

LONGDEAN SCHOOL

(A Company Limited by Guarantee)

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

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr C Hughes Mr R Bowley Mr R Upson (appointed 19 May 2021) Mr P Fallon Mrs L Butler (appointed 21 September 2020)
Trustees	Mrs N Glaysher, Community Governor Mrs J Green, Parent Governor Mr C Barling, Chair Mrs A Tattershall, Community Governor Mr G Cunningham, Headteacher Mr N Parsons, Co-opted Governor Ms K McKerrell, Staff Trustee Mr A Quirke, Community Governor (appointed 21 September 2020) Mrs C Rumble, Parent Governor Ms M Quinn, Staff Governor Mr M Tattershall, Parent Governor Mr I Loffler, Staff Governor Mr R Upson, Community Governor (resigned 19 April 2021) Mr R Venn, Parent Governor Mrs T Andrews, Parent Trustee (resigned 5 December 2021)
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)
FOR THE YEAR ENDED 31 AUGUST 2021

Senior Leadership Team

Mr G Cunningham, Headteacher
Miss S Embrey, Deputy Headteacher
Mr D Lawrence, Assistant 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
Statutory Auditors
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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Longdean School for the year ended 31 August 2021. 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 240 in Years 7 – 11 and 300 Post 16, a physical capacity of 1,500 in its new building, and a roll of 1379 in the 2021 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 of four years. The Headteacher is an ex-officio member of the Board of Trustees. There is provision for seven Parent Trustees to sit on the Trust Board, as well as three Staff Trustees, all of whom are elected to office by their respective representative groups, or who may be appointed if there are insufficient candidates offering themselves for election. Other Trustee appointments, up to six, will be made from the community, and there is further provision for two additional Trustees with the right mix of skills and experience to be co-opted to support the Trust Board in its activities. Community trustees and co-opted Trustees are nominated and appointed by the Board of Trustee. There is the option for a third co-opted Trustee to be nominated by the Members, if desired.

Currently the Trust Board make-up is the Headteacher, five parent, three staff, and five Community/ Co-opted appointments.

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FOR THE YEAR ENDED 31 AUGUST 2021

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 may be linked to their own departments, or specific areas of focus, e.g., Safeguarding, Pupil Premium. 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 five occasions per year, in addition to individual committees that each meet at least three 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, as well as providing oversight in relation to the three year financial plan. It also sets the organisational staffing structure, agrees the performance objectives of the Headteacher with the School Educational Adviser, and reviews them. Performance against these objectives and results are measured against KPI set by the Trustees and reviewed annually.

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.

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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, 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, Individual School Range, 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.

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, there is a possibility that from time-to-time transactions might 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 would only be undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required.

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, DASSH (Dacorum Association of Secondary School Heads), The 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 Headteacher also represents the local Headteacher Group at HASSH (Herts Association of Secondary School Heads)

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.

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Strategies and activities

Longdean School, is dedicated to delivering an excellent education – one that gives all our students the tools to develop into confident citizens who can contribute to the world. This is reflected in our key values of challenge, innovation and support as well as our strap line 'Rejoice in Thy Youth.' We celebrate childhood and make sure that, along with gaining an education, students enjoy unique opportunities including enrichment activities and educational trips at home and abroad, which help them to become well-rounded individuals and build positive relationships with staff.

We have high expectations of our students, and our personalised curriculum is challenging, flexible and innovative – offering both academic subjects and vocational courses that meet the needs of students and employers. Our high expectations are regularly met – as our successful exam results consistently show.

A graphic titled 'LONGDEAN SCHOOL PRIORITIES 2021/2022' with a light blue background and bubble decorations. It features the school crest in the top right corner. The crest is a shield with a blue lion rampant on a white background, with the motto 'REJOICE IN THY YOUTH' written below it. The main text consists of seven bullet points, each preceded by a blue diamond symbol.

