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**HENLOW CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**Henlow Church of England Academy**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**  
**Period ended 31 August 2015**

**Company Registration Number:**  
**07996350 (England and Wales)**

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Contents	Page
Reference and Administrative Details	1
Trustees' Report	2 - 14
Governance Statement	15 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 - 23
Independent Auditor's Report on Regularity	24 - 25
Statement of Financial Activities incorporating Income & Expenditure Account	26 - 27
Balance Sheet	28
Cash Flow Statement	29
Notes to the Financial Statements, incorporating:	30 - 53
Statement of Accounting Policies	
Other Notes to the Financial Statements	

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**Reference and Administrative Details**

<b>Members</b>	Mr Perry Huntley Mrs Jacqui Burke Mrs Alison Allen
<b>Trustees</b>	Mr M Clark (appointed 12 May 2015) Rev Patsy Critchley Mr Alan Dorricott Mrs Caren Earp (Head Teacher and Accounting Officer) Rev Sue Groom Mrs Sheree Gudgin (appointed 10 May 2015) Mrs Brenda Howe Mrs Albane Lester (resigned 31 October 2014) Mr Alan McCormack (resigned 31 July 2015) Mrs Tracey Moynihan (resigned 31 July 2015) Mr Bhavin Soneji Miss Jodie Sylvester The Archdeacon of Bedford
<b>Company Secretary</b>	Mrs Annette Bell
<b>Senior Management Team</b>	Mrs Caren Earp Mrs Caroline Vinall Mr Glenn Young (until 31 December 2014) Mrs Annette Bell Miss Philippa Church Mr Ian Lee Mrs Margaret Newman Mrs Penny Wood
<b>Principal and Registered Office</b>	Church Road Henlow Bedfordshire, SG16 6AN
<b>Company Registration Number</b>	7996350 (England and Wales)
<b>Independent Auditor</b>	Duncan & Toplis Limited 15 Chequergate Louth Lincolnshire, LN11 0LJ
<b>Bankers</b>	Lloyds Bank 1 Bancroft Hitchin Hertfordshire, SG5 1JQ
<b>Solicitors</b>	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London, SW1P 3JT

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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## **TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates as an independent Church of England academy sponsored by St Albans Diocese, for pupils aged 9 to 13 (school years 5 – 8).

The catchment areas for the Academy are the local villages of Clifton, Henlow, Meppershall, Henlow Parish and Langford. We do attract pupils to the school from out of catchment, such as Arlesey, Biggleswade, Lower Stondon, Shefford, and Stotfold. Our pupils in Year 8 transfer to the Upper Schools of Samuel Whitbread Academy, Stratton Upper School, Redborne Community College and occasionally Harlington Upper School.

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Henlow Church of England Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Henlow Church of England Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### **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' Indemnities**

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

#### **Method of Recruitment and Appointment or Election of Trustees**

Articles outline the different types of Trustees, each category has slightly differing election processes, as outlined below:

- The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Head Teacher or any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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- The Head Teacher shall be treated for all purposes as being an ex officio Governor.
- The incumbent shall be treated for all purposes as an ex officio Foundation Governor. Further, the Foundation may appoint an additional 2 Foundation Governors.
- Up to 3 Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
- Up to 3 Staff Governors shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Head Teacher). If a Staff Governor ceases to work at the Academy then he/she shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his/her work at the Academy. Any election of a Staff Governor which is contested shall be held by secret ballot.
- Up to 2 Community Governors can be appointed by the Founding Members.

Governors are subject to retirement or re-election at the end of their 4 year term of office unless the eligibility conditions listed above prevail.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Governors will depend on their existing experience. The Academy currently buys in to Central Bedfordshire Council's Governor Training Package and all Governors are actively encouraged to attend training courses covering charity, educational, legal, safer recruitment and financial matters. A Governors' Induction Handbook is provided as well as a Governors' area on the Academy's Virtual Learning Environment, which includes a section wholly dedicated to providing Governors with information relating to induction, policies, Governor Body minutes, and financial information. All new Governors are given a tour of the Academy and the chance to meet with staff and students.

**Organisational Structure**

The structure of the Academy consists of two senior levels: the Board of Directors (Governing Body) and the Head Teacher leading the Senior Leadership Team.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Governors focus on three core functions:

1. Setting strategic direction (clarifying vision and ethos, meeting statutory duties & engaging stakeholders).
2. Creating robust accountability for teaching and learning, strengthening Academy leadership, performance managing the Head Teacher, and contributing to the Academy's self-evaluation.
3. Ensuring financial probity through effective financial management and the use of pupil premium and other resources to overcome barriers to learning.

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## HENLOW CHURCH OF ENGLAND ACADEMY (A company limited by guarantee)

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The Board of Directors has established two sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee and to the Head Teacher (The Accounting Officer).

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The Academy has an approved Financial Handbook which details the Academy's authorised spending limits, and this is reviewed annually.

The sub-committees of the Governing Body are:

- Premises & Finance Committee
- Curriculum & Personnel Committee

Additionally, there are various smaller Committees which meet annually, or as required throughout the year, e.g. Salary Review Group.

The Board of Trustees meet five times a year as a full board and receives reports from the sub-committees. The sub-committees meet four times a year, and at other times as required.

The Senior Leadership Team is led by the Head Teacher and comprises the Head Teacher, two Deputy Head Teachers, Year Leaders and the Business Manager. These senior leaders lead the Academy at an executive level implementing the policies agreed by the Governors and reporting back to them on progress. The Head Teacher, Deputy Head Teachers and Business Manager are responsible for the authorisation of spending within agreed budgets. The Head Teacher has delegated authority for appointing staff.

### **Connected Organisations including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of Henlow Church of England Academy, though it works with Henlow Church of England Academy PTA in the pursuit of charitable activities and general fundraising activities. The school works closely with the Diocese of St Albans to support the delivery of educational services to Church schools at a time when education is going through a period of rapid change.

Henlow Church of England Academy is an associate member of Bedfordshire East Schools Trust (BEST). This is a collaborative working arrangement with the main aim of enhancing the educational opportunities of our pupils, parents and the wider community. The Academy contributes a nominal agreed financial amount annually, to further the activities of BEST and to assist with promoting these collaborative working partnerships for the benefits of our stakeholders and the wider learning community.

