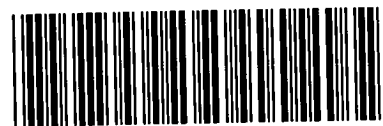


# **LONGDEAN SCHOOL**

**(A Company Limited by Guarantee)**

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 14
<b>Governance Statement</b>	15 - 19
<b>Statement on Regularity, Propriety and Compliance</b>	20
<b>Statement of Trustees' Responsibilities</b>	21
<b>Independent Auditors' Report on the Financial Statements</b>	22 - 25
<b>Independent Reporting Accountant's Report on Regularity</b>	26 - 27
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	28
<b>Balance Sheet</b>	29
<b>Statement of Cash Flows</b>	30
<b>Notes to the Financial Statements</b>	31 - 54

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	Mr C Hughes Mr R Bowley Mr R Upson Mr P Fallon (resigned 14 December 2022) Mrs L Butler
<b>Trustees</b>	Mrs N Glaysheer, Community Governor Mrs J Green, Parent Governor Mr C Barling, Community Governor and Chair of Trustees 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 (resigned 4 October 2022) Mrs C Rumble, Parent Governor Ms M Quinn, Staff Governor Mr M Tattershall, Parent Governor Mr I Loffler, Staff Governor Mr R Venn, Parent Governor Mrs T Andrews, Parent Trustee (resigned 5 December 2021)
<b>Company registered number</b>	07695624
<b>Company name</b>	Longdean School
<b>Registered and principal office</b>	Rumballs Road, Hemel Hempstead, Hertfordshire HP3 8JB
<b>Company Secretary</b>	Ms T Doyle
<b>Accounting Officer</b>	Mr G Cunningham

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Senior Leadership Team**

Mr G Cunningham, Headteacher  
Miss S Embrey, Deputy Headteacher  
Mr D Lawrence, Assistant Headteacher  
Ms B Segalini, Assistant Headteacher  
Mr R Muskett, Assistant Headteacher  
Mr P Ratcliffe, Assistant Headteacher  
Mr L Coot, Assistant Headteacher  
Ms T Doyle, Finance Director

**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

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Longdean School for the year ended 31 August 2022. 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 1406 in the 2022 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 Trustees. 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, four parent, three staff, and four community/co-opted appointments.

**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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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 Effectiveness Adviser, and reviews them. Performance against these objectives and results are measured against KPI's set by the Trustees. The KPI's are considered 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, the Business, Finance & Premises Committee, and Headteacher (Accounting Officer), to the Finance Director who in turn has agreed authority to devolve responsibilities to the Site Manager, Finance Office, ICT Support and all other account holders. A system of financial controls is in place to manage and monitor this process.

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

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

In order to ensure there is a separation between the Trustee Board and the Members, and in line with the requirements set out in the annual Academy Trust Handbook, no Trustees sit as Members. The Members meet annually, and in line with current best practice and direction, Trustees undertake to keep the Members regularly updated and informed. One mechanism that is utilised is to extend an invitation to Members to attend committee and trust board meetings as observers when it is deemed 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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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 Academy Trust Handbook.

The Trust does not have a formal sponsor and has not cooperated with any related party during the year in pursuit of its charitable activities.

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, Strategies and Activities Objectives and aims**

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

**Strategies and activities**

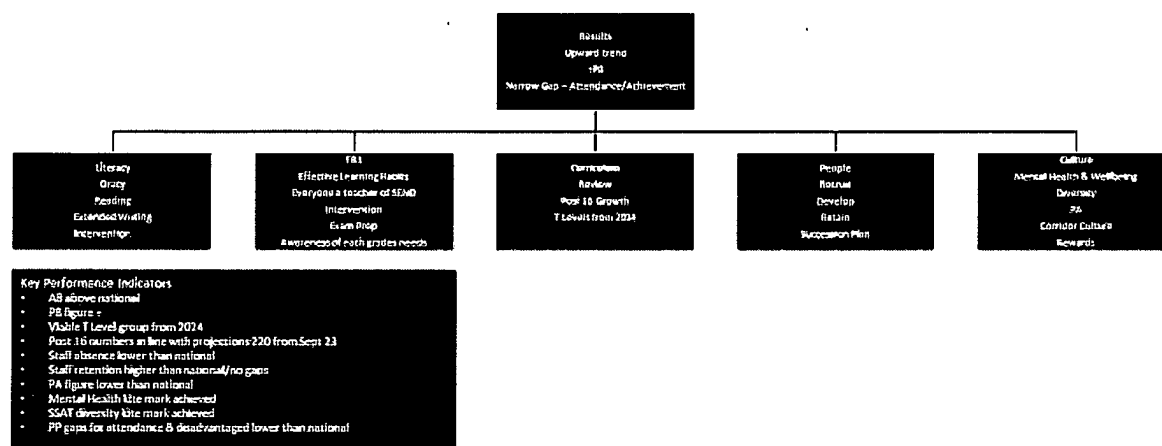
Longdean School, is dedicated to delivering an excellent education, one that gives all our students the tools to develop into confident citizens who can contribute positively to society. This is reflected in our key values of challenge, innovation and support as well as our strap line 'Rejoice in Thy 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.