LONGDEAN SCHOOL PRIORITIES
2021/2022

- ❖ We want to help you to improve your writing and to know and understand more words.
- ❖ We will ALL (us and you) work at being supportive and innovative; we will keep challenging you to be the best you can be and you will continue to challenge us to be the best we can be.
- ❖ We will keep improving our Post-16 offer to make our Sixth Form bigger and better.
- ❖ We will use new computers, tablets, software and programmes to improve our teaching and your learning.
- ❖ We will make sure our lessons and our feedback help ALL of you improve and learn at a level that is right for you.
- ❖ We want to make sure that all of you are coming into school all of the time.
- ❖ We want to make sure all of your parents and carers know about everything that is happening in school and that they feel fully involved in your education.

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. We also do a large amount of internal monitoring and evaluation through learning walks, student's voice and visits from Trustees. This all contributes to the priority setting process. Since March 2020 a lot of the input has been through surveys of parents, staff and students to monitor the remote educational provision and to ensure we can return to School positively.

Some of the key 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

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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 that is submitted to Trustees in the Autumn Term each year and reviews on at least one further occasion.

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 no charging, 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.

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.

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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 2020-21 were as follows:

Key Stage 4

Students were given Teacher Assessed Grades (TAG's) in 2021. As such there is no formal comparison that can be made against prior years or other school cohorts. The TAG process was coordinated across three schools and was quality assured internally, by the three schools and by the examination boards involved in awarding the qualifications.

Performance Indicator	Longdean Results 2021
Progress 8	0.2
Attainment 8	4.8
English & Mathematics 4+	65.00%
English & Mathematics 5+	46.60%
EBACC 5+	22.00%
2+ L4 in Science	65.00%
2+ L5 in Science	47.50%

Post 16 Results

Again, these were based on a robust TAG process that was quality assured internally and externally.

Performance Indicator	Longdean Results 2021
Level 3 Value Added	0.64
APS per entry	35.8
APS per student	109.7
A*/A%	28.70%
A*/B%	60.60%
A*/C%	87.50%
A*/E%	99.30%

The School undertook a robust process around the setting of Teacher Assessed Grades which were required in 2021 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. We also moderated across three schools before submitting a sample to the examination boards. TAGs were largely based on a set of formal examinations carried out in the same conditions and over the same duration as summer examinations would be.

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Expansion of the School

The Planned Admission Number for Year 7 is now 240. Longdean is an increasingly popular choice of school for Year 7 applications and for 2020/21 there were again a number of school admission appeals. We expect to be full again on first preferences in Year 7 for 2021/22 with the prospect of having to deal with a number of appeals. We are also in discussion with HCC about having a Specialist Resource Provision for autism and speech and language students on our site. If progressed, the facility would cater for 20 students in Years 7 – 11 above our PAN.

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 continuing effects upon the Trust of the COVID-19 pandemic, notably the extended closure of publicly available sports facilities and the corresponding impact on lettings income.

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 2021, the Trust received £8,998,243 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 £8,834,064 on general running costs (i.e. costs excluding those from the restricted fixed asset fund) and transferred £92,413 to support capital purchases for the building. The Trust brought forward from 19/20, £52,542 restricted funds (excluding pension liability) and £268,379 unrestricted funds. The carry forward for 20/21 is £316,618 restricted funding (excluding pension liability) and £369,777 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 £2,875,000. 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.

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.

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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 2021 was £713,395.

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 is undertaken on a termly basis by the Headteacher along with relevant members of his senior team with regular contribution, at least annually, from a suitably skilled trustee. The Risk register and internal control systems, as well as the exposure to said risks, are then 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.

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 consistently in line with national 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. 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. We are currently exploring three major projects, a café, an astro turf pitch, and Specialist Resource Provision, as well as re-enforcing efforts to grow our Post 16 numbers.

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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. While additional Trustees were successfully appointed, and others have stepped forward to cover the key roles, it will likely remain a challenging environment for the appointment of further Trustees when periods of office come to an end.
- Continued loss/slow recovery 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 has secured the provision of an additional shelter outside, and will be progressing 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.
- Succession Planning and contingency measures for the loss of key staff due to Covid, long term illness or career development.

