

**Charity Registration No. 513534**

**Company Registration No. 01675232 (England and Wales)**

**LONGRIDGE TOWERS SCHOOL**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

# LONGRIDGE TOWERS SCHOOL

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Governors</b>	Mr. A.E.R. Bell (Chairman) Dr. E.C. Miller Mr. A. N. Birkett Mr T.M. Bramald Mrs. D. Dakers Mrs. A. Marshall Mrs. P. J. Derries Mrs. S. J. S. Dalrymple Mr. M. Mole Mr J A Houston	(Resigned 3 October 2021) (Appointed 16 March 2021) (Deceased 11 January 2021)
<b>Headmaster</b>	Mr J C E Lee	
<b>Secretary</b>	Mrs V J Bryson	
<b>Charity number</b>	513534	
<b>Company number</b>	01675232	
<b>Principal address</b>	Longridge Towers Berwick-upon-Tweed Northumberland TD15 2XQ	
<b>Registered office</b>	Longridge Towers Berwick-upon-Tweed Northumberland TD15 2XQ	
<b>Auditor</b>	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ	
<b>Bankers</b>	Barclays Bank P.L.C. 22/24 Hide Hill Berwick upon Tweed TD15 1AF	

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# LONGRIDGE TOWERS SCHOOL

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# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The Governors (who are also directors for the purposes of the Companies Act) present their report and accounts for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)".

#### Objectives and activities

The School's objects, as set out in the original Memorandum of Association of 1982 and as amended on 14 March 2011, are the advancement of education, including the provision of boarding or day schools for the education of children of either sex.

#### Public Benefit: Advancement of Education

The School is conscious that as a charity it has to meet its obligation and provide a public benefit and in this report the Governors have sought to highlight those activities undertaken by the School to further its charitable purposes for the public benefit. During recent years the School has continually monitored its policies with particular regard to the public benefit guidance published by the Charity Commission under section 17(5) of the Charities Act 2011.

The School's objects are: the advancement of education, including the provision of boarding or day schools for the education of children of either sex, and only activities relating to these objects have been taken into account when assessing the School's degree of compliance with the requirements to deliver public benefit.

Care has been taken to ensure that the opportunity to benefit is not unreasonably restricted and, in particular, that children who might not otherwise have the means to attend the School are not excluded. The school does this in a variety of ways and the most significant of these is the provision of assistance with the payment of fees to families whose financial circumstances mean that they cannot pay a full fee. In the financial year the School offered financial support to 49 pupils (2020 45 pupils) on a mean tested basis and to a further 4 pupils (2020 5 pupils) from Holy Island.

The School also seeks to co-operate with local schools in the maintained sector as far as possible and hosts a number of events such as the area cross country and area hockey competitions which make use of the School's sports facilities. The School also hosts a number of sports fixtures for the combined Berwick Schools rugby teams. Due to C-19 pandemic restrictions and lockdown, many sporting events were not possible during the school year. The School facilitated local community and educational establishments to use its premises for music, sports, orchestra, and other outdoor activities when possible during the year, and provided its fleet of minibuses for use by volunteers.

#### Energy consumption and carbon footprint.

Our energy usage does not exceed 40,000 kWh, and therefore we are not required to make a full disclosure. As a school Longridge is aware of the environmental impact a large building and fleet of vans may have on the environment, and as a result we try to balance our carbon footprint by ensuring our natural surroundings are protected, and enhanced with additional tree planting and areas of the grounds being left as natural meadow. We maintain our fleet of minibuses to high standards, we minimise bus routes to ensure mileage is kept to a minimum, as well as promoting the use of the minibuses to encourage use of shared transport. We have continued to invest in energy saving bulbs throughout the site, and added additional insulation where possible under the C-19 guidelines for ventilation.

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### Volunteers

The Longridge Towers School Development Association, a voluntary group of parents and other supporters of the School, continue to support the School by running social and fund-raising events. Sadly, due to C-19, these events were limited this year to mainly online events such as the Great Christmas Balloon Race, and lockdown events such as online quizzes and auctions as well as promoting a fundraising '100 Club'. Funds raised by the LTSDA are currently being used to convert 'Mabel' the bus into a library and learning space.

The LTSDA makes a significant contribution to the School's day to day operation and it is one for which the Governors, Senior Leadership Team and Staff are very grateful and look forward to more in person in the next school year.

### Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

## **Achievements and Performance**

### Summary

The School is grateful for the advice and support from Governors, and is conscious that the guidance of those who volunteer to serve as Governors has been fundamental to the development and growth of the School.

The School Community is in good health after an unusual year. We started the year buoyant and overjoyed to be back on site after an extended lockdown in 2020, and our pupils and staff all enjoyed the opportunity to interact in person, albeit it within the guidelines for social distancing and C-19. Our close community links were able to be successfully maintained through the subsequent lockdown periods, and everyone at Longridge has worked with exceptional skill and care to ensure that we continued to offer excellent all-round education, keep families safe and well, and maintain the School's financial position, whilst working alongside C-19.

We were fortunate to grow the School roll during the year. A significant number of pupils joined Longridge as they could see the educational and pastoral standards were being maintained, even with lockdown and remote learning. Parents also appreciated the safe and secure learning environment we had managed to provide on-site, through a significant number of changes to spaces and procedures.

Boarding numbers have been relatively small, partly due to nervousness from potential overseas parents as to how the UK as a whole has been dealing with C-19, and also with a decreasing number of pupils being placed at Longridge by the Northumberland County Council from Holy Island. The boarding team has worked hard to maintain high standards to ensure that boarders at the School were not exposed to C-19, and followed the Boarding Schools' Association (BSA) 'Covid-Safe Charter'. Likewise, the team submitted a response to the consultation on the New National Minimum Standards, working in conjunction with the BSA. We are working on actively identifying ways of growing boarding at Longridge in the future.