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Longdean School Priorities 2022 - 2023**



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, students 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 Academic Year 20-21, 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.

All of our priorities are driven by raising the achievement of students as this increases the control and choice the students have over their futures when they leave. They are also focused on developing skills in our students as well as qualities that will enable them to contribute to the communities they are part of.

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 reviewed on at least one further occasion during the year.



**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 having due regard to the guidance on public benefit published by the Charity Commission.

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

**Strategic Report**

**Achievements and Performance**

Longdean School was last inspected by OFSTED in November 2019 and was again rated as a 'Good School.' The report highlighted 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."

The School was also asked to focus on the academic performance of disadvantaged students as well as closing their attendance gap. Both of these goals require us to reduce internal variation between departments and year groups in these two areas. Trustees play a key role in this and their activities include but are not limited to:

- Monitoring the performance of departments
- Attending examination meetings with departments
- Trustee visits to school
- Half termly meeting between chairs of committees and Headteacher
- Ensuring our recruitment is linked to our priorities and reinforces them

**Key Performance Indicators (KPI's)**

The Trustees use a series of key performance indicators (KPI's) as a tool for measuring success and evaluating the Trust's overall effectiveness. These KPI's will further be used as an aid in holding the Headteacher to account. They comprise indicators relating to a number of key areas covering:

- Student numbers.
- Examination results – progress and attainment.
- Recruitment and retention of staff as well as staff absence.
- Student attendance including persistent absence.
- Financial performance.
- Post 16 numbers increasing as a % of Year 11.
- Student behaviour and exclusions.

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

These KPI's are reported on a regular basis, four times per year, and are subject to regular review by the current Trust Board. Trustees seek to outline KPI's that can be used to measure the whole School and can feed into Headteacher Appraisal and subsequent reporting to the Trust Board. Trustees are looking for a number of qualitative as well as quantitative measures that will contribute to a dashboard that gives a clearer and broader picture of overall performance.

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

**Examination Results 2022**

**Key Stage 4**

It is to be noted that not all the grades that students achieve count for the School in nationally published performance tables. However, both are reported here.

Indicator	August results without legacy	August results with legacy (all grades count)	2019 results
P8	-0.34	0.1	-0.37
A8	4.5	4.8	4.4
5+EM	44.20%	44.20%	36.60%
4+EM	66.10%	66.10%	60.70%
2 Science 5+	39.10%	39.10%	
2 Science 4+	59.20%	59.20%	
EBACC % entered	58.40%	58.40%	50.30%

**Post 16 Results**

Indicator	Jan 22 Prelim 1	Mar 22 Prelim 2	August Results	2019 results
L3VA	-0.6	-0.7	-0.1 (1 student missing)	+0.09
APS entry	27.7	27.2	30.7	28.7
APS Student	86.6	84.8	96.3	82.4
A*/A	9.80%	10.10%	17.90%	14.90%
A*/B	31.10%	25.70%	39.10%	29.80%
A*/E	96.20%	92.70%	98.30%	97.90%
Average Grade	C-	C-	C	C

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Expansion of the School**

The Planned Admission Number for Year 7 now sits at its capacity of 240 in years 7 -11. Longdean continues to cement its place as a popular choice of school for Year 7 applications and for 2021/22 was full on first preferences. For 2021/22 there were again a number of school admission appeals. There are already indications that we will be full on first preferences in Year 7 for 2022/23, and there is the prospect of having to deal with a significantly increased number of appeals. We continue in discussions with HCC about a Specialist Resource Provision which, if finalised, would lead to creation of a facility catering for 20 students, across Years 7 – 11, above our PAN. We have also retained more Year 11 students into our Post 16 provision and this cohort now contains around 200 students.

**Going Concern**

Having considered the latest management information and future plans and 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 current financial pressures affecting the schools' sector as well those arising due to the wider risks posed due to the subdued global economic environment.

**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 2022, the Trust received £9,705,946 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 £9,415,450 excluding depreciation and LGPS adjustments. The Trust brought forward from 20/21, £316,618 restricted funds and £396,777 unrestricted funds. The carry forward for 21/22 is £398,099 restricted funding and £578,102 unrestricted funding. After a period of depletion of reserves following the move to the new premises and the need to equip many of the fixtures of the new building, Trustees have implemented a policy that now seeks to establish and maintain a target minimum level of reserves. This reserves policy is detailed below.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £227,000. 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.