With expansion and successful take up of our Planned Admission Number to 240 in each of years 7-11, the school has secured incremental financial income from this increased school roll. Having now reached an effective ceiling in student numbers for these year groups, Trustees are appreciative of the potential financial challenges where an expanding cost base might not be matched by annual grant income that is now reaching a natural ceiling. As such it is important to respond to the need to hold much tighter control of the Trust's cost base, of which staffing costs are the predominant component, while equally seeking other sources of income through other channels, such as pursuing available grant opportunities, or substantially leveraging on our lettings capability, notably our available sports facilities and our modern school building.

There are no immediate significant financial events that, in isolation, have materially impacted the financial performance of the trust. However the Trustees are mindful of the potential impact of external events outside its control, e.g. inflation relating to wholesale energy prices which, when combined with other influences, would ultimately add to the squeeze on the overall financial position of the Trust and its reserves.

Another significant financial impact consideration is in relation to signals from Government relation to Longdean's sustainability and status as a Single Academy Trust (SAT). Any direct steer to join a Multi Academy trust (MAT) would have an immediate and significant financial impact, the Trust perhaps needing to find a 4-5% plus top slice of its funding which would be directed to support the purchase of central services. This move would carry a risk that the perceived financial benefits and savings across a MAT as a whole, would not be realised by Longdean directly or, at least take a number of years to be partially realised. Such an outlay, with no certain prospect of savings being realised would significantly impact the ability of the Trust to set a balanced budget over a 2/3 year time horizon and could substantially deplete reserves within a short period of time. Trustees have been very mindful of the need to grow or at least consolidate reserves but not at the expense of withholding funds available for investing directly in the education of our students.

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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.

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 the Board of Trustees, on 13 December 2021 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 5 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
Mrs N Glaysher, Community Governor	4	5
Mrs J Green, Parent Governor	5	5
Mr C Barling, Chair	5	5
Mrs A Tattershall, Community Governor	3	5
Mr G Cunningham, Headteacher	5	5
Mr N Parsons, Co-opted Governor	4	5
Ms K McKerrell, Staff Trustee	3	5
Mr A Quirke, Community Governor	3	5
Mrs C Rumble, Parent Governor	5	5
Ms M Quinn, Staff Governor	2	2
Mr M Tattershall, Parent Governor	3	5
Mr I Loffler, Staff Governor	3	5
Mr R Upson, Community Governor	3	3
Mr R Venn, Parent Governor	5	5
Mrs T Andrews, Parent Trustee	0	0

The Coronavirus pandemic continued to present significant challenges in relation to the operation of School governance in the Academic Year. Other than meeting in person to fulfil statutory obligations, trustees were only able to meet together on full trust and committee business on one occasion before having to revert back to meeting remotely across MS Teams for the rest of the year. While the inability to hold meetings in person or undertake learning walks continues to be sub-optimal, the flexibility and opportunities afforded from leveraging available conferencing technology has ensured consistent regular engagement and has gone some significant way to bolster the support and challenge of Trustees and the contribution they are able to make during this challenging period.

While this state of affairs may need be sustained for some while, 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 programme of School visits and learning walks.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Just one Trustee completed their fixed term of office during the period and, having already completed multiple terms, the Trustee did not put themselves forward for a further term. However, in order not to break their link with the school, the Trustee has now stepped into the significant 'eyes on, hand off' role of Member. Over the same period, an additional Parent Trustee, one with significant relevant experience was appointed.

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.

The Academies Financial Handbook requires management accounts to be produced and distributed on a monthly basis. Distribution of the management accounts is to trustees appointed to the Business, Finance and Premises Committee, of which the Chair of Trustees is a member. Due to the nature of the fall of expenditure and income, trustees more closely focus in on the detail of significant periods, around three, five, and then seven to nine months into the financial reporting calendar. Core KPI's that the business finance and premises will monitor are primarily, significant variances, available cash, and progress towards achieving budgeted out turn for general reserves for the year being monitored.

The Trustees believe they maintain 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. This is the case even with the application of Centre Assessed Grades for the year, a programme over which trustees, while not accountable, were consulted on. This added a layer of support and review, as well as contributing to a robust process, with fair outcomes for students.

Trustees continue to be very mindful of the ongoing challenges and constraints as regards school finances, particularly as our Pupil Admission Numbers reach their current planned ceiling. Trustees continue to hold the view that finances remain adequate. The school is able to set a balanced budget in order to maintain a specified minimum level of reserves. Trustees benefit from a deeper understanding of the financial data that sets the foundation for an improvement in our reported reserves position. The monthly management account reports continue to be in a consistent format and are contributing to better trend analysis and a better understanding of the school's finances in general.