Our survey responses showed that our parents and pupils were highly satisfied with Longridge overall, despite some of the disruption and changes due to C-19 in this period. We saw that our pupils, parents and staff missed competitive sport onsite, and commented that they had found it a challenge not to be able to mix with their peers and colleagues. In response, we offered a number of online activities, such as quizzes, coffee times and extra-curricular activities, as well as virtual competitions and sports events to keep active. At the end of the School year, we were able to run Sports Days and a 'low-key' Founders Day for our pupils, where we all enjoyed some outdoor activities such as an obstacle course, games and lunch outside at School.

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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The 2020/21 School year was a combination of on-site schooling, interspersed with periods of on-line teaching during periods of National Lockdown. We maintained schooling onsite for the children of critical workers, as well as the EYFS department throughout the pandemic. Part of the monitoring of our pupils receiving online schooling revealed that a small number of pupils were vulnerable and struggling to engage with remote learning. We were able to invite these pupils to join our critical worker bubbles on site, and support those pupils more closely. This was greatly welcomed by our parents. We are immensely grateful to our Teaching Assistants and other colleagues who came to site every day to help support these pupils, and who enabled them to access lessons with their peers. Equally our administration and maintenance teams kept the site functioning effectively throughout lockdown, while teaching colleagues mainly worked from home providing online teaching.

Prior to starting term in September 2020, we significantly altered the layout and flow of the School buildings, to ensure we were able to provide a safe and healthy environment, and met the changing Government guidelines and restrictions. We are very proud that, with the support of our pupils, staff and parents, we were able to keep the School virtually free of C-19, which meant much less interruption and risk to our School Community.

The whole staff team at Longridge has continued to grow their skills in using online tools; in particular our teaching colleagues developed their use of the Google Suite of online resources to deliver remote as well as blended learning. We checked in regularly with pupils during lockdown, and were able to invite a small number of pupils who were struggling to engage online to join our Critical Workers Bubble, so we had more of a presence in School. We once again invested in more Chromebooks and other ICT equipment so that all pupils and all teaching staff could study and work from home when needed.

Staff and pupil wellbeing was considered at the start of September 2020 and a small Wellbeing Group provided resources for use by Form Tutors in Form Time to focus on supporting pupil health and wellbeing as the School re-opened. This was felt to be vital, as the School was operating under C-19 guidance from the Government, meaning that pupils were being taught in bubbles and each member of staff was allocated dedicated working spaces across the School to use when not in class. Social mixing was reduced, and feedback from staff and pupils indicated that there was a danger that this reduced contact could lead to feelings of isolation. The Wellbeing Group focused on encouraging healthy eating, maintaining mental health and building resilience through this time.

In the Junior Department, all pupils returned to School in September 2020 after a period of lockdown to many new routines and procedures to keep the School community safe. These included class bubbles, and designated areas for play. Excellent respiratory and hand-hygiene quickly became the 'norm', and children were supported through a wellbeing programme delivered through class assemblies. The pupils demonstrated their resilience by quickly adapting to new routines and procedures and work in class continued as normally as possible despite not being able to attend trips and visits, play fixtures, sing in school or have parents in the buildings.

The beginning of the Lent term 2021 saw us back in another period of National lockdown. We had learned many lessons from the first lockdown and the quality of the remote learning provided to pupils was excellent with Junior pupils receiving live teaching for at least English and Maths every day. Many lessons of Science, Spanish and Humanities etc. were also taught live, and older Junior pupils made great use of Google Classroom as a digital platform.

### Educational Performance

Longridge Towers is a school where pupils are encouraged to fulfil and exceed their potential in academic, sporting and extra-curricular spheres.

The School's outstanding reputation is based upon its success in achieving this, whilst ensuring that its pupils are well-mannered, balanced individuals who will make major contributions to the communities in which they lead their future lives. This success is reflected in the excellent public examination results obtained by pupils.

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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Following the cancellation of public examinations for GCSE and A' Level for the second year, the School submitted Teacher Assessed Grades for pupils. This was a robust process followed by teaching colleagues in accordance with government and exam board guidance. Teachers used classwork, mock exams and structured assessment sat by pupils in the Summer term, along with other summative information to produce an accurate grade for each pupil. These grades were moderated in a two-stage process to ensure their reliability. Whilst we acknowledge the challenges caused by this process, we are proud of the two year groups who were affected by the cancellation of their exams. The way that they handled themselves displayed a depth and maturity beyond their years.

This year, Sixth Formers achieved a 100% pass rate at A' level with 78% of the grades being at A\* to C. All of this year's leavers wishing to pursue further studies at university achieved results that enabled them to do so, with the vast majority going to their first choice institution. In so doing they added to the School's record of success in enabling its students to proceed to the next stage of their career. At GCSE, 91% of candidates achieved grade 4 or more at GCSE, which is higher than national average of 77%. 50% of GCSE passes were at grade 7 or above, compared to 29% nationally. Our Form 5 pupils achieved a grade 4 or above in an average of 8.4 GCSEs each.

### School Development

The School has continued to implement and review the Development Plan which was originally adopted by the Board in 2018. Over the summer 2021, our Senior Leaders investigated and analysed our performance against the whole plan, and sought feedback from colleagues on specific targets. This report was presented to the Board of Governors in August; and showed we had been able to achieve many of the targets set, and were able to demonstrate improvement for either our pupils, staff and/ or School. We are currently writing and consulting upon the next iteration of the Development Plan, specifically to consider the future of the School and the impact of economic and education changes over the next three years, and looking at areas to improve upon. We expect to include a continued focus on seeking to build the school roll; securing the School's long-term financial sustainability; developing the experience for pupils and staff; further improving academic achievements, and maintaining excellent pastoral care.