### **Objectives and Activities**

#### **Objects and Aims**

The principal object and activity of the charitable company is the operation of Henlow Church of England Academy to provide education for pupils of different abilities between the ages of 9 and 13 with an emphasis on creating an environment where individuals have an opportunity to fulfil their

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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potential in terms of personal, emotional and intellectual growth. The Academy additionally aims to share its facilities with the local community where possible, and encourage wider community engagement whenever practicable.

The main objectives of the Academy during the period ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to employ high quality teaching and support staff;
- to raise the continue to raise the standard of educational achievement of all pupils;
- to promote a well-ordered community based on traditional values and the Christian ethos;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct Academy business in accordance with the highest standards of integrity, probity and openness.

**Objectives, Strategies and Activities**

Since joining Henlow Church of England Academy in September, I have enjoyed getting to know the pupils and staff, building on the strengths of the school and striving to make improvements where necessary. Our detailed self-evaluation and improvement plan reflects our determination to focus upon all aspects of every child's learning journey and monitor our progress, taking into account the views of all stakeholders.

I had the privilege of leading our school through an Ofsted inspection in March 2015, and we were extremely pleased with the outcomes. Ofsted rated the effectiveness of the school as 2 (Good) and each of the four key areas of leadership and management, behaviour and safety of pupils, quality of teaching and achievement of pupils were also judged to be a 2 (Good).

Literacy was one of our key foci this year across the whole school and we have been raising the profile of reading. Every day we strive to encourage reading and to hear pupils read. Our literacy co-ordinator selected appropriate strategies to extend progress in this area and ensure all pupils benefit from our consistent focus on raising standards of literacy.

During Arts Week the range of activities, enthusiasm for the Arts and motivation of pupils to achieve high quality outcomes, whilst having great fun working in house groups with pupils from all year groups is excellent. We welcomed many visitors into Henlow during Arts Week 2014: Governors, two Lower School Head Teachers, Senior Team members and Subject Leaders from Samuel Whitbread Academy, as well as former pupils and A-Level students. Everyone who saw our pupils at work were impressed with their artistic skills in the five disciplines of Art, Music, Drama, Dance and Film. They marvelled at the talents of our staff, many of whom were working outside of their 'normal' subject areas and were bowled over by the politeness, friendliness and eloquence of our children.

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HENLOW CHURCH OF ENGLAND ACADEMY  
(A company limited by guarantee)

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*"Pupils enjoy school and are keen to participate in the many appealing activities it offers them, including additional sporting activities."*

Ofsted (March 2015)

The academic year has also seen us achieve major sporting recognition for the great work led by the PE department. For the first time, Henlow received a **SILVER** Sainsbury's Games Mark, with some of our sporting achievements putting us into the Gold category. Over 75% of our pupils are involved in some extra-curricular sport, which is a fantastic achievement and testament to the hard work and enthusiasm of all the staff who encourage pupils to participate in sport. This Year also saw our first ever sports awards ceremony after our annual sports day, which was attended by Casey Stoney, Women's Football World Cup bronze medallist.

Our busy spring term ended in spectacular fashion with the talent show which I felt truly privileged to judge. The diversity of performances and the confidence displayed, reflected the ways that pupils are encouraged throughout their four years at Henlow.

We were shocked to see the devastation in Nepal and through our assemblies shared our sadness, deciding to fundraise in an effort to help those in a desperate situation. In order to provide practical help for the people of Nepal, we decided to support an initiative called AQUABOX, run by Rotary Club. Henlow pupils wore red, white, blue, green and yellow clothes, which are the colours of the Nepalese prayer flags, and donated £1 to this worthwhile charity, and staff held an auction of promises to raise more money. After 2 days of fundraising, Henlow had raised over £2,300 for Aquabox, with some pupils raising well over £400 individually. Our fund raising for Nepal caught the attention of local newspaper with the headline, "Big-hearted Henlow". The strong sense of close knit community at Henlow comes across regularly through our charity work, which has seen us raise money for a wide variety of organisations, baking cakes, dressing up, bringing in food for the food bank and raising awareness of many different charities. This academic year alone we as a school donated over £5,000 to a wide range of charities.

### **Public Benefit**

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Academy's public benefit is enshrined in its charitable objects, which state:

*"To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Academy with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education."*

## Strategic Report

### Achievements and Performance

#### Pupil Attainment and Data

The pupils and staff have enjoyed another incredibly busy and successful year at Henlow Church of England Academy. We are again pleased with our statutory test [SATs] results, at Key Stage 2. The results reflect the hard work and commitment which is evident from all of our pupils, and the commitment of our staff. The results are shown below:

#### Year 6 Performance Data 2014/15

##### Key Stage 2 SATs Results Levels 4+ (with Level 5+ in brackets)

##### English Reading

	2012	2013	2014	2015
Henlow	93% (41%)	86% (39%)	90% (54%)	92% (51%)
LA	-	83% (42%)	88% (47%)	88% (46%)
National	85% (38%)	86% (45%)	89% (50%)	89% (48%)

##### Maths

	2012	2013	2014	2015
Henlow	93% (45%)	86% (35%)	88% (48%)	87% (41%)
LA	-	80% (38%)	84% (40%)	84% (39%)
National	84% (39%)	85% (41%)	86% (42%)	87% (42%)

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**English - Writing (Teacher Assessment)**

	2012	2013	2014	2015
Henlow	93% (41%)	84% (30%)	92% (32%)	82% (22%)
LA	-	83% (30%)	87% (34%)	88% (39%)
National	85% (38%)	83% (30%)	85% (33%)	87% (36%)

**Year 6 SATs Progress KS1-2**

Area of focus	2010	2011	2012	2013	2014	2015
% of Pupils who achieve 2 levels progress in English	76%	75%	82%	Reading 83% Writing 88%	Reading 84% Writing 93%	Reading 92% Writing 88%
% of Pupils who achieve 2 levels progress in Maths	68%	65%	87%	81%	87%	88%

**Year 8 Performance Data 2014/15**

**4 Year Journey at Henlow Academy – Year 5 to Year 8 Progress**

National expected progress over 4 years is 12 points progress

	Reading	Writing	Maths
<b>Average Points Progress {pupils here for all 4 years}</b>	14.5	15.3	18.13