A Trustee Strategic Planning day is scheduled for the January 2022 to again consider the vision and future strategic direction of Longdean, particularly in relation to its status and sustainability as a Single Academy Trust. Trustees have recently completed a basic skills audit as part of an exercise of review to ensure they have the required skills to sustain their activities and as a part of the succession planning process, and ensuring gaps are filled with the most relevant experience for both short and medium to long term needs. Trustees will further consider the need for any external review of governance that might be warranted in event of a significant change of trust direction or any identified governance risks.

Trustees keep committee Terms of Reference under constant review and will amend Trustee Terms of Reference, Roles, Responsibilities and any relevant Policies where necessary.

While the Full Trust Board met five times, as compared to the six advocated by the Academies Trust Handbook, the devolvement of much of the schedule of work activities to the various sub-committees of the Full Trust Board further underpins its effectiveness and efficiency, and helps trustees maintain the oversight it is accountable for, particularly in relation to its use of funding.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Business, Premises and Finance Committee (BFP) is one of these sub-committees. 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.

Having considered the nature of Longdean Finances, the framework of reporting, and the operation of internal controls, when combined with the existence and potential operation of an effective Whistleblowing policy the Trust Board has determined an audit committee is not warranted and such activities are able to effectively sit within the remit of the Business, Finance and Premises Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Barling	9	9
Mr G Cunningham	9	9
Mr R Venn	8	9
Mr I Loffler	6	9
Mr N Parsons	9	9
Mr R Upson	5	6
Mrs C Rumble	9	9
Mr M Tattershall	4	9

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.

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 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 2020 to 31 August 2021 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 decided to appoint SBS as dedicated internal scrutiny provider.

The revised FRC Ethical Standard for Auditors now states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permitted existing audit engagements to be concluded. As a result, Longdean appointed School Business Services (SBS), to conduct the internal scrutiny audits and provide independent assurance to the board 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.

There were two audits carried out during the year. The first was in March 2021 and covered the Risk Management Framework. This included reviewing and carrying out checks on financial procedures, whistleblowing, governance induction, financial competencies, governance, gifts and hospitality, year-end procedures, accounting systems and the risk register.

There were 19 checks carried out across the various areas, of which 11 were given full assurances, 6 partial assurances and 2 limited assurances. From the work that was carried out, SBS noted good practice relating to many areas, specifically year end governance.

The recommendations given were:

1. A register should be maintained for all gifts and to ensure that the key principles of probity, accountability and value for money are upheld.
2. All month end control accounts should be reconciled to the trial balance at month end rather than the date that month end has been completed.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The second audit was carried out in May 2021 and covered Financial Risk. This included reviewing and carrying out checks on purchases, banking, payroll, assets, income, management reporting, budgeting and cash flow.

There were 33 checks carried out across the various areas, of which 24 were given full assurances, 8 partial assurances and 1 limited assurance. From the work that was carried out, SBS noted good practice relating to areas like budgeting and cash flow, monthly reporting and income.

From the work that was carried out, SBS noted good practice relating to areas like budgeting and cash flow, monthly management reporting and income.

The recommendations given were:

1. Review purchase orders monthly, ensuring that only the purchase orders kept on the system and follow up is done with suppliers regarding receipt of goods and invoicing.

All of the recommendations were actioned by the finance department.

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.

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 Auditors;
- the work of the executive managers within the Academy 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 the Board of Trustees and signed on their behalf by:

Mr C Barling
Chair of Trustees
Date: 13 December 2021

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 2020.

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 2020.

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: 17 December 2021

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 . 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 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable 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 the Board of Trustees on 13 December 2021

and signed on its behalf by:

Mr C Barling
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 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this Report.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

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.