### Extra-Curricular Activities

Due to the challenges posed by C-19, we adapted our enrichment programme to offer a comprehensive range of extracurricular activities within year group bubbles, though C-19 did unfortunately lead to a reduction in the number of opportunities outside of school. Colleagues were creative in their offerings, to provide a stimulating and varied programme. For example, in Drama and Music, pupils were able to make silent movies or learn the ukulele, whilst sporting pursuits such as diamond cricket and tennis coaching continued in bubbles. To our delight, towards the end of the year, external visits were once again allowed within regulations and all year groups were able to participate in some enjoyable excursions in the latter part of the Summer Term.

Class meetings for parents and our annual Harvest Festival were videoed and sent home. We held twice-weekly assemblies and two Saturday morning 'drop-in' sessions to focus on maths and literacy during the Michaelmas term. Parents' Evening was also held virtually and the online system of booking appointments was received favourably.

Christmas 2020 saw our first ever recording of a 'Living Nativity' filmed on location around the school and its grounds and starring a real donkey! Again this was very well received by parents.

At the beginning of March 2021, pupils returned to school once more and completed the rest of the academic year in the setting whilst still under restrictions. Staff endeavoured to make the children's time at school as engaging and as 'normal' as possible using the school grounds and taking the pupils out on local trips to the Berwick Gymnastics Centre, the beach, Fox Lake, soft play in Kelso, and returning to the pool for swimming lessons in Eyemouth. As the summer term drew to a conclusion, we were able to hold our annual Junior taster days and move-up days and an 'in-house' sports-day which pupils thoroughly enjoyed.

It has been a somewhat frustrating year for participants in the Duke of Edinburgh scheme, as C-19 restrictions saw the cessation of the expedition element of the programme for much of the year.

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# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The groups already in operation found themselves on hold, but with the lifting of many of the previous restrictions, expeditions are once again re-commencing. Training days were held in June for existing groups and assessed expeditions are being run when possible, though these have also seen some deferment from original planned dates due to outbreaks of C-19 amongst some year groups as pupils returned after the summer 2021 break.

### International Links

Links with schools overseas are important as the interaction with pupils from different cultural backgrounds broaden the horizons of both our own pupils and those from visiting schools. This has been challenging with the national and international travel restrictions, however we have maintained close links with our international friends and agents, to ensure we can start these activities again as soon as permitted.

### **Financial review**

#### Summary

The surplus before depreciation was £177,281 (2020 surplus £329,186), there was a surplus for the year of £103,564 (2020 surplus £265,938).

The Governors recognise the furlough scheme supported and assisted the School financially during the C-19 pandemic and has allowed Longridge to protect jobs which may have been at risk. The Governors are clear that the purpose of the furlough scheme was to protect jobs. We have experienced a number of C-19 specific financial issues - discounted fees; financial assistance to affected parents; additional costs of PPE and extra cleaning, changes in roll in Boarding; and significant adaptations to our working environment.

The school roll (the bedrock of our financial performance) grew steadily throughout the year, with pupils joining for the relative safety of the Longridge environment, as well as constant online remote learning being available during lockdown. Some of the financial spend through the lockdown period differed to that of a 'normal' school year, with reduced income and expenditure in buses, catering and boarding as well as savings in utilities and vehicle costs. Equally we saw an increase in postage, subscriptions and cleaning related to changes due to lockdown and remote teaching requirements together with the need to run a small 'bubble' for critical workers as well as being able to maintain our EYFS provision throughout.

Unfortunately many of the School's marketing annual events such as Open Morning and attendance at local agricultural shows were affected by lockdown. As a result, much of the marketing and recruitment activity was delivered virtually again, with a significant number of after-hours visits from prospective families, including meeting with the Head in the relative safety and quiet. We launched five new mini marketing videos, targeting different areas of the School, from EYFS, Sixth Form and Boarding, and these generated more online traffic and assisted with recruitment.

Longridge has continued to work closely with our overseas partners and we continue to welcome a small number of international pupils as boarders for full-time education or shorter term visits for languages. Again, some international activity was curtailed by C-19, but we have retained these links and hope to welcome back international pupils as soon as we are allowed.

The overdraft position at the year-end was £Nil (2020 £Nil).

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### Reserves

The Governors reviewed the structure of Reserves in 2008 and, having considered the income and expenditure streams, they split them into four funds:

Science Facilities (note 19): This fund has been credited with the donations made during previous years. This fund is being expended on refurbishment of the Science facilities.

Bursary Fund (note 21): It has become apparent to Governors that the current financial issues affecting the United Kingdom may well impact on the School and they have therefore created a reserve for those existing parents facing financial hardship.

General Fund: The main balance of reserves is held in the General Fund. The Board of Governors review this on an annual basis taking into consideration the inherent risk associated with running an independent school. The Board always takes into consideration the wider economic environment and the potential impact that this can have on the results for the year. The balance of funds is reviewed taking into consideration operational and financial plans for the year to ensure that the School has sufficient funding to meet the objectives on an on-going basis.

### Risk Management

Risks are identified, assessed and controlled throughout the year. The key controls used by the School include:

- Detailed terms of reference for each Committee;
- Formal agendas and minutes for all Committee and Board activity;
- Comprehensive budgeting, cash flow forecasting and management accounting, with a full report each term to the Finance and General Purposes Committee;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Detailed risk assessments;
- Risk register for each committee, and other high risk areas such as kitchen or boarding;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of children.