While there has been a significant reduction in the opening deficit of £2,648,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

A breakdown of income and expenditure can be seen below:

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	9,357,654	246,056	102,236	-	9,705,946
Resources Expended	(9,258,668)	(64,731)	(74,546)		(9,397,945)
LGPS Charge				(246,000)	(246,000)
Depreciation			(170,527)		(170,527)
Employer contributions paid				(313,000)	(313,000)
Total Resources Expended	(9,258,668)	(64,731)	(245,073)	(559,000)	(10,127,472)
Assets Purchased from GAG	(17,505)	-	17,505		-
Actuarial Gains				3,207,000	3,207,000
Surplus / (Deficit) for the year	81,481	181,325	(125,332)	2,648,000	2,785,474
Balance at 1 September 2021	316,618	396,777	5,009,877	(2,875,000)	2,848,272
Balance at 31 August 2022	398,099	578,102	4,884,545	(227,000)	5,633,746

### Reserves Policy

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

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

Having regard for the utilisation of the significant level of reserves that were set aside to equip the new building, the Trustees have determined it would be appropriate to maintain a target minimum level of free reserves 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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £976,201.

**Investment Policy**

The Trustees have a policy of investing cash balances with a view to maximising returns, while seeking to ensure ready accessibility to funds. For what has been an 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 available 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 regular basis, generally once each term, by the Headteacher along with relevant members of his senior team plus regular contributions, 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 Business Finance and Premises Committee 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, as confirmed by its 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. The School continues to have an experienced and committed staff and relatively few significant problems with recruitment and retention relative to other schools. 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 awarded in Summer 2020 allowed 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.

While delivery cannot be guaranteed, we continue to explore and make progress on three major projects, a café, an artificial pitch, and a Specialist Resource Provision, all projects that are expected to enhance our education offering and help underpin our standing as an education provider to the local community. Our broad based and unique curriculum is something under regular scrutiny and we are undertaking a robust curriculum review in 2022/23, something that seeks to challenge whether our curriculum continues to meet the needs of our students. In addition, we are constantly reviewing our Post Sixteen offering as we seek to reinforce efforts to secure and grow our Post Sixteen numbers. We do this in the face of needing to adapt to an evolving education environment, one that demands schools provide additional choice and allows students to choose from a broader range of vocational subjects and qualifications, something more typically associated with Sixth Form College provision. A large focus of this will be on providing T Level courses and also a bespoke Post 16 programme for students with an EHCP who would wish to remain at Longdean.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

- The Cost of Living Crisis – the School is not immune from all the shocks and turmoil associated with global security fears and the global economic uncertainty contributing to significant price inflation. The ability to deal the impact rising costs, particularly energy, and those associated with wage inflation will naturally be constrained by any lag or shortfall in our primary form of income, i.e., the General Annual Grant. While the school is partially able to mitigate the impact of immediate shocks, whether it be through increasing its PAN, careful management of its contracts, a reduction in discretionary spend, reconfiguration of application of its budgets, such an enduring situation is not ultimately sustainable without additional grants, new streams of income, or specific government funding support. The impact would be detrimental to the quality of the education provision, which would in turn impact its reputation, sustainability of its full PAN all issues that could adversely impact the long term financial viability of the school. Trustees continue to monitor the evolving conditions and seek to ensure appropriate measures are in place to mitigate these risks.
- Staffing is an increasing challenge both in terms of the number of applicants for posts who are of an appropriate calibre for our school and also retaining colleagues whose lives have been placed on hold for a significant period due to lockdown. Seeking ways to value to our staff through internal or external CPD, role shadowing or taking on additional paid projects is key to ensuring success in these areas. Our role evaluation process also contributes to good retention at our school.
- Governance - Failures in governance and management - Appointment of suitably experienced and skilled volunteers to act as Trustees is a challenge and one faced broadly by most trusts. The Trust lost a number of Trustees as a result of the COVID crisis and this left several gaps. While additional Trustees have successfully been appointed and existing Trustees have stepped forward to cover the key roles, the environment for appointing suitable and willing Trustees remains quite challenging. It is important that the Trust prioritises efforts to secure a number of additional community appointments in order to provide the best support for our school, as well as to hold our headteacher to account.
- Loss/slow recovery of lettings income/lettings management. The ability to leverage additional income from our school estate serves as a valuable revenue generation tool, something that allows us to underpin/enhance some of our specific education provision, as well as providing an opportunity for bolstering our 'free' reserves in support of our minimum reserves target. The Covid pandemic led to the closure of the Sports Centre for a significant period at the time and we are still only some way towards re-establishing our lettings arrangements to pre-pandemic levels, as well as making progress with our efforts to secure a specialist lettings partner. While we seek to ensure we are not dependent on lettings income just to maintain our education provision in these areas, slow recovery does create a drag on finances and increases our risk.
- Inadequate canteen size. Since the increase in PAN, the canteen became increasingly crowded. While we are progressing the construction of a freestanding 'Cafe' on site for older students, due to delays with construction the trust has additional financial exposure due to the increased implied financing costs within the terms of the lease. These are additional costs that now have to be managed accordingly over a fixed term.
- Staff and student wellbeing, especially in the time of COVID The school employs two counsellors for students and each year group has a PP Champion and Pastoral Manager alongside the Director of Year. This major issue presents itself in reduced student attendance and persistent absence and reducing this is a school priority moving forward. Staff can access support for themselves via an external Employee Assistance Programme and can access counselling. From 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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