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.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board Assurance Reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

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

20 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 2020 to 31 August 2021 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: 20 December 2021

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	73,705	170,023	62,426	306,154	552,770
Charitable activities	4	71	8,538,519	-	8,538,590	7,527,566
Other trading activities	5	153,347	-	-	153,347	130,180
Investments	6	152	-	-	152	366
Total income		227,275	8,708,542	62,426	8,998,243	8,210,882
Expenditure on:						
Charitable activities	7	98,877	8,735,187	476,572	9,310,636	8,203,209
Total expenditure		98,877	8,735,187	476,572	9,310,636	8,203,209
Net income/ (expenditure)		128,398	(26,645)	(414,146)	(312,393)	7,673
Transfers between funds	16	-	(29,279)	29,279	-	-
Net movement in funds before other recognised gains/(losses)		128,398	(55,924)	(384,867)	(312,393)	7,673
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(687,000)	-	(687,000)	(2,000)
Net movement in funds		128,398	(742,924)	(384,867)	(999,393)	5,673
Reconciliation of funds:						
Total funds brought forward		268,379	(1,815,458)	5,394,744	3,847,665	3,841,992
Net movement in funds		128,398	(742,924)	(384,867)	(999,393)	5,673
Total funds carried forward		396,777	(2,558,382)	5,009,877	2,848,272	3,847,665

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

The notes on pages 30 to 54 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	5,009,877	5,138,118
		5,009,877	5,138,118
Current assets			
Debtors	14	338,889	555,910
Cash at bank and in hand		1,268,933	854,918
		1,607,822	1,410,828
Creditors: due within one year	15	(894,427)	(833,281)
		713,395	577,547
Net current assets		713,395	577,547
Total assets less current liabilities		5,723,272	5,715,665
Net assets excluding pension liability		5,723,272	5,715,665
Defined benefit pension scheme liability	22	(2,875,000)	(1,868,000)
Total net assets		2,848,272	3,847,665

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note		2021 £	2020 £
Funds of the Academy				
Restricted funds:				
Fixed asset funds	16	5,009,877	5,394,744	
Restricted income funds	16	316,618	52,542	
		5,326,495	5,447,286	
Restricted funds excluding pension asset	16	5,326,495	5,447,286	
Pension reserve	16	(2,875,000)	(1,868,000)	
		2,451,495	3,579,286	
Total restricted funds	16		2,451,495	3,579,286
Unrestricted income funds	16		396,777	268,379
			2,848,272	3,847,665
Total funds			2,848,272	3,847,665

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 13 December 2021 and are signed on their behalf, by:

Mr C Barling
Chair of Trustees

The notes on pages 30 to 54 form part of these financial statements.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	443,850	119,642
Cash flows from investing activities	19	(29,835)	256,992
Change in cash and cash equivalents in the year		414,015	376,634
Cash and cash equivalents at the beginning of the year		854,918	478,284
Cash and cash equivalents at the end of the year	20, 21	<u>1,268,933</u>	<u>854,918</u>

The notes on pages 30 to 54 form part of these financial statements

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

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 2020 to 2021 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 2021

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
(A Company Limited by Guarantee)

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

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.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

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.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

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.

LONGDEAN SCHOOL
(A Company Limited by Guarantee)

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

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 2021. 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 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	73,705	170,023	-	243,728	291,693
Capital grants	-	-	62,426	62,426	261,077
Total 2021	<u>73,705</u>	<u>170,023</u>	<u>62,426</u>	<u>306,154</u>	<u>552,770</u>
Total 2020	<u>49,091</u>	<u>242,602</u>	<u>261,077</u>	<u>552,770</u>	

In 2020, income from donations was £291,693 of which £49,091 was unrestricted and £242,602 was restricted.

In 2020, income from capital grants was £261,077 of which all was restricted fixed assets.