Through these risk management processes, the Governors are satisfied that the major risks identified have been mitigated where possible. However, it is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Risks and Future Uncertainty

C-19 and lockdown have had a significant impact upon the School from many angles: on-going requirements for remote (virtual) learning, significant times of furlough for many staff and then considerable changes to the site and buildings to allow Longridge to safely welcome pupils, staff and parents back on site as restrictions permit. We were fortunate to have the support of our whole staff team through this period of time, and fortunate to increase our pupil roll throughout the pandemic. Parents saw our online provision was sustainable and engaging for pupils, and the measures we had implemented in School were keeping our pupils and staff safe. C-19 has had an impact upon our staff colleagues, a small number of whom have been affected by C-19 and the return to full time work has been quite challenging for a few staff and pupils.

We have been unable to run Open Mornings, or large scale events, but have continued to welcome parents and pupils to see us individually in school after hours, and this has proven to be a successful strategy, with most pupils enrolling after their visits.

We have planned for the year ahead on the basis of a conservative school roll, and resultant budget. We anticipate that there are still uncertainties for our pupils, their parents and for our School due to the on-going impact of C-19 within our community and country. Our performance over the last two years has provided us with a small financial buffer to help weather these uncertainties, and we have some experience of providing education remotely as well as on-site. We continue to focus on growing the School roll and improving our achievement within the parameters of a prudent approach to managing the School.

### **Structure, governance and management**

#### Summary

The charitable company is a company limited by guarantee and has no share capital.

Longridge Towers School was incorporated on 2 November 1982 and is governed by its Memorandum and Articles of Association. The company is limited by guarantee and has no share capital. The company registered as a charity on 28 February 1983.

The School's objects, as set out in the original Memorandum of Association of 1982 and as amended on 14 March 2011, are the advancement of education, including the provision of boarding or day schools for the education of children of either or both sexes.

The Governors, who are also the directors for the purpose of company law, and who served during the year were:

Mr. A.E.R. Bell (Chairman)	3,4,5,12	
Mr. J.A. Houston	3,4,5	(Deceased 11 January 2021)
Dr. E.C. Miller	1,6,7,9	
Mr. A.N. Birkett	1,7,9	
Mr. T.M.Bramald	11	
Mrs. A. R. Marshall	1,3,8	
Mrs. D.L. Dakers	6,13	
Mrs. P.J. Derries	11	
Mrs. S. J. S. Dalrymple	6,10	
Mr. M. Mole	2,6	(Appointed 16 March 2021)

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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Positions held as at 31 August 2021.

- 1 indicates those Governors who serve on the Risk Committee;
- 2 indicates those Governors who serve on the Estate and Fabric Committee;
- 3 indicates those Governors who serve on the Finance and General Purpose Committee;
- 4 indicates those Governors who serve on the Development Committee;
- 5 indicates those Governors who are parents of former pupils at the School;
- 6 indicates those Governors who are parents of pupils at the School;
- 7 indicates those Governors with joint responsibility for Safeguarding;
- 8 indicates the Governor with responsibility for Health and Safety;
- 9 indicates those Governors with joint responsibility for Boarding;
- 10 indicates the Governor with responsibility for the Junior Department;
- 11 indicates those Governors who serve on the Education Committee;
- 12 indicates those Governors who serve on the Nominations Committee ; and
- 13 indicates those Governors who serve on the Marketing Committee.

Additionally an Awards committee exists for which the Governors are anonymous.

### Appointment of Governors

Governors are selected by reference to specialist skills, personal competence, knowledge of the School, and local availability. Their appointment is confirmed by the members in general. In December 2016, Governors established a Nominations Committee for the purpose of recruiting and appointing Governors.

New Governors are given induction training when they are appointed. Existing Governors are also given on-going training, to ensure they have the detailed knowledge to carry out their duties.

### Organisational Management

The Board of Governors, as the charity trustees of the School, are legally responsible for the overall management and control of the School, and meet at least three times a year. Six sub committees report to the main Board. The Finance and General Purposes Committee is responsible for reviewing all financial matters and ensuring that a robust Three Year Business Plan is prepared and reviewed annually. The Awards Committee sets policies for awards and allowances, and assesses applications for means-tested Bursaries, including cases of financial Hardship. The Estate and Fabric Committee is responsible for the buildings and estate and ensuring that a long term plan is prepared for the maintenance and upgrade of the facilities taking heed of the constraints that apply to the main house, which is a listed building. The Development Committee is responsible for controlling the implementation of large capital projects which have been identified by the Estates and Fabric Committee. The Risk Committee regularly reviews the operation of the School and ensures that matters such as Safeguarding, Emergency Planning and Health and Safety are monitored and updated in line with legislation and best practice. The Education Committee reviews the Curriculum and reports to the Board on all matters which relate to Education including matters such as examination results and staffing. All Committees have updated terms of Reference, and we are actively looking to recruit additional Governors to help support our existing members.

While the Governors set out the general policies and strategy of the School, the day-to-day running is delegated to the Headmaster and Bursar, supported by the Senior Leadership Team. The Headmaster and Bursar attend all meetings of the Committees whilst the entire Senior Leadership Team attends all the meetings of the main Board. The Senior Leadership Team comprises: the Head, Deputy Head, Junior Head, Designated Safeguarding Lead and Bursar (Finance Director).

### Pay and remuneration policy for senior staff

The pay of all teaching and support staff is guided by the School's current pay scales. Salaries for the Senior Leadership Team are reviewed by the Governor's Remuneration Committee against benchmarking information supplied by the Association of Governing Bodies of Independent Schools which conducts an annual survey.

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Investments Powers

These are governed by the Articles of Association which permit investments in any security or property as allowed by Law and also the Charity Commission.

### Thank You

The last year has been unusual, with a combination of at-School and Remote learning, delivered under constantly changing C-19 regulations and once again we are immensely grateful for the on-going support from our Longridge Community.

We thank each and every pupil, parent, carer, staff colleague, Governor and others who have provided support and encouragement throughout the year, and we are thankful that the Longridge Community continues to be such a caring, supportive and collaborative network.