Having considered the risks and uncertainties, Trustees are of the view that there are no immediate significant financial events that, in isolation, have materially and adversely impacted the financial performance of the trust. However the Trustees are mindful of the potential impact of external events outside its control, e.g., the specific shocks relating to wholesale energy prices and rising wages which, when combined with other influences, ultimately add to the squeeze on the 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). A more immediate steer from government to have plans in place by 2030 for joining a Multi Academy trust (MAT) would have an immediate and significant financial impact, the trust perhaps needing to find a 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. However, Trustees have embraced the need to at least consider the MAT format and have recognised the opportunities that may open up were we to join a suitable and receptive MAT. While the top slice financing would need to be considered, we might mitigate the financial risks as two parties will be working towards a top-slicing arrangement during the landing period that is not the detriment of either party, i.e. us as a good and well-run school, or the chosen MAT itself. As such we are actively progressing plans to this end and undertaking due diligence with Scholars' Education Trust in relation to our desire to join their MAT. These plans are noted and expanded on below.

**Plans for Future Periods**

The Trust will continue to strive 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.
- Improving the retention of students from Year 11 into Post 16 through marketing and reviewing the curriculum in this area.
- Improving the performance of PP students and those with an underlying SEND.
- By reducing the persistent absence figure through robust attendance systems administered by the best people  
Recruiting the best staff to work with our young people
- Development of the School estate to further enhance opportunities for our young people.
- Developing the School sports facilities for the benefit of students and the wider community. The artificial pitch and café is a major part of this plan
- Using our successful bid for an SRP facility to improve standards of teaching across the whole School.
- Ensure that students receive the best possible teaching from the best staff
- Continued priority given to staff development, and close involvement in the Alban Federation/Dacorum Teaching Schools Alliance.

The Trust Board has also entered into a due diligence process with a local MAT as it is felt that this avenue of opportunity will provide a potential way to facilitate improvements in the areas outlined above. Currently the trust have entered into a decision in principle to join Scholars Education Trust and we have now entered into a more formal stage of the due diligence process.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Trade Unions**

During the year two 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  
19 Dec 2022 and signed on its behalf by:

*Charlie Barling*

C Barling (Dec 20, 2022, 1:26pm)

**Mr C Barling**  
Chair



**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**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 its business and charitable 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 met formally six times during the year. The Board is satisfied that through the use of appropriate sub-committees, 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	5	6
Mrs J Green, Parent Governor	5	6
Mr C Barling, Chair	6	6
Mrs A Tattershall, Community Governor	3	6
Mr G Cunningham, Headteacher	6	6
Mr N Parsons, Co-opted Governor	2	6
Ms K McKerrell, Staff Trustee	4	6
Mr A Quirke, Community Governor	2	6
Mrs C Rumble, Parent Governor	5	6
Ms M Quinn, Staff Governor	5	6
Mr M Tattershall, Parent Governor	6	6
Mr I Loffler, Staff Governor	3	6
Mr R Venn, Parent Governor	5	6
Mrs T Andrews, Parent Trustee	1	1

The Coronavirus pandemic had previously presented significant challenges in relation to the operation of School governance. Other than meeting in person to fulfil statutory obligations, trustees were essentially reliant on technology as providing the tool to enable us to meet, albeit remotely, to discuss trust business. While this inability to hold meetings in person or undertake learning walks was certainly sub-optimal, with effective application of all the necessary guidance and the easing of Covid restrictions, trust governance has since returned to its normal meetings arrangements, with restored capacity to add visits and attend learning walks as necessary. The ability to now meet remotely is now an embedded tool and can be seen as adding to our flexibility and governance capabilities.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

There was one Trustee who stepped down during the year, with a further Trustee stepping down after the reporting period, both decisions being driven by personal circumstances. As an Academy we note the principal difficulties in securing the input of volunteers to act as suitable Trustees/Governors. However, the School has a supportive parent population and local community which has at least allowed us to maintain our trustee volunteer base at a fully functional level.

The ability to respond to these challenges and the ability to fill Trustee positions as our circumstances demand, demonstrates a level robustness in the Trust's organisational governance arrangements. Succession planning and recruitment of Trustees continues at the heart of the Board of Trustees agenda with constant consideration being given to recruitment of additional trustees/governors to better underpin our governance accountabilities.

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 Head teacher and Directors of Learning.

The Academies Trust 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.

Trustees continue to be very mindful of the current and very specific challenges and constraints as regards school finances. 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. The school has historically been able to set a budget that tends to be conservative with those downside uncertainties that exist in future years under constant review and challenge. Trustees benefit from a deeper understanding of the financial data that sets the foundation for us to at least land to secure improvement adherence to our targeted reserves position. The monthly management account reports are presented in a consistent format and are contributing to improved trend analysis and a better understanding of the school's finances in general.

On an annual basis the trust will schedule a strategic planning event, normally held in Spring Term, in order to consider the current vision and future strategic direction of Longdean. The critical focus of the event is the Academic Year was particularly in relation to Longdean's likely status and sustainability as a Single Academy Trust along and with noted intent for entering in to a due diligence period with Scholars' Educational Trust and the prospect of joining their trust arrangements.