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**Year 8 Exit Data Levels**

Level	Reading	Writing	Maths
<b>4+</b>	98.2%	98.2%	96.5%
<b>5+</b>	90.3%	89.4%	85.8%
<b>6+</b>	50.4%	48.7%	75.2%
<b>7+</b>	1.8%	4.4%	39.8%
<b>8+</b>			8.8%

**Pupil Premium**

**Key Stage 2 SATs Results Levels 4+ (with Level 5+ in brackets)**

	Reading	Writing	Maths
<b>Whole cohort</b>	92% (51%)	82% (22%)	87% (41%)
<b>Non-FSM/EVER6</b>	92% (50%)	82% (23%)	87% (41%)
<b>FSM/EVER6</b>	94% (56%)	81% (19%)	88% (44%)

**4 Year Journey at Henlow – Year 5 to Year 8 Progress**

	Reading	Writing	Maths
<b>Whole cohort</b>	14.5	15.3	18.13
<b>Non-FSM/EVER6</b>	14.33	15.2	18.04
<b>FSM/EVER6</b>	15.14	16.14	18.71

Informal assessments are also carried out as each child enters school and these continue throughout the child's four year school journey. These assessments allow the school to set targets for each child and to differentiate work to enable each child to achieve their potential.

**Pupil Attendance**

Figures for the academic year 2014/15:

- 95.63% attendance
- 3.98% authorised absence
- 0.38% unauthorised absence

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## HENLOW CHURCH OF ENGLAND ACADEMY (A company limited by guarantee)

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### Pupil Premium

In 2014 our Year 6 SATs data showed a significant gap for outcomes for Pupil Premium gaining Level 4+ in Maths, Reading and Writing. Through the way we have spent the funds targeting and supporting these pupils in our 2015 Year 6 SAT this gap has been greatly reduced. Through analysis of the 2015 cohort Year 8 exit data, the FSM/EVER6 pupil progress was in line with their peers. Greater awareness, tracking and targeting of Pupil Premium has made a significant impact on pupils. The money has been spent on:

- Additional Maths sets
- Teaching Assistants
- Maths and English resources
- Literacy focus through providing pupils with 3 books each throughout the year
- Pastoral Support / School Counsellor
- Financial support with educational visits
- Provision of Breakfast Club

New initiatives to support learning in 2014/15 included the following:

- The New National Curriculum – preparing for new ways of assessing without levels
- Meeting the needs of ALL pupils – how to differentiate and assess in ways which promote learning. A strong awareness of sub-groups and prior data. Training in SIMS to record essential information and progress data. Using data to inform lesson planning.
- Literacy – we are all teachers of literacy. Tracks adopted as a scheme for all form tutors.

### Pupil Voice

Our School Council (made up of representatives from all year groups) meets regularly and continues to contribute towards decisions made in school, such as specifications for facilities upgrades, fundraising to support initiatives which include purchasing parasols for outside picnic benches, and donations made to charity.

*"Pupils feel safe and are very well behaved around the academy and treat other pupils, staff and visitors with respect at all times. They are ready to learn and show a great deal of maturity."* **Ofsted (March 2015)**

### Pupil Behaviour

We have a code of conduct which involves clear expectations for standards of behaviour. We encourage in the children the need to respect themselves and other people. This helps to promote an orderly community where individuals feel safe, have respect for one and other and the school facilities, and most importantly enjoy learning and celebrate success.

### Extending Opportunities

We are committed to extending the experiences of all of our children, to ensure each and every pupil achieves their best. At breaks, lunchtimes and after school there are numerous opportunities to engage in a wide range of enrichment experiences, which include Art Club, Animation Club, Archery, Construction, Gardening, Enterprise Club, Gardening and Science Club, together with many opportunities to widen the experiences and engagement with sport. Some of the many clubs on offer include Basketball, Cricket, Table tennis, Dance, Drama, Gymnastics, and Music. We also encourage our older pupils to help in the school library.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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Our staff also organise a wide range of school trips to engage, inspire and motivate pupils. Last year trips included: a Year 5 visit to Hazard Alley and Kentwell Hall; residential visits in Years 6 to Kingswood Centre in Kent; Year 7 visited Paris; and Year 8 enjoyed an outward bound experience in the Lake District. There were numerous museum and theatre visits as well as Science trips to Cambridge University for our Key stage 3 pupils.

### **Facilities Enhancements**

In a little over three years we have had in excess of £640,000 spent on the school premises, buildings and facilities, ensuring that we have had all new and updated flat roofs, new windows installed to the front of the school, and enhancements to the internal fabric of the building. We are about to embark on the replacement of one of our two temporary double classroom blocks, and this will totally transform the learning environment for our pupils. We are also really excited about the installation of our solar panels. We have an array of panels on the flat roof above our Year 6 classrooms with a generating capacity of 50 kW. From September 2014 – August 2015 we generated a total of 55128.83 kWh and benefitted from an annual feed in tariff reimbursement of £6,200 and an annual reduction in electricity charges of 18%.

### **Going Concern**

After making appropriate enquires, the Trustees have a reasonable expectation that the Academy 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.

### **Financial Review**

Most of the School's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School also receives other grants from the EFA such as Pupil Premium and Year 7 Catch up Funding. Funding is received from the Local Authority to meet the needs of pupils with Special Educational Needs Statements.

During the year, the school received total funding of £2,631,333 compared to total resources expended of £2,571,451 to give a surplus for the year of £59,882.

Taking into account the surplus brought forwards from last year, the School has £9,463,383 in accumulated reserves carried forwards.

The Trustees consider an appropriate level of reserves to be in the order of 1-2 months' total expenditure, to insulate the school in the event of EFA funding becoming interrupted, and the carry forwards at 31 August 2015 is considered to be in line with that objective.

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## HENLOW CHURCH OF ENGLAND ACADEMY (A company limited by guarantee)

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### **Reserves Policy**

The Academies 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academies purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academies objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £280,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's current level of free reserves is £139,635.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £424,900.

The reserves this year includes figures for future projects, including:

• Repairs / Maintenance to building fabric	£20,000
• Sporting Facilities Development (Contribution)	£15,000
• Investment in ICT	£20,000

The school was successful in a bid to the EFA Conditions Improvement Fund for the replacement of one temporary mobile unit. However, one other double classroom unit remains and the maintenance / replacement of this unit is a priority for the Academy. Funding may therefore be required to maintain these units until the outcome of the next available application round of the CIF is announced and confirmed.