### **Statement of Governors' responsibilities**

The Governors, who are also the directors of Longridge Towers School for the purpose of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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.

In so far 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.

### Auditor

In accordance with the company's articles, a resolution proposing that Greaves West & Ayre be reappointed as auditor of the company will be put at a General Meeting.

# LONGRIDGE TOWERS SCHOOL

## GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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The Governors' report, including the strategic report, was approved by the Board of Governors.

**Mr. A.E.R. Bell (Chairman)**

Governor

Dated: 13 December 2021

# LONGRIDGE TOWERS SCHOOL

## INDEPENDENT AUDITOR'S REPORT

### TO THE GOVERNORS OF LONGRIDGE TOWERS SCHOOL

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#### Opinion

We have audited the financial statements of Longridge Towers School (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

# LONGRIDGE TOWERS SCHOOL

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE GOVERNORS OF LONGRIDGE TOWERS SCHOOL

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Governors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the charitable company for the purpose 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 Governors 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 Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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.

# LONGRIDGE TOWERS SCHOOL

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE GOVERNORS OF LONGRIDGE TOWERS SCHOOL

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#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with governors and the management team, and from our knowledge and experience of the education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including legislation such as the Companies Act 2006, the Education (Independent Schools Standards) Regulations 2014, employment legislation and data protection;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, contacting the entity's solicitor for any details of non-compliance and inspecting current year legal expenditure; and
- identified laws and regulations of particular relevance were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, including any fraud associated with revenue recognition, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias;
- traced a sample of fee income from source documentation to nominal ledgers;
- traced a sample of fees around the year-end from source documentation to invoice to ensure cut-off is operating correctly; and
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims against the charity; and
- reviewing correspondence with HMRC and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

# LONGRIDGE TOWERS SCHOOL

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE GOVERNORS OF LONGRIDGE TOWERS SCHOOL

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The laws and regulations which are considered to be significant to the entity relate to the safeguarding of pupils and health and safety. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance. We also review any inspections of the school which have been carried out during the year.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

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

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Greaves West & Ayre**

**Chartered Accountants  
Statutory Auditor**

2 February 2022

17 Walkergate  
Berwick-upon-Tweed  
Northumberland  
TD15 1DJ

Greaves West & Ayre is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# LONGRIDGE TOWERS SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total Unrestricted funds general 2021 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
<b><u>Income and endowments from:</u></b>								
Donations and legacies	3	-	-	-	3,520	-	-	3,520
Charitable activities	6	3,915,241	(388,455)	-	3,987,537	(395,614)	-	3,591,923
Investments	4	50	-	-	201	-	-	201
Other income	5	129,963	-	-	410,844	-	-	410,844
<b>Total income</b>		<b>4,045,254</b>	<b>(388,455)</b>	<b>-</b>	<b>4,402,102</b>	<b>(395,614)</b>	<b>-</b>	<b>4,006,488</b>
<b><u>Expenditure on:</u></b>								
Charitable activities	9	3,549,765	-	3,470	3,736,837	-	3,470	3,740,307
Other	11	-	-	-	243	-	-	243
<b>Total resources expended</b>		<b>3,549,765</b>	<b>-</b>	<b>3,470</b>	<b>3,737,080</b>	<b>-</b>	<b>3,470</b>	<b>3,740,550</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>495,489</b>	<b>(388,455)</b>	<b>(3,470)</b>	<b>665,022</b>	<b>(395,614)</b>	<b>(3,470)</b>	<b>265,938</b>

# LONGRIDGE TOWERS SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total Unrestricted funds general 2021 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Net incoming/(outgoing) resources before transfers</b>	495,489	(388,455)	(3,470)	103,564	665,022	(395,614)	265,938
Gross transfers between funds	(388,455)	388,455	-	-	(395,614)	395,614	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>	107,034	-	(3,470)	103,564	269,408	(3,470)	265,938
Fund balances at 1 September 2020	4,165,520	61,995	23,298	4,250,813	3,896,112	61,995	3,984,874
<b>Fund balances at 31 August 2021</b>	<u>4,272,554</u>	<u>61,995</u>	<u>19,828</u>	<u>4,354,377</u>	<u>4,165,520</u>	<u>23,297</u>	<u>4,250,812</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# LONGRIDGE TOWERS SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		4,802,963		4,809,771
<b>Current assets</b>					
Stocks	13	9,185		5,899	
Debtors	14	144,537		182,907	
Cash at bank and in hand		242,927		63,286	
		<u>396,649</u>		<u>252,092</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(845,235)</u>		<u>(811,051)</u>	
Net current liabilities			<u>(448,586)</u>		<u>(558,959)</u>
<b>Total assets less current liabilities</b>			<u>4,354,377</u>		<u>4,250,812</u>
<b>Income funds</b>					
Restricted funds	17		19,828		23,297
<u>Unrestricted funds</u>					
Designated funds	19	61,995		61,995	
General unrestricted funds		447,825		340,791	
Revaluation reserve		<u>3,824,729</u>		<u>3,824,729</u>	
			<u>4,334,549</u>		<u>4,227,515</u>
			<u>4,354,377</u>		<u>4,250,812</u>

# **LONGRIDGE TOWERS SCHOOL**

## **BALANCE SHEET (CONTINUED)**

***AS AT 31 AUGUST 2021***

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Governors on 13 December 2021

Mr. A.E.R. Bell (Chairman)  
**Trustee**

Mrs. A. Marshall  
**Trustee**

**Company Registration No. 01675232**

# LONGRIDGE TOWERS SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		257,397		365,082
<b>Investing activities</b>					
Purchase of tangible fixed assets		(66,909)		(24,410)	
Proceeds on disposal of tangible fixed assets		3,000		(243)	
Investment income received		50		201	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(63,859)		(24,452)
<b>Financing activities</b>					
Payment of obligations under finance leases		(13,897)		(13,897)	
		<u>          </u>		<u>          </u>	
<b>Net cash used in financing activities</b>			(13,897)		(13,897)
<b>Net increase in cash and cash equivalents</b>			<u>179,641</u>		<u>326,733</u>
Cash and cash equivalents at beginning of year			63,286		(263,447)
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>242,927</u>		<u>63,286</u>

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### Charity information

Longridge Towers School is a private company limited by guarantee incorporated in England and Wales. The registered office is Longridge Towers, Berwick-upon-Tweed, Northumberland, TD15 2XQ.