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

4. Funding for the Academy's provision of education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,311,342	7,311,342	6,617,452
Other DfE/ESFA grants				
Pupil premium	-	293,801	293,801	274,463
Teachers pay / pension grants	-	367,642	367,642	350,958
Rates relief grants	-	68,093	68,093	77,721
Year 7 catch up grants	-	96,640	96,640	24,661
Summer school funding	-	68,000	68,000	-
Other DfE / ESFA grants	-	16,755	16,755	13,640
	-	-	8,222,273	7,358,895
Other Government grants				
Local Authority grants	-	257,521	257,521	129,372
Exceptional Government funding				
Coronavirus exceptional support	-	46,620	46,620	20,462
Coronavirus Job Retention Scheme	-	12,105	12,105	10,743
	-	58,725	58,725	31,205
Catering income	71	-	71	8,094
Total 2021	<u>71</u>	<u>8,538,519</u>	<u>8,538,590</u>	<u>7,527,566</u>
Total 2020	<u>8,094</u>	<u>7,519,472</u>	<u>7,527,566</u>	

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 £46,620 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 £12,105 relates to staff costs in respect of staff which are included within note 10 below as appropriate.

In 2020, income from DfE/ESFA grants was £7,358,895 of which all was restricted.

In 2020, income from other Government grants was £129,372 of which all was restricted.

In 2020, income from catering was £8,094 of which all was unrestricted.

LONGDEAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's provision of education (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	52,529	52,529	54,393
Other income	100,818	100,818	75,787
Total 2021	<u>153,347</u>	<u>153,347</u>	<u>130,180</u>
Total 2020	<u>130,180</u>	<u>130,180</u>	

In 2020, hire of facilities was £54,393 of which all was unrestricted.

In 2020, other income was £75,787, all of which was unrestricted.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	152	152	366

In 2020, all investment income was in relation to unrestricted funds.

LONGDEAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Provision of Education:					
Direct costs	6,390,230	-	579,541	6,969,771	6,447,570
Allocated support costs	535,589	801,294	1,003,982	2,340,865	1,755,639
Total 2021	<u><u>6,925,819</u></u>	<u><u>801,294</u></u>	<u><u>1,583,523</u></u>	<u><u>9,310,636</u></u>	<u><u>8,203,209</u></u>
Total 2020	<u><u>6,277,911</u></u>	<u><u>763,013</u></u>	<u><u>1,162,285</u></u>	<u><u>8,203,209</u></u>	

In 2021, of the total expenditure, £98,877 (2020 - £NIL) was from unrestricted funds, £8,735,187 (2020 - £7,914,112) was from restricted funds and £476,572 (2020 - £289,097) was from restricted fixed asset funds.

In 2020, direct expenditure consisted of £5,823,041 staff costs and £624,529 other costs.

In 2020, support expenditure consisted of £454,870 staff costs, £763,013 premises costs and £537,756 other costs.

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

8. Charitable activities

	2021 £	2020 £
Direct costs	6,969,771	6,447,570
Support costs	2,340,865	1,755,639
	9,310,636	8,203,209

Analysis of support costs

	2021 £	2020 £
Support staff costs	535,589	454,870
Depreciation	220,654	216,910
Technology costs	195,649	140,087
Premises costs	580,640	546,103
Other support costs	775,574	377,756
Governance costs	24,136	17,609
Legal costs	8,623	2,304
Total	2,340,865	1,755,639

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	83,226	156,825
Depreciation of tangible fixed assets	220,654	216,910
Fees paid to Auditors for:		
- audit	7,820	7,595
- other services	5,070	4,925
	7,820	7,595

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,013,784	4,573,247
Social security costs	512,926	474,789
Pension costs	1,398,204	1,189,167
	<u>6,924,914</u>	<u>6,237,203</u>
Agency staff costs	905	40,708
	<u><u>6,925,819</u></u>	<u><u>6,277,911</u></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £NIL (2020 - £NIL).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	82	84
Administration and support	75	79
Management	9	9
	<u>166</u>	<u>172</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	6	6
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u><u>1</u></u>	<u><u>-</u></u>

LONGDEAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 £910,356 (2020 - £952,888).

Included in the above are employer pension contributions of £146,540 (2020 - £167,138).

Included in the above are employer national insurance contributions of £80,006 (2020 - £82,090).

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 Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
G Cunningham	Remuneration	110,000 -	105,000 -
		115,000	110,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
I Loffler	Remuneration	25,000 -	25,000 -
		30,000	30,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
K McKerrell	Remuneration	50,000 -	45,000 -
		55,000	50,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
M Quinn	Remuneration	20,000 -	25,000 -
		25,000	30,000
	Pension contributions paid	0 - 5,000	5,000 -
			10,000

During the year ended 31 August 2021, travel and subsistence expenses totalling £250 were reimbursed or paid directly to 1 Trustees (2020 - £366 to 2 Trustees).