### **Investment Policy**

The Academy has not undertaken any investments of reserve funds during the financial year. Therefore the Academy does not have an investment policy in place. The majority of unofficial fund balances are retained in higher rate deposit accounts.

### **Principal Risks and Uncertainties**

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Academies internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Governing Body will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy, and the challenges which may arise as a result of local and national uncertainties.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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A risk register, covering low, medium and high level risks, is maintained at Academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The academy's approach to risk management is supported by a risk management training programme which raises awareness of risk throughout the academy. In addition, Heads of Department and Head Teachers incorporate risk management in their self-assessment reports and quality improvement plans.

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy.

#### 1. Government funding

The academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the school is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the school budget process.

#### 2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Academies balance sheet in line with the requirements of FRS 17.

The school takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable. The current deficit, as reported by Hyman Robinson, Actuarial Assessors, stands at £366,000.

#### 3. Pupil Strategy

The school seeks to maintain its popularity with current and prospective pupils by:

- ensuring the school delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes (Ofsted March 2015); and
- investing in its teaching staff and resources.

With ongoing commitment to quality, the school provides excellent opportunities for pupils of all abilities and is proud of its reputation as an institution which supports pupils to achieve their best in an environment which is safe, caring and focuses on its Christian ethos.

This places the school in an excellent position to attract new pupils.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
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### **Plans for Future Periods**

- Pedagogy – all staff involved in professional study groups and triads
- Pupil Premium – continue our increased focus
- WWW, EBI, MRI – our consistent approach to marking
- Development of leadership – TLR3 awarded to a range of staff and increased CPD budget
- Reading and Writing – specific plans including cross-curricular
- Collaboration – an hour of staffing given to each feeder lower school
- Developing independence – through options in Years 7 and 8
- Stretching the most able and supporting appropriately
- A focus on the fully rounded individual – highlight our ethos
- The feeling of success – continue the rewards systems
- Meaningful performance review – new links established and time given
- A new assessment framework we have confidence in – classroom monitor for day to day mark book and GL for baseline and progress measures
- Sustainable structures
- Developing the curriculum, e.g. options in year 7 and 8
- Interpreting national freedoms and making the right choices for Henlow
- Public Relations – newsletter, "school gates" and local press
- School Calendar – a new approach
- Becoming the school of choice for ALL of our community
- Developing even closer links with our feeder lower schools, e.g. curriculum links

### **Funds Held as Custodian Trustee on Behalf of Others**

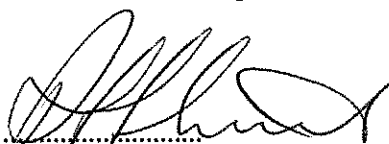
The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

### **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.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees on 8<sup>th</sup> December 2015 and signed on its behalf by:

  
.....  
**Mr Perry Huntley**  
**Chair of Trustees**

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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## **GOVERNANCE STATEMENT**

### **Scope of Responsibility**

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

The Trustees have delegated the day-to-day responsibility to the Head Teacher, 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 Henlow Church of England Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the 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 Trustees have formally met 5 times during the year. Attendance during the year at meetings of the Trustees were as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Perry Huntley (Chair)	5	5
Mrs Jacqui Burke (Vice Chair)	4	5
Mrs Alison Allen	5	5
Rev Sue Groom	4	5
Rev Patsy Critchley	5	5
Mrs Tracey Moynihan (Resigned July 2015)	3	5
Mrs Brenda Howe	4	5
Mr Mark Clark (Appointed May 2015)	1	1
Mrs Albane Lester (Resigned October 2014)	1	1
Mr Alan McCormack (Resigned July 2015)	4	5
Miss Jodie Sylvester	5	5
Mrs Sheree-Ann Gudgin (Appointed May 2015)	1	1
Mr Alan Dorricott	5	5
Mr Bhavin Soneji	4	5
Mrs Caren Earp (Head Teacher)	5	5
Archdeacon Hughes, Diocese of St Albans	0	5

There was one vacancy for the role of Community Governor during the year which the Board were unable to fill despite numerous attempts. Mr Mark Clark (Parent) and Mrs Sheree Gudgin (Staff member) were appointed to the Board in May 2015, respectively taking up sub-committee positions on the Premises and Finance and Curriculum and Personnel Committees. Mrs Albane Lester, Parent Governor, resigned from her position on the Board of Governors and the Premises and Finance Committee in October 2015. Mrs Lester has been succeeded by the appointment of Mr Mark Clark. Mr Alan McCormack, Staff Governor, resigned from his position from the Board of Governors and the Curriculum and Personnel Committee at the end of the academic year, as a result of a family move to the Falkland Islands. Staff Governor elections will be held early in September to seek to fill this vacancy.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
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A Visioning Evening was held on 5<sup>th</sup> January 2015, facilitated by an independent advisor, Mrs Jacqui Burke from the National Governors Association, which was attended by Governors and senior leaders. This event provided the opportunity to re-evaluate the vision for the school following the appointment of the new Head T Teacher in September 2014. This was an action agreed in the previous academic year.

The Premises and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, ensure compliance with all reporting and regulatory requirements, receive management reports from the Head T Teacher, Responsible Officer and Auditors, and approve and challenge the annual budget. This sub-committee is also responsible for making decisions relating to facilities development, health and safety and risk management.

There were no issues of concern for the Committee to consider during the financial year. The Committee is fully informed of the School's financial progress throughout the year, and is committed to regular challenge and support to ensure that decisions are taken which will not pose a risk to the financial viability, educational progress, and delivery of the key priorities of the school. The Committee met four times during the year.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs Alison Allen (Chair)	4	4
Mr Perry Huntley (moved to Curriculum in Jan 15)	1	1
Miss Jodie Sylvester	3	4
Mr Alan Dorricott	2	4
Mr Bhavin Soneji	4	4
Mrs Caren Earp (Head T Teacher)	4	4

The Curriculum & Personnel Committee is also a sub-committee of the main Governing Body. Its purpose is to monitor, evaluate and review policy and performance in relation to curriculum delivery and personnel management, comply with regulatory requirement and receive management reports from the Head Teacher and senior leaders in relation to pupil performance, safeguarding and human resource management. The Committee also has responsibility for agreeing staffing levels and curriculum policies for the School. Ensuring compliance with all of the regulations relating safer recruitment practices and the safeguarding of pupils is also a responsibility of this Committee. The Committee met three times during the year.