##### 1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "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)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The Governors have reviewed the current financial position and the forecasts for both the current and the next financial year. Their view is that as the School had adequate resources and with the continued support of its bankers it can continue to operate on the existing basis for the foreseeable future. Accordingly they have continued to adopt the going concern basis in preparing their annual report and accounts.

##### 1.3 Charitable funds

**Unrestricted funds** are available for use at the discretion of the Governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

**Designated funds** comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

###### Bursary Fund

This fund has been set up so that the allocation of funding from net fee income to enable pupils to enter the School who could not otherwise afford the fees can be readily identified and monitored.

Bursaries are also available to those existing parents facing financial hardship who could not otherwise continue to keep their child at the School.

**Restricted funds** are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

###### Science Facilities

This fund has been credited with the donations made during the previous years. This fund is being expended on refurbishment of the Science facilities.

##### 1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All grants are used for charitable expenditure and capital items, and are recognised in full in the year in which they are receivable.

Fees received in advance are held on behalf of parents and are only taken to the profit and loss account when utilised in payment of School fees.

Acceptance deposits are payable when a pupil accepts a place at the School and are refundable when the pupil leaves the School. These deposits are considered to be returnable to the parents less any moneys owed to the School and thus are not treated as income in the accounts of the School.

### 1.5 Resources expended

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. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is allocated to the specific expenses heading to which it relates and is recognised on an accruals basis.

### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Expenditure of less than £1,000 on the replacement or improvement of tangible fixed assets is written off as incurred, except where the item of expenditure can be identified as original capital.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	Nil
Fixtures, fittings & equipment	10% - 25% Straight line
Motor vehicles	25% Straight Line

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1 Accounting policies

(Continued)

Donated assets are capitalised at their estimated value at the time of receipt of the gift. These assets are then fully depreciated in the year of the gift.

Although the accounting standards and Companies Act requires depreciation of fixed assets, the freehold buildings are not depreciated. The Governors believe that a departure from the requirements of the standards is appropriate in order for the accounts to give a true and fair view. In the opinion of the Governors the freehold buildings are maintained in such a state of repair that their residual value is at least equal to their net book value.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stock is valued at the lower of cost and net realisable value.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.13 Transfers

Transfers between the funds are discussed and approved by the Governors.

The £388,455 (2020: £395,614) transfer from the Unrestricted Fund to the Designated Fund has been carried out in order to match bursary allowances awarded by the school during the academic year.

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

##### 1.14 Retirement benefits

The School participated in the Teachers' Pension Scheme up until 31 December 2019 ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £Nil (2020: £106,956) and at the year-end £ Nil (2020 £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Total	Total
	2021	2020
	£	£
Donations and gifts	-	3,520

### 4 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	50	201

### 5 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Net gain on disposal of tangible fixed assets	3,000	-
Coronavirus job retention scheme	126,963	410,844
	<u>129,963</u>	<u>410,844</u>

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Charitable activities

	Unrestricted Funds 2021 £	Total 2020 £
Tuition fees	3,879,323	3,907,371
School meals	93,870	85,042
Boarding	162,303	263,004
School bus	154,042	137,514
Hire of school facilities	2,190	689
Registration	5,000	4,700
Sundry income	6,058	6,335
Less: Bursaries	(776,000)	(812,732)
	<u>3,526,786</u>	<u>3,591,923</u>
Analysis by fund		
Unrestricted funds - general	3,915,241	3,987,537
Unrestricted funds - designated	(388,455)	(395,614)
	<u>3,526,786</u>	<u>3,591,923</u>

### 7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	8,415	8,415	-	8,000	8,000
Accountancy and other	-	-	-	-	1,817	1,817
Legal and professional	-	15,610	15,610	-	18,006	18,006
	<u>-</u>	<u>24,025</u>	<u>24,025</u>	<u>-</u>	<u>27,823</u>	<u>27,823</u>
Analysed between Charitable activities	<u>-</u>	<u>24,025</u>	<u>24,025</u>	<u>-</u>	<u>27,823</u>	<u>27,823</u>

Governance costs includes payments to the auditors of £8,000 (2020: £8,000) for audit fees.

### 8 Governors

None of the Governors (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities	Education Costs	Catering Costs	Boarding & Property Costs	Transport Costs	General Admin & Overhead Costs	Total 2021	Total 2020
	£	£	£	£	£	£	£
Staff costs	1,912,481	109,113	135,843	276,736	346,171	2,780,344	2,799,663
Depreciation and impairment	-	-	45,188	28,529	-	73,717	63,248
Teaching resources	46,138	-	-	-	-	46,138	66,401
Repairs and cleaning	-	4,424	171,869	-	3,136	179,429	172,306
Heat and light	-	1,450	75,908	-	-	77,358	75,517
Food costs	-	65,213	-	-	-	65,213	68,610
Motor expenses	-	-	-	4,104	-	4,104	15,086
Rates and insurances	-	-	70,299	-	-	70,299	69,279
School bus service costs	-	-	-	116,612	-	116,612	107,088
General admin	15,416	-	4,643	-	14,497	34,556	29,426
Postage, stationery, advertising and telephone	-	-	-	-	64,421	64,421	94,802
Bank charges and interest	-	-	-	-	9,910	9,910	6,462
Staff recruitment costs	-	-	-	-	9,947	9,947	2,330
Commission	-	-	-	-	713	713	14,257
Subscriptions	-	-	-	-	17,086	17,086	30,630
Bad debts	-	-	-	-	(22,766)	(22,766)	95,250
Hire purchase interest	-	-	-	-	2,129	2,129	2,129
	<u>1,974,035</u>	<u>180,200</u>	<u>503,750</u>	<u>425,981</u>	<u>445,244</u>	<u>3,529,210</u>	<u>3,712,484</u>
Share of governance costs (see note 7)	8,000	415	15,610	-	-	24,025	27,823
	<u>1,982,035</u>	<u>180,615</u>	<u>519,360</u>	<u>425,981</u>	<u>445,244</u>	<u>3,553,235</u>	<u>3,740,307</u>