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 2021**

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2020	4,996,094	1,651,388	4,625	6,652,107
Additions	74,720	17,693	-	92,413
At 31 August 2021	<u>5,070,814</u>	<u>1,669,081</u>	<u>4,625</u>	<u>6,744,520</u>
Depreciation				
At 1 September 2020	500,533	1,008,831	4,625	1,513,989
Charge for the year	63,338	157,316	-	220,654
At 31 August 2021	<u>563,871</u>	<u>1,166,147</u>	<u>4,625</u>	<u>1,734,643</u>
Net book value				
At 31 August 2021	<u>4,506,943</u>	<u>502,934</u>	<u>-</u>	<u>5,009,877</u>
At 31 August 2020	<u>4,495,561</u>	<u>642,557</u>	<u>-</u>	<u>5,138,118</u>

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	1,635	13,086
VAT recoverable	31,901	34,711
Prepayments and accrued income	305,353	508,113
	<u>338,889</u>	<u>555,910</u>

LONGDEAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	107,674	44,182
Other taxation and social security	133,928	121,726
Other creditors	206,395	192,783
Accruals and deferred income	446,430	474,590
	894,427	833,281
	894,427	833,281
	2021 £	2020 £
Deferred income brought forward	347,118	192,302
Resources deferred during the year	205,924	347,118
Amounts released from previous periods	(347,118)	(192,302)
	205,924	347,118
Deferred income carried forward	205,924	347,118

Deferred income as at 31 August 2021 refers to various School trips and grant funding received in advance.

LONGDEAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	268,379	227,275	(98,877)	-	-	396,777
Restricted general funds						
General Annual Grant (GAG)	-	7,311,342	(7,053,154)	(29,279)	-	228,909
Other DfE/ESFA grants	19,231	969,656	(904,731)	-	-	84,156
Other Government grants	-	257,521	(257,521)	-	-	-
Restricted donations	33,311	170,023	(199,781)	-	-	3,553
Pension reserve	(1,868,000)	-	(320,000)	-	(687,000)	(2,875,000)
	<u>(1,815,458)</u>	<u>8,708,542</u>	<u>(8,735,187)</u>	<u>(29,279)</u>	<u>(687,000)</u>	<u>(2,558,382)</u>
Restricted fixed asset funds						
Devolved Formula Capital (DFC)	21,988	27,504	(16,225)	(33,267)	-	-
Restricted Fixed Asset Funds	5,138,118	-	(220,654)	92,413	-	5,009,877
Other capital fund	12,000	34,922	(12,000)	(34,922)	-	-
CIF funding	222,638	-	(227,693)	5,055	-	-
	<u>5,394,744</u>	<u>62,426</u>	<u>(476,572)</u>	<u>29,279</u>	<u>-</u>	<u>5,009,877</u>
Total Restricted funds	<u>3,579,286</u>	<u>8,770,968</u>	<u>(9,211,759)</u>	<u>-</u>	<u>(687,000)</u>	<u>2,451,495</u>
Total funds	<u><u>3,847,665</u></u>	<u><u>8,998,243</u></u>	<u><u>(9,310,636)</u></u>	<u><u>-</u></u>	<u><u>(687,000)</u></u>	<u><u>2,848,272</u></u>

LONGDEAN SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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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16. Statement of funds (continued)

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

	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)
	(1,661,420)	7,762,074	(7,914,112)	-	(2,000)	(1,815,458)
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
	5,422,764	261,077	(289,097)	-	-	5,394,744
Total Restricted funds	3,761,344	8,023,151	(8,203,209)	-	(2,000)	3,579,286
Total funds	3,841,992	8,210,882	(8,203,209)	-	(2,000)	3,847,665

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	5,009,877	5,009,877
Current assets	396,777	1,211,045	-	1,607,822
Creditors due within one year	-	(894,427)	-	(894,427)
Provisions for liabilities and charges	-	(2,875,000)	-	(2,875,000)
Total	<u>396,777</u>	<u>(2,558,382)</u>	<u>5,009,877</u>	<u>2,848,272</u>