Attendance at meetings of this Committee held throughout the year is as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs J Burke (Chair)	2	3
Mr P Huntley	2	2
Rev S Groom	0	3
Rev P Critchley	2	3
Mrs B Howe	3	3
Mrs T Moynihan	2	3
Mr A McCormack	3	3
Mrs S Gudgin	1	3
Mrs C Earp (Head Teacher)	3	3

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
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### **Review of Value for Money**

As accounting officer the Head Teacher has responsibility for ensuring that the Academy Trust 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 Trust'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 available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- In the academic year, recruitment was undertaken to ensure continued high quality of teaching is maintained across all curriculum areas. For example, a Progress Leader role was introduced to ensure that vulnerable groups are tracked and appropriate intervention implemented where underachievement was identified.
- New initiatives are costed and budgeted appropriately to maximise benefit from funding. For example, changes to the STPCD has enabled us to introduce temporary TLR3 payments to drive forward developments in Literacy, Continued Professional Development and lower school collaboration.
- Efficient deployment of staff to provide value for money in terms of quality of teaching, quality of learning and teacher / student ratio and curriculum management. For example, class sizes have been closely monitored and a review of the current structure undertaken to ensure that appropriate staffing levels were appropriate to curriculum costings.
- Educational outcomes have been improved through effective collaboration with the local learning community, particularly through sharing good practices with an improved focus of delivery of high quality continued professional development.
- Investment in internal modifications to continue to promote high quality teaching spaces which meets the needs of the curriculum on offer and movement in pupil numbers.
- The Governing Body effectively oversees the financial management of the school through effective challenge to ensure that procurement processes are robust and secure value for money.
- Contracts are renegotiated or not renewed if they prove not to be good value for money to ensure quality and effectiveness is achieved, e.g. photocopiers.

### **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 ongoing process designed to identify and prioritise the risks to the achievement of Academy's 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 Henlow Church of England Academy for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
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### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Board of Trustees.

### **The Risk and Control Framework**

The Academy Trust'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 Trustees Report;
- regular reviews by the Finance, Audit and Premises 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Mrs S Baker to undertake the role of Responsible Officer, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the external auditor reports to the Premises and Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external audit review has been delivered in a timely manner, with scheduled visits satisfactorily undertaken as planned. Reports were presented to the relevant committee and there were no material control issues arising as a result of the reviewer's work.

### **Review of Effectiveness**

As Accounting Officer the Head Teacher 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 external reviewer;
- the work of the external auditor;

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HENLOW CHURCH OF ENGLAND ACADEMY  
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- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 8<sup>th</sup> December 2015 and signed on its behalf by:

  
.....  
Mr Perry Huntley  
Chair of Trustees

  
.....  
Mrs Caren Earp  
Accounting Officer

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HENLOW CHURCH OF ENGLAND ACADEMY  
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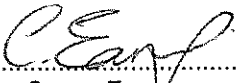
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Henlow Church of England Academy Trust I have considered my responsibility to notify the Academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 the EFA.

  
Mrs Caren Earp  
Accounting Officer

Date: 8<sup>th</sup> December 2015

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who act as Governors for charitable activities of Henlow Church of England Academy Trust and 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 Annual Accounts Requirements issued by the Education 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:

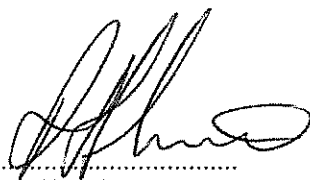
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 the EFA/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 web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Trustees on 8<sup>th</sup> December 2015 and signed on its behalf by:

  
.....  
**Mr Perry Huntley**  
**Chair of Trustees**

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENLOW CHURCH OF ENGLAND ACADEMY**

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We have audited the financial statements of Henlow Church of England Academy for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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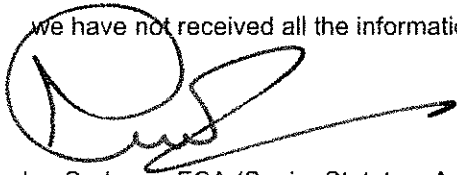
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENLOW CHURCH OF ENGLAND  
ACADEMY**

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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 where 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.



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

**Duncan & Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ  
Date:

11th December 2015

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HENLOW  
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 1 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Henlow Church of England Academy during the year 1 September 2014 to 31 August 2015 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 Henlow Church of England Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henlow Church of England Academy and EFA 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 Henlow Church of England Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HENLOW CHURCH OF ENGLAND ACADEMY'S ACCOUNTING  
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Henlow Church of England Academy's funding agreement with the Secretary of State for Education dated 19 March 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. 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.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HENLOW  
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA (Senior Statutory Auditor)

**Duncan & Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

Date:

11th December 2015

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)  
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	10,534	148,269	-	158,803	170,150
Activities for generating funds	3	15,240	15,993	-	31,233	36,288
Investment income	5	-	135	-	135	797
Funding for Academy's educational operations		-	2,230,049	211,113	2,441,162	2,667,871
<b>TOTAL INCOMING RESOURCES</b>		<b>25,774</b>	<b>2,394,446</b>	<b>211,113</b>	<b>2,631,333</b>	<b>2,875,106</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income	7	-	6,011	-	6,011	5,511
Fundraising expenses and other costs	4	11,940	12,152	-	24,092	31,384
Funding for Academy's educational operations		11,816	2,361,517	145,113	2,518,446	2,871,719
Governance costs	9	-	22,902	-	22,902	16,786
<b>TOTAL RESOURCES EXPENDED</b>	12	<b>23,756</b>	<b>2,402,582</b>	<b>145,113</b>	<b>2,571,451</b>	<b>2,925,400</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD</b>		<b>2,018</b>	<b>(8,136)</b>	<b>66,000</b>	<b>59,882</b>	<b>(50,294)</b>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD</b>		2,018	(8,136)	66,000	59,882	(50,294)
Transfers between Funds	22	-	(18,145)	18,145	-	-
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		2,018	(26,281)	84,145	59,882	(50,294)
Actuarial gains and losses on defined benefit pension schemes		-	(2,000)	-	(2,000)	(89,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		2,018	(28,281)	84,145	57,882	(139,294)
<i>Total funds at 1 September 2014</i>		137,617	87,181	9,180,703	9,405,501	9,544,795
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>139,635</b>	<b>58,900</b>	<b>9,264,848</b>	<b>9,463,383</b>	<b>9,405,501</b>

All activities relate to continuing operations.