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities		(Continued)					
	Education Costs	Catering Costs	Boarding & Property Costs	Transport Costs	General Admin & Overhead Costs	Total 2021	
	£	£	£	£	£	£	
<b>Analysis by fund</b>							
Unrestricted funds - general	1,982,035	180,615	515,890	425,981	445,244	3,549,765	
Restricted funds	-	-	3,470	-	-	3,470	
	<u>1,982,035</u>	<u>180,615</u>	<u>519,360</u>	<u>425,981</u>	<u>445,244</u>	<u>3,553,235</u>	
<b>For the year ended 31 August 2020</b>							
Unrestricted funds - general	2,027,573	179,356	452,903	439,202	637,803	3,736,837	
Restricted funds	-	-	3,470	-	-	3,470	
	<u>2,027,573</u>	<u>179,356</u>	<u>456,373</u>	<u>439,202</u>	<u>637,803</u>	<u>3,740,307</u>	

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Teaching	45	45
Administration	15	15
Other	20	21
	<u>80</u>	<u>81</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	2,313,255	2,321,111
Social security costs	196,515	215,483
Other pension costs	270,574	263,069
	<u>2,780,344</u>	<u>2,799,663</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,001 - £70,000	3	3
£80,001 - £90,000	1	1
	<u>4</u>	<u>4</u>

Of the employees whose emoluments exceed £60,000, 1 (2020: 1) has retirement benefits accruing under defined benefit pension schemes.

### 11 Other

	Total £ 2021	Total £ 2020
Net loss on disposal of tangible fixed assets	<u>-</u>	<u>243</u>

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2020	4,596,989	525,092	169,025	5,291,106
Additions	-	51,369	15,540	66,909
Disposals	-	-	(32,907)	(32,907)
At 31 August 2021	4,596,989	576,461	151,658	5,325,108
<b>Depreciation and impairment</b>				
At 1 September 2020	-	359,721	121,614	481,335
Depreciation charged in the year	-	45,188	28,529	73,717
Eliminated in respect of disposals	-	-	(32,907)	(32,907)
At 31 August 2021	-	404,909	117,236	522,145
<b>Carrying amount</b>				
At 31 August 2021	4,596,989	171,552	34,422	4,802,963
At 31 August 2020	4,596,989	165,372	47,410	4,809,771

All fixed assets are used in direct furtherance of the charity's objects.

The land and property of the School was valued in August 2012 by Lambert Smith Hampton, Chartered Surveyors, at a value of £4,593,750. The specialist property of the School was valued using the Depreciated Replacement Cost method and property other than specialist property is valued on the basis of Market Value. The land element of £107,500 is included within the revaluation. On transition to FRS102 the charity has chosen to revalue its land and buildings up to its fair value, using the exception under FRS102 that this now becomes the deemed cost.

No depreciation is charged on the property as per the accounting policy. A depreciation charge of £224,474 would have been expended to the Income and expenditure account if the property were depreciated.

### 13 Stocks

	2021	2020
	£	£
Raw materials and consumables	9,185	5,899

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	110,952	62,808
Other debtors	1,874	86,692
Prepayments and accrued income	31,711	33,407
	<u>144,537</u>	<u>182,907</u>

### 15 Finance lease commitments

Future minimum lease payments due under finance leases:

	2021	2020
	£	£
Within one year	3,877	15,183
Within two and five years	-	2,591
	<u>3,877</u>	<u>17,774</u>

Hire purchase loans are secured against the assets to which they relate.

### 16 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Obligations under finance leases	15	3,877	17,774
Other taxation and social security		-	56,191
Payments received on account		561,064	483,589
Trade creditors		79,234	72,061
Other creditors		169,288	132,412
Accruals and deferred income		31,772	49,024
		<u>845,235</u>	<u>811,051</u>

Hire purchase creditors are secured against the assets to which they relate.

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2019 £	Resources expended £	Balance at 1 September 2020 £	Resources expended £	Balance at 31 August 2021 £
Science Facilities Fund	26,767	(3,470)	23,298	(3,470)	19,828

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds	Unrestricted		Designated		Restricted		Total		Total 2020 £
	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2021 £	2020 £	
Fund balances at 31 August 2021 are represented by:									
Tangible assets	4,789,085	-	13,878	4,802,963	4,792,423	-	17,348	4,809,771	
Current assets/(liabilities)	(516,531)	61,995	5,950	(448,586)	(626,903)	61,995	5,949	(558,959)	
	<u>4,272,554</u>	<u>61,995</u>	<u>19,828</u>	<u>4,354,377</u>	<u>4,165,520</u>	<u>61,995</u>	<u>23,297</u>	<u>4,250,812</u>	

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2019	Bursaries and allowances	Transfers	Balance at 1 September 2020	Bursaries and allowances	Transfers	Balance at 31 August 2021
	£	£	£	£	£	£	£
Bursary Fund	61,995	(395,614)	395,614	61,995	(388,455)	388,455	61,995
	<u>61,995</u>	<u>(395,614)</u>	<u>395,614</u>	<u>61,995</u>	<u>(388,455)</u>	<u>388,455</u>	<u>61,995</u>

### 20 Related party transactions

#### Remuneration of key management personnel

Key management has been determined to be the Governors and the five members of the senior management team. Governors receive no remuneration or benefits. The total remuneration of the senior management team excluding employers National Insurance was:-

	2021	2020
	£	£
Aggregate compensation	<u>311,675</u>	<u>330,816</u>

#### Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

Certain Governors' children are pupils attending Longridge Towers School. Fees are paid on normal commercial terms.