On an annual basis we seek for Trustees to complete a basic skills audit as part of an exercise of review to ensure they at least have the prerequisite skills to fulfil our governance accountabilities and we seek to ensure 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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Academies Trust Handbook advocates for trust boards to meet at least six times a year. While the Full Trust Board did meet six times in this Academic Year, the board does seek to devolve much of the schedule of work to various sub-committees. This allows the board to focus in on the most important business of the trust and more important trust decisions. Further, this devolution allows for greater understanding of school operations, which aids effectiveness and efficiency, and helps trustees maintain the oversight it is accountable for, particularly in relation to the school's use of funding.

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	8	8
Mr G Cunningham	8	8
Mr R Venn	7	8
Mr I Loffler	3	8
Mr N Parsons	4	8
Mrs C Rumble	8	8
Mr M Tattershall	6	8

**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 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 specialists for the procurement of services and brokers for utilities, and ensuring adherence to financial regulations that require multiple quotes or formal tendering for all substantial expenditure. Seeking close correlation between curriculum and timetabling and also evaluating roles to ensure pay is competitive and accurate for the role being carried out.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Longdean School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 employ SBS as Internal Auditor.

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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

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.

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 executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditors;

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 the Board of Trustees on 19 Dec 2022

and signed on their behalf by:

*Charlie Barling*

*C Barling (Dec 20, 2022, 1:26pm)*

**Mr C Barling**  
Chair



*G Cunningham (Dec 20, 2022, 1:33pm)*

**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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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 (Dec 20, 2022, 1:33pm)

**Mr G Cunningham**  
Accounting Officer

Date: 20 Dec 2022

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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 19 Dec 2022

and signed on its behalf by:

*Charlie Barling*

C Barling (Dec 20, 2022, 1:26pm)

**Mr C Barling**

Chair

**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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 Academy 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.
- 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 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 Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Academy.
- 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.

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](http://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 Michael Cooper-Davis FCCA ACA (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

Date: 21 December 2022

**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 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 2021 to 31 August 2022 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: 21 December 2022

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	53,441	442,786	102,236	598,463	306,154
Other trading activities	5	182,735	-	-	182,735	153,347
Investments	6	163	-	-	163	152
Charitable activities	4	9,717	8,914,868	-	8,924,585	8,538,590
<b>Total income</b>		<b>246,056</b>	<b>9,357,654</b>	<b>102,236</b>	<b>9,705,946</b>	<b>8,998,243</b>
<b>Expenditure on:</b>						
Charitable activities	7	64,731	9,817,668	245,073	10,127,472	9,310,636
<b>Total expenditure</b>		<b>64,731</b>	<b>9,817,668</b>	<b>245,073</b>	<b>10,127,472</b>	<b>9,310,636</b>
<b>Net income/ (expenditure)</b>		<b>181,325</b>	<b>(460,014)</b>	<b>(142,837)</b>	<b>(421,526)</b>	<b>(312,393)</b>
Transfers between funds	16	-	(17,505)	17,505	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>181,325</b>	<b>(477,519)</b>	<b>(125,332)</b>	<b>(421,526)</b>	<b>(312,393)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	3,207,000	-	3,207,000	(687,000)
<b>Net movement in funds</b>		<b>181,325</b>	<b>2,729,481</b>	<b>(125,332)</b>	<b>2,785,474</b>	<b>(999,393)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		396,777	(2,558,382)	5,009,877	2,848,272	3,847,665
Net movement in funds		181,325	2,729,481	(125,332)	2,785,474	(999,393)
<b>Total funds carried forward</b>		<b>578,102</b>	<b>171,099</b>	<b>4,884,545</b>	<b>5,633,746</b>	<b>2,848,272</b>

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

The notes on pages 31 to 54 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	4,884,545	5,009,877
		<u>4,884,545</u>	<u>5,009,877</u>
<b>Current assets</b>			
Debtors	14	210,997	338,889
Cash at bank and in hand	20	1,544,813	1,268,933
		<u>1,755,810</u>	<u>1,607,822</u>
Creditors: due within one year	15	(779,609)	(894,427)
<b>Net current assets</b>		<u>976,201</u>	<u>713,395</u>
<b>Total assets less current liabilities</b>		<u>5,860,746</u>	<u>5,723,272</u>
<b>Net assets excluding pension liability</b>		<u>5,860,746</u>	<u>5,723,272</u>
Defined benefit pension scheme liability	22	(227,000)	(2,875,000)
<b>Total net assets</b>		<u><u>5,633,746</u></u>	<u><u>2,848,272</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	4,884,545	5,009,877
Restricted income funds	16	398,099	316,618
		<u>5,282,644</u>	<u>5,326,495</u>
Restricted funds excluding pension asset	16	5,282,644	5,326,495
Pension reserve	16	(227,000)	(2,875,000)
<b>Total restricted funds</b>	16	<u>5,055,644</u>	<u>2,451,495</u>
<b>Unrestricted income funds</b>	16	<u>578,102</u>	<u>396,777</u>
<b>Total funds</b>		<u><u>5,633,746</u></u>	<u><u>2,848,272</u></u>