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

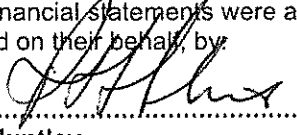
The notes on pages 30 to 53 form part of these financial statements.

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07996350

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	19		9,081,211		9,180,703
<b>CURRENT ASSETS</b>					
Debtors	20	82,841		81,163	
Cash at bank and in hand		746,764		596,221	
		<u>829,605</u>		<u>677,384</u>	
<b>CREDITORS:</b> amounts falling due within one year	21	(81,433)		(114,586)	
<b>NET CURRENT ASSETS</b>			<u>748,172</u>		<u>562,798</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,829,383</u>		<u>9,743,501</u>
Defined benefit pension scheme liability	28		<u>(366,000)</u>		<u>(338,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>9,463,383</u></u>		<u><u>9,405,501</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	22	424,900		425,181	
Restricted fixed asset funds	22	9,264,848		9,180,703	
Restricted funds excluding pension liability		<u>9,689,748</u>		<u>9,605,884</u>	
Pension reserve		<u>(366,000)</u>		<u>(338,000)</u>	
Total restricted funds			<u>9,323,748</u>		<u>9,267,884</u>
Unrestricted funds	22		<u>139,635</u>		<u>137,617</u>
<b>TOTAL FUNDS</b>			<u><u>9,463,383</u></u>		<u><u>9,405,501</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:

  
P M Huntley  
Chair of Trustees

The notes on pages 30 to 53 form part of these financial statements.

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	24	55,014	(264,868)
Returns on investments and servicing of finance	25	182	797
Capital expenditure and financial investment	25	95,347	272,077
<b>INCREASE IN CASH IN THE YEAR</b>		<u>150,543</u>	<u>8,006</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	<u>150,543</u>	<u>8,006</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<u>150,543</u>	<u>8,006</u>
Net funds at 1 September 2014	<u>596,221</u>	<u>588,215</u>
<b>NET FUNDS AT 31 AUGUST 2015</b>	<u>746,764</u>	<u>596,221</u>



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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 Resources expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 one year from the date of approval of the financial statements.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,500 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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.



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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Educational Equipment	-	33% straight line
Computer equipment	-	33% straight line

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 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 Chapter 3 Part 11 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.

**1.9 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 and the assets are held separately from those of the Academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1.10 Realignment of comparatives**

Following revisions to the EFA Accounts Direction, certain expenses in 2014/2015 have been classified on a different basis to 2013/2014. Where such differences arise, comparatives have been realigned to accord with 2014/2015 classifications.

**2. VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	10,534	4,329	14,863	31,614
Other voluntary income	-	143,940	143,940	138,536
	<u>10,534</u>	<u>148,269</u>	<u>158,803</u>	<u>170,150</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings income	5,121	-	5,121	5,006
Sale of goods	-	6,925	6,925	7,493
Other income	10,119	9,068	19,187	23,789
	<u>15,240</u>	<u>15,993</u>	<u>31,233</u>	<u>36,288</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**4. TRADING ACTIVITIES**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Fundraising trading expenses</b>				
Cost of lettings	500	-	500	375
Goods for resale	-	5,517	5,517	5,520
Other expenses	-	6,635	6,635	9,593
Fundraising trading expenses - wages and salaries	11,440	-	11,440	15,896
	<u>11,940</u>	<u>12,152</u>	<u>24,092</u>	<u>31,384</u>
Net expenditure from trading activities	<u>(11,940)</u>	<u>(12,152)</u>	<u>(24,092)</u>	<u>(31,384)</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank account interest	-	135	135	797
	<u>-</u>	<u>135</u>	<u>135</u>	<u>797</u>

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funding for the Academy's educational operations	-	2,441,162	2,441,162	2,667,871
	<u>-</u>	<u>2,441,162</u>	<u>2,441,162</u>	<u>2,667,871</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	2,054,730	2,054,730	2,168,558
Pupil Premium	-	84,683	84,683	82,592
Other DfE/EFA Revenue grants	-	43,384	43,384	20,815
Devolved Formula Capital grant	-	11,313	11,313	13,062
Capital Maintenance grant	-	199,800	199,800	325,500
	-	2,393,910	2,393,910	2,610,527
<b>Other government grants</b>				
SEN 1-1 Funding	-	47,252	47,252	51,444
Other government revenue grants	-	-	-	5,900
	-	47,252	47,252	57,344
<b>Other funding</b>				
	-	-	-	-
	-	2,441,162	2,441,162	2,667,871

**7. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fundraising costs	-	5,143	5,143	4,413
Other expenses	-	868	868	1,098
	-	6,011	6,011	5,511

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**8. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funding for the Academy's educational operations	11,816	2,506,630	2,518,446	2,871,719

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Funding for the Academy's educational operations	1,847,196	145,113	526,137	2,518,446	2,871,719

**9. GOVERNANCE COSTS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	12,450	12,450	4,500
Auditors' non audit costs	-	3,244	3,244	4,396
Legal and professional fees	-	-	-	900
Personnel fees	-	7,208	7,208	6,990
	-	22,902	22,902	16,786

Auditors' audit costs for 2015 include a one-off cost relating to the EFA Comparison Study. The Academy will have received funding towards these costs.