Analysis of net assets between funds - prior year

	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	268,466	885,736	256,626	1,410,828
Creditors due within one year	(87)	(833,194)	-	(833,281)
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>

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

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(312,393)	7,673
Adjustments for:		
Depreciation	220,654	216,910
Capital grants from DfE and other capital income	(62,426)	(261,077)
Interest receivable	(152)	(366)
Decrease/(increase) in debtors	217,021	(209,868)
Increase in creditors	61,146	170,370
Pension adjustments	320,000	196,000
Net cash provided by operating activities	443,850	119,642

19. Cash flows from investing activities

	2021 £	2020 £
Interest	152	366
Purchase of tangible fixed assets	(92,413)	(4,451)
Capital grants from DfE Group	62,426	261,077
Net cash (used in)/provided by investing activities	(29,835)	256,992

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,268,933	854,918
Total cash and cash equivalents	1,268,933	854,918

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21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	854,918	414,015	1,268,933
	<u>854,918</u>	<u>414,015</u>	<u>1,268,933</u>

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 £132,962 were payable to the schemes at 31 August 2021 (2020 - £117,404) 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.

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22. Pension commitments (continued)

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; and
- 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 £839,911 (2020 - £791,917).

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 2021 was £350,000 (2020 - £296,000), of which employer's contributions totalled £276,000 (2020 - £236,000) and employees' contributions totalled £ 74,000 (2020 - £60,000). The agreed contribution rates for future years are 12.3 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 1.14 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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22. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Inflation assumption (RPI)	3.9	3.2

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

	2021 Years	2020 Years
Retiring today		
Males	22.1	21.9
Females	24.5	24.1
Retiring in 20 years		
Males	23.2	22.8
Females	26.2	25.5

As at the 31st August 2021 the Academy has a pension liability of £2,875,000 (2020 - £1,868,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(147,000)	(133,000)
Discount rate -0.1%	147,000	133,000
Mortality assumption - 1 year increase	293,000	44,000
Mortality assumption - 1 year decrease	(293,000)	(44,000)
CPI rate +0.1%	147,000	122,000
CPI rate -0.1%	(147,000)	(122,000)

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22. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	2,360,000	1,947,000
Corporate bonds	1,291,000	1,286,000
Property	490,000	331,000
Cash and other liquid assets	312,000	110,000
Total market value of assets	4,453,000	3,674,000

The actual return on scheme assets was £502,000 (2020 - £329,000).

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

	2021 £	2020 £
Current service cost	562,000	400,000
Interest income	65,000	(58,000)
Interest cost	(99,000)	90,000
Total amount recognised in the Statement of Financial Activities	528,000	432,000

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

	2021 £	2020 £
At 1 September	5,542,000	4,804,000
Current service cost	562,000	400,000
Interest cost	99,000	90,000
Employee contributions	74,000	60,000
Actuarial losses	1,124,000	273,000
Benefits paid	(74,000)	(85,000)
At 31 August	7,327,000	5,542,000

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22. Pension commitments (continued)

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

	2021 £	2020 £
Interest income	-	58,000
Actuarial gains	437,000	271,000
Employer contributions	276,000	236,000
Employee contributions	74,000	60,000
Benefits paid	(74,000)	(85,000)
At 31 August	<u>713,000</u>	<u>540,000</u>

23. Operating lease commitments

At 31 August 2021 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	PFI contract 2021 £	PFI contract 2020 £	Other 2021 £	Other 2020 £
Not later than 1 year	137,856	137,856	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	2,481,678	2,619,534	-	-
	<u>3,170,958</u>	<u>3,308,814</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 2020/21 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.

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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.

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 2021, the Academy received £11,524 (2020 - £15,365) and disbursed £3,388 (2020 - £15,286) from the fund. There is an amount of £8,136 (2020 - £7,300) 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 2021, the Academy received £337,299 (2020 - £161,662) and incurred expenditure of £135,085 (2020 - £114,129) from the consortium fund. There is an amount of £83,246 (2020 - £63,094) included in other creditors relating to undistributed consortium funds that are repayable to the members of the DSSN consortium.