The discounts received in the form of academic scholarship and bursaries towards their children educated at the school amounting to £29,838 (2020 £13,139).

The scholarships have been awarded to the children based on performance in the annual scholarship examinations.

The provision of these scholarships were approved by the Charities Commission.

# LONGRIDGE TOWERS SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Financial commitments, guarantees and contingent liabilities

At 31 August 2021 a contingent liability exists in respect of windows replaced in previous years.

At this time the costs of further work required in order to ensure compliance with planning regulations is not known with certainty.

22 Cash generated from operations	2021 £	2020 £
Surplus for the year	103,565	265,938
Adjustments for:		
Investment income recognised in statement of financial activities	(50)	(201)
(Gain)/loss on disposal of tangible fixed assets	(3,000)	243
Depreciation and impairment of tangible fixed assets	73,717	63,248
Movements in working capital:		
(Increase)/decrease in stocks	(3,286)	18,534
Decrease in debtors	38,370	15,022
Increase in creditors	48,081	2,298
<b>Cash generated from operations</b>	<b>257,397</b>	<b>365,082</b>

### 23 Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	63,286	179,641	242,927
Obligations under finance leases	(17,774)	13,897	(3,877)
	<u>45,512</u>	<u>193,538</u>	<u>239,050</u>

# LONGRIDGE TOWERS SCHOOL

## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

		2021		2020
	£	£	£	£
<b>Donations and legacies</b>				
Donations and gifts - unrestricted		-		3,520
<b>Investment income</b>				
UF Other interest receivable operating		50		201
<b>Incoming resources from charitable activities</b>				
Tuition Fees	3,873,936		3,894,614	
Specialist tuition fees	5,387		12,757	
Boarding charges	162,303		263,004	
Registration fees	5,000		4,700	
	<hr/>		<hr/>	
Gross school fees		4,046,626		4,175,075
Bursaries and allowances	(776,000)		(812,732)	
Income from lunches	93,870		85,042	
Income from school bus service	154,042		137,514	
Hire of school facilities	2,190		689	
Sundry income	6,058		6,335	
	<hr/>		<hr/>	
		(519,840)		(583,152)
<b>Other incoming resources</b>				
UF Gain on disposal of tangible fixed assets	3,000		-	
Other income- Coronavirus job retention scheme	126,963		410,844	
	<hr/>		<hr/>	
		129,963		410,844
<b>Total incoming resources</b>		<hr/>		<hr/>
		3,656,799		4,006,488
<b>Balance Carried Forward</b>		<hr/>		<hr/>
		3,656,799		4,006,488

# LONGRIDGE TOWERS SCHOOL

## DETAILED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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	2021	2020
	£	£
<b>Balance Brought Forward</b>	3,656,799	4,006,488
<b><u>Resources expended</u></b>		
<b>Charitable activities</b>		
<b>Education Costs</b>		
Teachers Salaries	1,912,481	1,920,882
Books, stationery and consumables	46,138	66,401
Sundry expenses	15,416	3,576
	<hr/>	<hr/>
	(1,974,035)	(1,990,859)
<b>Catering Costs</b>		
Salaries	109,113	107,174
Repairs and renewals	4,424	232
Heat and light	1,450	1,523
Food costs	65,213	68,610
	<hr/>	<hr/>
	(180,200)	(177,539)
<b>Balance Carried Forward</b>	<hr/> 1,502,564	<hr/> 1,838,090

# LONGRIDGE TOWERS SCHOOL

## DETAILED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
<b>Balance Brought Forward</b>	1,502,564	1,838,090
<b>Boarding, Property and Transport Costs</b>		
Boarding salaries	135,843	119,046
Property and transport salaries	276,736	285,964
Fixtures and fittings depreciation	41,718	28,714
Motor vehicle depreciation	28,529	31,064
Fixtures and fittings depreciation - restricted	3,470	3,470
Repairs and cleaning expenses	171,869	166,365
Heat and light	75,908	73,994
Rates and insurances	70,299	69,279
Other boarding costs	4,643	6,213
Motor and transport costs	4,104	15,086
School bus service	116,612	107,088
	<u>(929,731)</u>	<u>(906,283)</u>
<b>Administration and General Overhead Costs</b>		
Salaries	346,171	366,597
Equipment maintenance and repairs	3,136	5,709
General administration expenses	14,497	19,637
Postage, stationery, advertising and telephone	64,421	94,802
Bank charges and interest	9,910	6,462
Staff recruitment costs	9,947	2,330
Introductory commission	713	14,257
Subscriptions	17,086	30,630
Bad debts	(22,766)	95,250
Hire purchase interest	2,129	2,129
	<u>(445,244)</u>	<u>(637,803)</u>
Audit fees	8,415	8,000
Auditors' fees for non-audit work	-	1,817
Legal and professional	15,610	18,006
	<u>(24,025)</u>	<u>(27,823)</u>
<b>Other resources expended</b>		
Loss on disposal of tangible fixed assets	-	(243)
<b>Surplus for the Year from charitable activities</b>	<u>103,564</u>	<u>265,938</u>
<b>Surplus for the Year</b>	<u><u>103,564</u></u>	<u><u>265,938</u></u>