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**10. DIRECT COSTS**

	Educational operations £	Total 2015 £	Total 2014 £
Educational supplies	203,928	203,928	197,848
Technology costs	20,334	20,334	18,593
Staff Development	8,839	8,839	5,170
Educational consultancy	67,565	67,565	29,552
Other costs	1,443	1,443	11,223
Wages and salaries	1,375,548	1,375,548	1,386,343
National insurance	93,568	93,568	94,824
Pension cost	215,790	215,790	213,674
Depreciation	145,113	145,113	134,392
	<u>2,132,128</u>	<u>2,132,128</u>	<u>2,091,619</u>

**11. SUPPORT COSTS**

	Educational operations £	Total 2015 £	Total 2014 £
Pension income	2,000	2,000	5,000
Technology costs	17,139	17,139	17,052
Maintenance of premises and equipment	54,850	54,850	478,792
Cleaning	33,000	33,000	31,802
Rent and rates	20,520	20,520	19,324
Energy costs	16,502	16,502	19,605
Insurance	19,880	19,880	19,998
Telephone, postage and stationery	3,685	3,685	5,734
Catering	16,150	16,150	14,282
Other costs	18,460	18,460	25,910
Bank interest and charges	-	-	104
Operating leases - other	21,842	21,842	1,191
Wages and salaries	123,104	123,104	111,348
National insurance	6,325	6,325	6,132
Pension cost	32,861	32,861	23,826
	<u>386,318</u>	<u>386,318</u>	<u>780,100</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**12. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Costs of generating voluntary income	-	6,011	6,011	5,511
Fundraising expenses	11,440	12,652	24,092	31,384
<b>Costs of generating funds</b>	<b>11,440</b>	<b>18,663</b>	<b>30,103</b>	<b>36,895</b>
Direct costs - Funding for the Academy's educational operations	1,684,906	447,222	2,132,128	2,091,619
Support costs - Funding for the Academy's educational operations	162,290	224,028	386,318	780,100
<b>Charitable activities</b>	<b>1,847,196</b>	<b>671,250</b>	<b>2,518,446</b>	<b>2,871,719</b>
<b>Governance</b>	<b>-</b>	<b>22,902</b>	<b>22,902</b>	<b>16,786</b>
	<b>1,858,636</b>	<b>712,815</b>	<b>2,571,451</b>	<b>2,925,400</b>

**13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Funding for the Academy's educational operations	2,132,128	386,318	2,518,446	2,871,719

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**14. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the Academy	145,113	134,392
Auditors' remuneration - audit fees	12,450	4,500
Auditors' remuneration - non-audit	3,244	4,396
Operating lease rentals:		
- other operating leases	21,842	1,191
	<u>182,649</u>	<u>144,479</u>

**15. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,479,316	1,507,360
Social security costs	99,893	100,956
Other pension costs (Note 28)	248,651	237,500
	<u>1,827,860</u>	<u>1,845,816</u>
Supply teacher costs	30,776	6,227
	<u>1,858,636</u>	<u>1,852,043</u>

**b. Staff numbers**

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	29	30
Management	1	1
Administration, support and other staff	19	20
	<u>49</u>	<u>51</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**15. STAFF (continued)**

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
In the band £70,001 - £80,000	<b>0</b>	<b>1</b>

**16. TRUSTEES' REMUNERATION AND EXPENSES**

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Mr R G Payne, Headteacher - Remuneration	-	75-80
Pension Contributions	-	10-15
Mrs C Earp, Headteacher - Remuneration	50-55	-
Pension Contributions	5-10	-
Mrs S Jones, Staff Governor - Remuneration	-	10-15
Pension Contributions	-	0-5
Mr G Young, Deputy Headteacher - Remuneration	15-20	-
Pension Contributions	0-5	-
Miss C Vinall, Deputy Headteacher - Remuneration	50-55	-
Pension Contributions	5-10	-
Miss J Sylvester, Staff Governor - Remuneration	35-40	20-25
Pension Contributions	5-10	0-5
Mr A McCormack, Staff Governor - Remuneration	35-40	35-40
Pension Contributions	5-10	0-5
Mrs S Gudgin, Staff Governor - Remuneration	0-5	-
Pension Contributions	0-5	-

During the year, no Trustees received any benefits in kind or any reimbursement of expenses (2014 - £Nil).

**17. 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 for the year ended 31 August 2015 was £646 (2014 - £591). The cost of this insurance is included in the total insurance cost.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**18. OTHER FINANCE INCOME**

	2015 £	2014 £
Expected return on pension scheme assets	35,000	27,000
Interest on pension scheme liabilities	(37,000)	(32,000)
	<u>(2,000)</u>	<u>(5,000)</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**19. TANGIBLE FIXED ASSETS**

	Long leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2014	9,259,000	34,678	8,250	62,896	9,364,824
Additions	-	24,356	6,018	15,247	45,621
At 31 August 2015	9,259,000	59,034	14,268	78,143	9,410,445
<b>Depreciation</b>					
At 1 September 2014	150,535	9,585	1,913	22,088	184,121
Charge for the year	106,260	10,878	4,377	23,598	145,113
At 31 August 2015	256,795	20,463	6,290	45,686	329,234
<b>Net book value</b>					
At 31 August 2015	9,002,205	38,571	7,978	32,457	9,081,211
At 31 August 2014	9,108,465	25,093	6,337	40,808	9,180,703

Included in long leasehold property is land at valuation of £3,946,000 (2014: £3,946,000) which is not depreciated.

**20. DEBTORS**

	2015 £	2014 £
Trade debtors	900	180
Other debtors	24,744	26,625
Prepayments and accrued income	41,901	41,457
Grants receivable	15,296	12,901
	<u>82,841</u>	<u>81,163</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**21. CREDITORS:**

**Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	-	36,323
Other taxation and social security	32,511	31,916
Other creditors	29,889	30,556
Accruals and deferred income	19,033	15,791
	<u>81,433</u>	<u>114,586</u>

**Deferred income**

	£
Deferred income at 1 September 2014	4,915
Resources deferred during the year	4,765
Amounts released from previous years	<u>(4,915)</u>
Deferred income at 31 August 2015	<u>4,765</u>

Deferred income relates to the proportion of grant income received that relates to the year ended 31 August 2016.