The financial statements on pages 28 to 54 were approved by the Trustees, and authorised for issue on 19 Dec 2022 and are signed on their behalf, by:

Charlie Barling

Mr C Barling  
Chair

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	293,147	443,850
<b>Cash flows from investing activities</b>	19	(17,267)	(29,835)
<b>Change in cash and cash equivalents in the year</b>		275,880	414,015
Cash and cash equivalents at the beginning of the year		1,268,933	854,918
<b>Cash and cash equivalents at the end of the year</b>	20, 21	<u>1,544,813</u>	<u>1,268,933</u>

The notes on pages 31 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 2022**

**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 2021 to 2022 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 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 2022**

**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.

All resources expended are inclusive of irrecoverable VAT.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.6 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.

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.

**1.7 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	- 125 years
Long term leasehold buildings	- 50 years
Furniture and equipment	- 5-25 years
Motor vehicles	- 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.

**1.8 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 2022**

**1. Accounting policies (continued)**

**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.

**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 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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.13 Pensions (continued)**

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.

**1.14 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.

**1.15 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.

**1.16 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.

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**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.

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 2022. 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 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	53,441	442,786	74,471	570,698	278,650
Capital grants	-	-	27,765	27,765	27,504
<b>Total 2022</b>	<b>53,441</b>	<b>442,786</b>	<b>102,236</b>	<b>598,463</b>	<b>306,154</b>
<b>Total 2021</b>	<b>73,705</b>	<b>170,023</b>	<b>62,426</b>	<b>306,154</b>	

In 2021, income from donations was £278,650 of which £73,705 was unrestricted, £170,023 was restricted and £34,922 was restricted fixed assets.

In 2021, income from capital grants was £27,504 of which all was restricted fixed assets.

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy's charitable activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Provision of Education</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,832,031	7,832,031	7,299,818
Other DfE/ESFA grants				
Other DfE / ESFA grants	-	174,293	174,293	167,374
Rates relief	-	57,302	57,302	68,093
Supplementary grant	-	94,940	94,940	-
Recovery premium	-	41,149	41,149	-
Pupil premium	-	374,129	374,129	293,801
Teacher pay and pension grants	-	-	-	367,642
	-	8,573,844	8,573,844	8,196,728
<b>Other Government grants</b>				
Local Authority grants	-	307,324	307,324	118,426
	-	307,324	307,324	118,426
<b>Catering income</b>	9,717	-	9,717	71
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	-	-	96,640
Other DfE/ESFA COVID-19 funding	-	33,619	33,619	114,620
	-	33,619	33,619	211,260
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Coronavirus Job Retention Scheme grant	-	81	81	12,105
	-	81	81	12,105
<b>Total 2022</b>	<b>9,717</b>	<b>8,914,868</b>	<b>8,924,585</b>	<b>8,538,590</b>
<b>Total 2021</b>	<b>71</b>	<b>8,538,519</b>	<b>8,538,590</b>	

In 2022, a reclassification of ESFA and Other Governments grants was made to better reflect income under the correct heading. A prior year reclassification was made, although overall income for note 4 remained the same.

In 2021, income from DfE/ESFA grants was all was restricted.

In 2021, income from other Government grants was all was restricted.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy's charitable activities (continued)**

In 2021, catering income was all was unrestricted.

In 2021, Covid-19 additional funding was all restricted.

**5. Income from other trading activities**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	118,970	118,970	52,529
Other income	63,765	63,765	100,818
<b>Total 2022</b>	<u>182,735</u>	<u>182,735</u>	<u>153,347</u>
Total 2021	<u>153,347</u>	<u>153,347</u>	

In 2021, hire of facilities was £52,529 of which all was unrestricted.

In 2021, other income was £100,818, all of which was unrestricted.

**6. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	<u>163</u>	<u>163</u>	<u>152</u>

In 2021, investment income was £163, all of which was unrestricted.



**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**7. Expenditure**

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Provision of Education:					
Direct costs	6,979,515	-	843,937	7,823,452	6,969,771
Allocated support costs	572,173	811,423	920,424	2,304,020	2,340,865
<b>Total 2022</b>	<b>7,551,688</b>	<b>811,423</b>	<b>1,764,361</b>	<b>10,127,472</b>	<b>9,310,636</b>
<b>Total 2021</b>	<b>6,925,819</b>	<b>801,294</b>	<b>1,583,523</b>	<b>9,310,636</b>	

In 2022, of the total expenditure, £64,731 (2021 - £98,877) was from unrestricted funds, £9,817,668 (2021 - £8,735,187) was from restricted funds and £245,073 (2021 - £476,572) was from restricted fixed asset funds.

In 2021, direct expenditure consisted of £6,390,230 staff costs and £579,541 other costs.

In 2021, support expenditure consisted of £535,589 staff costs, £801,294 premises costs and £1,003,982 other costs.

