216,910
At 31 August 2020	<u>500,533</u>	<u>1,008,831</u>	<u>4,625</u>	<u>1,513,989</u>
Net book value				
At 31 August 2020	<u><u>4,495,561</u></u>	<u><u>642,557</u></u>	<u><u>-</u></u>	<u><u>5,138,118</u></u>
At 31 August 2019	<u><u>4,554,243</u></u>	<u><u>796,334</u></u>	<u><u>-</u></u>	<u><u>5,350,577</u></u>

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	13,086	22,413
VAT recoverable	34,711	18,423
Prepayments and accrued income	508,113	305,206
	<u>555,910</u>	<u>346,042</u>

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

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	44,182	65,682
Other taxation and social security	121,726	114,792
Other creditors	192,783	159,417
Accruals and deferred income	474,590	323,020
	833,281	662,911
	833,281	662,911
	2020 £	2019 £
Deferred income at 1 September 2019	192,302	317,794
Resources deferred during the year	347,118	192,302
Amounts released from previous periods	(192,302)	(317,794)
	347,118	192,302
	347,118	192,302

Deferred income as at 31 August 2020 refers to various School trips and grant funding received in advance.

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

16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	80,648	187,731	-	-	-	268,379
Restricted general funds						
General Annual Grant (GAG)	-	6,617,452	(6,617,452)	-	-	-
Other DfE/ESFA grants	-	772,648	(753,417)	-	-	19,231
Other Government grants	-	129,372	(129,372)	-	-	-
Restricted donations	8,580	242,602	(217,871)	-	-	33,311
Pension reserve	(1,670,000)	-	(196,000)	-	(2,000)	(1,868,000)
	<u>(1,661,420)</u>	<u>7,762,074</u>	<u>(7,914,112)</u>	<u>-</u>	<u>(2,000)</u>	<u>(1,815,458)</u>
Restricted fixed asset funds						
Devolved Formula Capital (DFC)	-	26,439	-	(4,451)	-	21,988
Restricted Fixed Asset Funds	5,350,577	-	(216,910)	4,451	-	5,138,118
Other capital fund	72,187	12,000	(72,187)	-	-	12,000
CIF funding	-	222,638	-	-	-	222,638
	<u>5,422,764</u>	<u>261,077</u>	<u>(289,097)</u>	<u>-</u>	<u>-</u>	<u>5,394,744</u>
Total Restricted funds	<u>3,761,344</u>	<u>8,023,151</u>	<u>(8,203,209)</u>	<u>-</u>	<u>(2,000)</u>	<u>3,579,286</u>
Total funds	<u><u>3,841,992</u></u>	<u><u>8,210,882</u></u>	<u><u>(8,203,209)</u></u>	<u><u>-</u></u>	<u><u>(2,000)</u></u>	<u><u>3,847,665</u></u>

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

16. Statement of funds (continued)

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

The General Annual Grant (GAG) represents the core funding for the educational activities of the School that has been provided to the Academy via the ESFA by the DfE.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants

Other DfE/ESFA grants relate to the restricted income received from both the Department for Education and the Education and Skills Funding Agency to assist with the costs of the Trust in relation to specific activities.

Other Government grants

This represents various grants received from Government bodies for the provision of specific services to pupils of the Academy.

Restricted donations

This represents contributions made by parents to the running of educational visits for the students of the School and the associated costs of running the trips, along with other donations made that are to be spent on a specific purpose.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from the Local Authority.

Restricted fixed asset funds

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

Devolved Formula Capital (DFC) fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

Other capital fund

This fund relates to capital income in relation to the Academy's sports centre.

Condition Improvement Fund (CIF)

This represents a grant received towards a specific building or maintenance project. Any funds left unspent must be returned to the DfE.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	124,627	244,401	(288,380)	-	-	80,648
Restricted general funds						
General Annual Grant (GAG)	-	6,335,873	(6,335,873)	-	-	-
Other DfE/ESFA grants	-	415,341	(415,341)	-	-	-
Other Government grants	-	176,686	(176,686)	-	-	-
Restricted donations	10,980	367,133	(369,533)	-	-	8,580
Pension reserve	(1,011,000)	-	(135,000)	-	(524,000)	(1,670,000)
	<u>(1,000,020)</u>	<u>7,295,033</u>	<u>(7,432,433)</u>	<u>-</u>	<u>(524,000)</u>	<u>(1,661,420)</u>
Restricted fixed asset funds						
Devolved Formula Capital (DFC)	8,669	88,704	(2,176)	(95,197)	-	-
Restricted Fixed Asset Funds	5,490,585	-	(235,205)	95,197	-	5,350,577
Other capital fund	-	128,743	(56,556)	-	-	72,187
	<u>5,499,254</u>	<u>217,447</u>	<u>(293,937)</u>	<u>-</u>	<u>-</u>	<u>5,422,764</u>
Total Restricted funds	<u>4,499,234</u>	<u>7,512,480</u>	<u>(7,726,370)</u>	<u>-</u>	<u>(524,000)</u>	<u>3,761,344</u>
Total funds	<u><u>4,623,861</u></u>	<u><u>7,756,881</u></u>	<u><u>(8,014,750)</u></u>	<u><u>-</u></u>	<u><u>(524,000)</u></u>	<u><u>3,841,992</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,138,118	5,138,118
Current assets	268,379	885,736	256,626	1,410,741
Creditors due within one year	-	(833,194)	-	(833,194)
Provisions for liabilities and charges	-	(1,868,000)	-	(1,868,000)
Total	<u>268,379</u>	<u>(1,815,458)</u>	<u>5,394,744</u>	<u>3,847,665</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	5,350,577	5,350,577
Current assets	80,735	671,404	72,187	824,326
Creditors due within one year	(87)	(662,824)	-	(662,911)
Provisions for liabilities and charges	-	(1,670,000)	-	(1,670,000)
Total	<u>80,648</u>	<u>(1,661,420)</u>	<u>5,422,764</u>	<u>3,841,992</u>