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**22. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	137,617	25,774	(23,756)	-	-	139,635
<b>Restricted funds</b>						
General Annual Grant (GAG)	319,681	2,054,730	(2,026,102)	(18,145)	-	330,164
Other DfE/EFA grants	15,711	128,067	(140,970)	-	-	2,808
Government grants	-	47,252	(47,252)	-	-	-
School Fund	89,789	128,096	(139,206)	-	-	78,679
Other income restricted	-	36,301	(23,052)	-	-	13,249
Pension reserve	(338,000)	-	(26,000)	-	(2,000)	(366,000)
	87,181	2,394,446	(2,402,582)	(18,145)	(2,000)	58,900
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	45,852	211,113	(18,803)	-	-	238,162
Capital expenditure from GAG	10,585	-	(16,546)	18,145	-	12,184
Capital expenditure from other income	9,124,266	-	(109,764)	-	-	9,014,502
	9,180,703	211,113	(145,113)	18,145	-	9,264,848
Total restricted funds	9,267,884	2,605,559	(2,547,695)	-	(2,000)	9,323,748
Total of funds	9,405,501	2,631,333	(2,571,451)	-	(2,000)	9,463,383

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**22. STATEMENT OF FUNDS (continued)**

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £26,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £2,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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 2015.

**SUMMARY OF FUNDS**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General funds	137,617	25,774	(23,756)	-	-	139,635
Restricted funds	87,181	2,394,446	(2,402,582)	(18,145)	(2,000)	58,900
Restricted fixed asset funds	9,180,703	211,113	(145,113)	18,145	-	9,264,848
	<u>9,405,501</u>	<u>2,631,333</u>	<u>(2,571,451)</u>	<u>-</u>	<u>(2,000)</u>	<u>9,463,383</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	9,081,211	9,081,211	9,180,703
Current assets	202,035	443,933	183,637	829,605	677,384
Creditors due within one year	(62,400)	(19,033)	-	(81,433)	(114,586)
Provisions for liabilities and charges	-	(366,000)	-	(366,000)	(338,000)
	<u>139,635</u>	<u>58,900</u>	<u>9,264,848</u>	<u>9,463,383</u>	<u>9,405,501</u>

**24. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Continuing £	Discontinued £	2015 Total £	2014 £
Net incoming resources before revaluations	59,882	-	59,882	(50,294)
Returns on investments and servicing of finance	(182)	-	(182)	(797)
Depreciation of tangible fixed assets	145,113	-	145,113	134,392
Capital grants from DfE	(140,968)	-	(140,968)	(338,562)
Increase in debtors	(1,678)	-	(1,678)	(41,200)
(Decrease)/increase in creditors	(33,153)	-	(33,153)	29,593
FRS 17 adjustments	26,000	-	26,000	2,000
<b>Net cash inflow/(outflow) from operations</b>			<u>55,014</u>	<u>(264,868)</u>

**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>182</u>	<u>797</u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(45,621)	(66,485)
Capital grants from DfE	140,968	338,562
<b>Net cash inflow capital expenditure</b>	<u>95,347</u>	<u>272,077</u>

**26. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	596,221	150,543	-	746,764
<b>Net funds</b>	<u>596,221</u>	<u>150,543</u>	<u>-</u>	<u>746,764</u>

**27. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**28. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £29,803 were payable to the scheme at 31 August 2015 (2014 - £30,453) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

**Teachers' Pension Scheme Changes**

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**28. PENSION COMMITMENTS (continued)**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £79,000, of which employer's contributions totalled £62,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 21% for employers and 5.5% to 6.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**28. PENSION COMMITMENTS (continued)**

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>
Equities	3.80	472,000	6.30	423,000
Bonds	3.80	127,000	3.30	116,000
Property	3.80	78,000	4.50	55,000
Cash	3.80	28,000	3.30	18,000
Total market value of assets		<u>705,000</u>		<u>612,000</u>
Present value of scheme liabilities		<u>(1,071,000)</u>		<u>(950,000)</u>
Deficit in the scheme		<u><u>(366,000)</u></u>		<u><u>(338,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Present value of funded obligations	(1,071,000)	(950,000)
Fair value of scheme assets	<u>705,000</u>	<u>612,000</u>
Net liability	<u><u>(366,000)</u></u>	<u><u>(338,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Current service cost	(86,000)	(78,000)
Interest on obligation	(37,000)	(32,000)
Expected return on scheme assets	<u>35,000</u>	<u>27,000</u>
Total	<u><u>(88,000)</u></u>	<u><u>(83,000)</u></u>
Actual return on scheme assets	<u><u>14,000</u></u>	<u><u>52,000</u></u>

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**28. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	950,000	657,000
Current service cost	86,000	78,000
Interest cost	37,000	32,000
Contributions by employees	17,000	20,000
Actuarial (Gains)/losses	(18,000)	164,000
Benefits paid	(1,000)	(1,000)
	<u>1,071,000</u>	<u>950,000</u>

Movements in the fair value of the Academy's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	612,000	410,000
Expected return on assets	35,000	27,000
Actuarial gains and (losses)	(20,000)	75,000
Contributions by employer	62,000	81,000
Contributions by employees	17,000	20,000
Benefits paid	(1,000)	(1,000)
	<u>705,000</u>	<u>612,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £162,000 (2014 - £160,000).

The Academy expects to contribute £63,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	67.00 %	69.00 %
Bonds	18.00 %	19.00 %
Property	11.00 %	9.00 %
Cash	4.00 %	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.40 %
Rate of increase in salaries	3.60 %	3.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**28. PENSION COMMITMENTS (continued)**

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

	2015	2014
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(1,071,000)	(950,000)	(657,000)	-	-
Scheme assets	705,000	612,000	410,000	-	-
Deficit	(366,000)	(338,000)	(247,000)	-	-
Experience adjustments on scheme liabilities	18,000	(164,000)	(79,000)	-	-
Experience adjustments on scheme assets	(20,000)	75,000	8,000	-	-

**Sensitivity Analysis**

	Approx. % increase in employer liability %	Approx. monetary amount £
0.5% decrease in Real Discount Rate	14	148,000
1 year increase in member life expectancy	3	32,000
0.5% increase in the Salary Increase Rate	7	72,000
0.5% increase in the Pension Increase Rate	7	72,000

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**HENLOW CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**29. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	-	9,312	6,260
Between 2 and 5 years	-	-	1,307	10,503
After more than 5 years	-	-	11,223	11,223
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**30. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations 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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year ended 31 August 2015 the Academy received a £nil (2014: £5,300) grant from Bedfordshire East Schools Trust (BEST) of which the Academy is an associate member. £nil (2014: £5,120) was also paid to BEST for a membership fee.

**31. CONTROLLING PARTY**

The trustees have ultimate control of the Academy.