**8. Charitable activities**

**Analysis of support costs**

	2022 £	2021 £
Support staff costs	572,173	535,589
Depreciation	170,527	220,654
Technology costs	275,123	195,649
Premises costs	640,896	580,640
Other support costs	641,915	775,574
Governance costs	-	24,136
Legal costs	3,386	8,623
<b>Total</b>	<b>2,304,020</b>	<b>2,340,865</b>

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	68,771	83,226
Depreciation of tangible fixed assets	170,527	220,654
Fees paid to Auditors for:		
- audit	10,165	7,820
- other services	6,590	5,070
	<u>          </u>	<u>          </u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	5,280,336	5,013,784
Social security costs	556,625	512,926
Pension costs	1,688,123	1,398,204
	<u>          </u>	<u>          </u>
	7,525,084	6,924,914
Agency staff costs	26,604	905
	<u>          </u>	<u>          </u>
	<u>7,551,688</u>	<u>6,925,819</u>

**b. Staff numbers**

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

	2022 No.	2021 No.
Teachers	83	82
Administration and support	70	75
Management	8	9
	<u>          </u>	<u>          </u>
	<u>161</u>	<u>166</u>

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**10. Staff (continued)**

**c. Higher paid staff**

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	6
In the band £70,001 - £80,000	1	-
In the band £110,001 - £120,000	1	1
	<u>          </u>	<u>          </u>

**d. 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 £884,363 (2021 - £910,356).

Included in the above are employer pension contributions of £141,872 (2021 - £146,540).

Included in the above are employer national insurance contributions of £80,784 (2021 - £80,006).

**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:

		2022 £	2021 £
G Cunningham	Remuneration	115,000 - 120,000	110,000 - 115,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000
I Loffler	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
K McKerrell	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
M Quinn	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £250).

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**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.

**13. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	5,070,814	1,669,081	4,625	6,744,520
Additions	37,839	7,356	-	45,195
At 31 August 2022	5,108,653	1,676,437	4,625	6,789,715
<b>Depreciation</b>				
At 1 September 2021	563,871	1,166,147	4,625	1,734,643
Charge for the year	65,473	105,054	-	170,527
At 31 August 2022	629,344	1,271,201	4,625	1,905,170
<b>Net book value</b>				
At 31 August 2022	4,479,309	405,236	-	4,884,545
At 31 August 2021	4,506,943	502,934	-	5,009,877

**14. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	850	1,635
VAT Recoverable	7,411	17,166
Prepayments and accrued income	188,001	305,353
Other debtors	14,735	14,735
	210,997	338,889

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**15. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	446	107,674
Other taxation and social security	276,948	133,928
Other creditors	52,348	206,395
Accruals and deferred income	449,867	446,430
	<u>779,609</u>	<u>894,427</u>
	2022 £	2021 £
Deferred income brought forward	205,924	347,118
Resources deferred during the year	112,981	205,924
Amounts released from previous periods	(205,924)	(347,118)
<b>Deferred income carried forward</b>	<u>112,981</u>	<u>205,924</u>

At the balance sheet date the Academy was holding funds in advance relating to school trips and grant income.

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**16. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
Unrestricted funds	396,777	246,056	(64,731)	-	-	578,102
<b>Restricted general funds</b>						
General Annual Grant (GAG)	228,909	7,832,031	(7,748,890)	(17,505)	-	294,545
Other DfE/ESFA grants	84,156	775,513	(756,115)	-	-	103,554
Other Government grants	-	307,324	(307,324)	-	-	-
Restricted donations	3,553	442,786	(446,339)	-	-	-
Pension reserve	(2,875,000)	-	(559,000)	-	3,207,000	(227,000)
	<u>(2,558,382)</u>	<u>9,357,654</u>	<u>(9,817,668)</u>	<u>(17,505)</u>	<u>3,207,000</u>	<u>171,099</u>
<b>Restricted fixed asset funds</b>						
Devolved Formula Capital (DFC)	-	27,690	-	(27,690)	-	-
Restricted Fixed Asset Funds	5,009,877	-	(170,527)	45,195	-	4,884,545
Other capital fund	-	74,546	(74,546)	-	-	-
	<u>5,009,877</u>	<u>102,236</u>	<u>(245,073)</u>	<u>17,505</u>	<u>-</u>	<u>4,884,545</u>
<b>Total Restricted funds</b>	<u>2,451,495</u>	<u>9,459,890</u>	<u>(10,062,741)</u>	<u>-</u>	<u>3,207,000</u>	<u>5,055,644</u>
<b>Total funds</b>	<u><u>2,848,272</u></u>	<u><u>9,705,946</u></u>	<u><u>(10,127,472)</u></u>	<u><u>-</u></u>	<u><u>3,207,000</u></u>	<u><u>5,633,746</u></u>

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022.