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

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	7,673	(257,869)
Adjustments for:		
Depreciation	216,910	235,205
Capital grants from DfE and other capital income	(261,077)	(217,447)
Interest receivable	(366)	(347)
Increase in debtors	(209,868)	(4,309)
Increase/(decrease) in creditors	170,370	(91,961)
Pension adjustments	196,000	135,000
Net cash provided by/(used in) operating activities	119,642	(201,728)

19. Cash flows from investing activities

	2020 £	2019 £
Interest	366	347
Purchase of tangible fixed assets	(4,451)	(95,197)
Capital grants from DfE Group	261,077	88,704
Other capital income	-	128,743
Net cash provided by investing activities	256,992	122,597

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	854,918	478,284
Total cash and cash equivalents	854,918	478,284

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21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	478,284	376,634	854,918
	478,284	376,634	854,918
	478,284	376,634	854,918

22. Pension commitments

The Academy'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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £117,404 were payable to the schemes at 31 August 2020 (2019 - £96,027) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million;

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22. Pension commitments (continued)

- 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, 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 2023.

The employer's pension costs paid to TPS in the year amounted to £791,917 (2019 - £548,491).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £296,000 (2019 - £279,000), of which employer's contributions totalled £236,000 (2019 - £225,000) and employees' contributions totalled £ 60,000 (2019 - £54,000). The agreed contribution rates for future years are 12.3 per cent for employers and 5.5-12.5 per cent 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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.6	2.4
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.2	2.3
Inflation assumption (RPI)	3.2	3.3

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22. Pension commitments (continued)

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

	2020 Years	2019 Years
Retiring today		
Males	21.9	21.5
Females	24.1	23.7
Retiring in 20 years		
Males	22.8	22.3
Females	25.5	25.0

As at the 31st August 2020 the Academy has a pension liability of £1,868,000 (2019 - £1,670,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2020	2019
Discount rate +0.1%	(133,000)	(115,000)
Discount rate -0.1%	133,000	115,000
Mortality assumption - 1 year increase	44,000	192,000
Mortality assumption - 1 year decrease	(44,000)	(192,000)
CPI rate +0.1%	122,000	96,000
CPI rate -0.1%	(122,000)	(96,000)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	2020 £	2019 £
Equities	1,947,000	1,536,000
Corporate bonds	1,286,000	1,222,000
Property	331,000	251,000
Cash and other liquid assets	110,000	125,000
Total market value of assets	3,674,000	3,134,000

The actual return on scheme assets was £329,000 (2019 - £238,000).

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22. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	400,000	326,000
Past service cost	-	(4,000)
Interest income	(58,000)	78,000
Interest cost	90,000	(108,000)
Total amount recognised in the Statement of Financial Activities	432,000	292,000

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

	2020 £	2019 £
At 1 September	4,804,000	3,681,000
Current service cost	400,000	326,000
Interest cost	90,000	108,000
Employee contributions	60,000	54,000
Actuarial losses	273,000	684,000
Benefits paid	(85,000)	(53,000)
Past service costs	-	4,000
At 31 August	5,542,000	4,804,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	3,134,000	2,670,000
Interest income	58,000	78,000
Actuarial gains	271,000	160,000
Employer contributions	236,000	225,000
Employee contributions	60,000	54,000
Benefits paid	(85,000)	(53,000)
At 31 August	3,674,000	3,134,000

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23. Operating lease commitments

At 31 August 2020 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	PFI contract 2020 £	PFI contract 2019 £	Other 2020 £	Other 2019 £
Not later than 1 year	137,586	137,586	19,238	19,238
Later than 1 year and not later than 5 years	551,424	551,424	9,896	29,134
Later than 5 years	2,619,534	2,757,120	-	-
	<u>3,308,544</u>	<u>3,446,130</u>	<u>29,134</u>	<u>48,372</u>

The annual payments made for the PFI contract are not fixed, instead they are uplifted each year depending on inflation. For purposes of disclosure, the agreed cost for 2019/20 has been taken as the annual cost to the Academy, as inflationary changes are unknown.

24. 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/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

25. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses disclosed in note 11.

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26. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020, the Academy received £15,365 (2019 - £14,638) and disbursed £8,065 (2019 - £14,638) from the fund. There is an amount of £7,300 (2019 - £NIL) included in other creditors relating to undistributed funds that are repayable to the ESFA.

The Academy acts as an agent for a consortium known as the DSSN. In the accounting period ending 31 August 2020, the Academy received £116,292 (2019 - £157,598) and incurred expenditure of £114,129 (2019 - £96,667) from the consortium fund. There is an amount of £63,094 (2019 - £60,931) included in other creditors relating to undistributed consortium funds that are repayable to the members of the DSSN consortium.