**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 donated laptops.

**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.

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**16. Statement of funds (continued)**

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
Unrestricted funds	268,379	227,275	(98,877)	-	-	396,777
<b>Restricted general funds</b>						
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>
<b>Restricted fixed asset funds</b>						
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>
<b>Total Restricted funds</b>	<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>
<b>Total funds</b>	<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**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	4,884,545	4,884,545
Current assets	578,102	1,177,708	-	1,755,810
Creditors due within one year	-	(779,609)	-	(779,609)
Provisions for liabilities and charges	-	(227,000)	-	(227,000)
<b>Total</b>	<b>578,102</b>	<b>171,099</b>	<b>4,884,545</b>	<b>5,633,746</b>

**Analysis of net assets between funds - prior 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)
<b>Total</b>	<b>396,777</b>	<b>(2,558,382)</b>	<b>5,009,877</b>	<b>2,848,272</b>

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**18. Reconciliation of net expenditure to net cash flow from operating activities**

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(421,526)	(312,393)
<b>Adjustments for:</b>		
Depreciation	170,527	220,654
Capital grants from the ESFA	(27,765)	(62,426)
Interest receivable	(163)	(152)
Decrease in debtors	127,892	217,021
(Decrease)/increase in creditors	(114,818)	61,146
Pension adjustments	559,000	320,000
<b>Net cash provided by operating activities</b>	<b>293,147</b>	<b>443,850</b>

**19. Cash flows from investing activities**

	2022 £	2021 £
Interest	163	152
Purchase of tangible fixed assets	(45,195)	(92,413)
Capital grants from the ESFA	27,690	62,426
Other capital income	75	-
<b>Net cash used in investing activities</b>	<b>(17,267)</b>	<b>(29,835)</b>

**20. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	1,544,813	1,268,933
<b>Total cash and cash equivalents</b>	<b>1,544,813</b>	<b>1,268,933</b>

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,268,933	275,880	1,544,813
	<u>1,268,933</u>	<u>275,880</u>	<u>1,544,813</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 £138,129 were payable to the schemes at 31 August 2022 (2021 - £132,962) 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.

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 £872,054 (2021 - £839,911).

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 2022 was £396,000 (2021 - £350,000), of which employer's contributions totalled £313,000 (2021 - £276,000) and employees' contributions totalled £ 83,000 (2021 - £74,000). 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 1.13 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.

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**22. Pension commitments (continued)**

**Principal actuarial assumptions**

	2022 %	2021 %
Rate of increase in salaries	3.45	3.3
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.9
Inflation assumption (RPI)	4.05	3.9

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

	2022 Years	2021 Years
Retiring today		
Males	21.9	22.1
Females	24.4	24.5
Retiring in 20 years		
Males	22.9	23.2
Females	26.0	26.2

As at the 31st August 2022 the Academy has a pension liability of £227,000 (2021 - £2,875,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

**Sensitivity analysis**

	2022 £000	2021 £000
Discount rate +0.1%	(94,000)	(147,000)
Discount rate -0.1%	94,000	147,000
Mortality assumption -+1 year increase	188,000	293,000
Mortality assumption - 1 year decrease	(188,000)	(293,000)
CPI rate +0.1%	94,000	147,000
CPI rate -0.1%	(94,000)	(147,000)

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**22. Pension commitments (continued)**

**Share of scheme assets**

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	2,237,000	2,360,000
Corporate bonds	1,029,000	1,291,000
Property	671,000	490,000
Cash and other liquid assets	537,000	312,000
<b>Total market value of assets</b>	<b>4,474,000</b>	<b>4,453,000</b>

The actual return on scheme assets was £-294,000 (2021 - £502,000).

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

	2022 £	2021 £
Current service cost	820,000	562,000
Interest income	76,000	65,000
Interest cost	(128,000)	(99,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>768,000</b>	<b>528,000</b>

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

	2022 £	2021 £
<b>At 1 September</b>	<b>7,327,000</b>	<b>5,542,000</b>
Current service cost	820,000	562,000
Interest cost	128,000	99,000
Employee contributions	83,000	74,000
Actuarial (gains)/losses	(3,577,000)	1,124,000
Benefits paid	(80,000)	(74,000)
<b>At 31 August</b>	<b>4,701,000</b>	<b>7,327,000</b>

**LONGDEAN SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**22. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	4,452,000	3,674,000
Interest income	76,000	65,000
Actuarial (losses)/gains	(370,000)	437,000
Employer contributions	313,000	276,000
Employee contributions	83,000	74,000
Benefits paid	(80,000)	(74,000)
<b>At 31 August</b>	<u>4,474,000</u>	<u>4,452,000</u>

**23. Operating lease commitments**

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	353,832	157,094
Later than 1 year and not later than 5 years	848,171	561,320
Later than 5 years	2,343,822	2,481,678
	<u>3,545,825</u>	<u>3,200,092</u>

**24. Members' liability**

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

**25. Related party transactions**

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

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

**LONGDEAN SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 2022, the Academy received £8,883 (2021 - £11,524) and disbursed £8,536 (2021 - £3,388) from the fund. There is an amount of £347 (2021 - £8,136) 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 2022, the Academy received £183,650 (2021 - £337,299) and incurred expenditure of £39,254 (2021 - £135,085) from the consortium fund. There is an amount of £50,090 (2021 - £83,246) included in other creditors relating to undistributed consortium funds that are repayable to the members of the DSSN consortium.