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

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

Annual Report and Financial Statements
Period ended 31 August 2016

Company Registration Number:
07996350 (England and Wales)

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Reference and Administrative Details

Members	Mr Perry Huntley Mrs Jacqui Burke Mrs Alison Allen
Trustees	Mr Mark Clark Rev Patsy Critchley Mr Nicholas Devonport (appointed 28 September 2016) Mr Alan Dorricott (resigned 6 January 2016) Mrs Caren Earp (Headteacher and Accounting Officer) Rev Sue Groom (resigned 31 January 2016) Mrs Sheree Gudgin Mrs Brenda Howe (resigned 23 November 2015) Mrs Susan Jones (appointed 1 October 2015) Mr Bhavin Soneji Miss Jodie Sylvester Mrs Gillian Taylor (appointed 26 April 2016) The Archdeacon of Bedford
Company Secretary	Mrs Annette Bell
Senior Management Team	Mrs Caren Earp Mr S Carrington Mrs Caroline Vinall (resigned 31 August 2016) Mrs Annette Bell Miss Philippa Church Mr Ian Lee Mrs Margaret Newman Mrs Penny Wood
Principal and Registered Office	Church Road Henlow Bedfordshire, SG16 6AN
Company Registration Number	7996350 (England and Wales)
Independent Auditor	Duncan & Topliss Limited 15 Chequergate Louth Lincolnshire, LN11 0LJ
Bankers	Lloyds Bank 1 Bancroft Hitchin Hertfordshire, SG5 1JQ
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London, SW1P 3JT

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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 2015 to 31 August 2016. 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.

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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.
- 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 suite of information stored 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 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.

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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.

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 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.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body has autonomy to determine the Headteacher's individual pay range. The judgement is based on criteria including, but not limited to, the individual's level of experience and skills deemed essential to undertake the role considering the schools' own particular circumstances and challenges; the context and challenge arising from pupil needs, e.g. level of pupil mobility which affects challenge in relation to pupil outcomes. The Governing Body has autonomy to set the pay range above the top of the relevant Headteacher Group range for the Academy, and this is only exercised following appropriate consultations with external Human Resource Advisors.

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The Governing Body's role in relation to other key leadership pay determinations is to:

- Set the appropriate levels of pay for different leadership roles allowing appropriate scope for performance-related progression over time, clearly linked to school improvement priorities and outcomes
- Adopt pay and appraisal policies including the criteria for pay progression
- Assure themselves that robust and consistent processes are in place for linking appraisal to pay progression
- Consider annually the salary of the Headteacher and leadership group, linked to performance.

All Governing Body pay decisions will ensure compliance with the statutory requirements of teachers' pay as set out in the School Teachers' Pay and Conditions document, as well as adherence to the Academy's Pay Policy.

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.

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 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 2016 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 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.

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Objectives, Strategies and Activities

I have enjoyed my second year as Headteacher, continuing to focus on our priorities following a successful Ofsted inspection in March 2015. 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.

Literacy continued to be one of our key foci across the whole school as well as a continued focus on raising the profile of reading. It has been rewarding to observe so many successes in the classroom as we focussed on learning across all subjects. Our use of WWW ("What went well") and EBI ("Even better if") was fully embedded and pupils clearly followed this up with MRI – "My response is.." in order to demonstrate how they have absorbed the advice given. The Tracks spelling approach ensured that all pupils focussed on spelling early in the day and we continue to be passionate about inspiring and improving literacy in this way.

Ofsted also drew attention to the fact that our values permeate every aspect of our work. I feel that this was particularly noticeable in the ways that our pupils raised money for charity throughout the year. A wide range of charities are selected by the pupils and the fundraising often involves a determined and collaborative effort to help others. Their willingness to involve themselves in charitable events reflects an understanding of and empathy for the diverse range of needs in our local and wider community. The school community raised in excess of £5,000 in this academic year.

The Harvest Festival was a wonderful example of the generosity of the Henlow community and really has to be seen to be believed. Donations were presented to The Need Project, a local charity whose aim is to directly support the neediest families within our local community.

Our Key Stage 2 Christmas concert and drama performance, "*Ebenezer Junior*" provided an opportunity for our younger pupils to display many talents which ensured that the timeless themes came alive on stage. Costumes, scenery, props and music all added to the tremendous scenes the actors created. In the final week of the spring term our production of "*Alice in Henlow land*" was a truly unique performance of a classic tale. Pupils in years 7 and 8 took the lead roles and were supported by their peers and a few guest performers! Many pupils demonstrated exceptional skill in singing, collaboration, stepping into the shoes of a character and even comic timing! The costumes, make up, scenery and our own musicians added to the splendour and many proud teachers, parents, relatives and friends were able to spend the evening enjoying this spectacle. The whole experience will undoubtedly help our pupils grow in confidence and develop skills they can employ both in the classroom and wider aspects of their lives.

January included a wide range of activities for us to focus on including a visit from Mike Mullen, BMX World Champion. His visit was inspiring and reminded us of the fact that practice can help us reach our goals. This visit linked with the launch of our whole school practice week when pupils fully engaged and showed determination to strive towards achieving in new areas.

National Science Week was celebrated with style! The week started off with our inaugural Science Fair where groups of our pupils were joined by year 4 students from our feeder lower school in presenting projects of their choice. They ably explained and demonstrated what they had been investigating. At the end of the evening, prizes were presented to the winning teams and we all enjoyed some whizz bang chemistry demonstrations on the theme of colour. A fantastic celebration of Science at Henlow Academy!

Year 5 were inspired by our visiting speaker, Mr Phil Williams, who spoke about our impact on our world and got us all thinking about sustainable living. Students engaged in thinking about their own impact on the environment and a select group have decided to set up a young environmentalists club

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in school as a result. Science club ran every day, with activities including: blowing giant bubbles, growing crystal gardens and making periscopes. It was fantastic to see lots of pupils from all year groups working together on different projects.

Finally, Year 7 enjoyed a visit to The Science Museum where they were able to explore many different scientific displays and take part in a Science show full of exciting demonstrations.

40 Years of Education at Henlow (1976 – 2016)

During the year we enjoyed baking, counting, and challenging ourselves in various ways as part of our 40th celebrations. Coming at the end of a week of torrential downpours and thunderstorms we were incredibly relieved that the sun shone brightly for our picnic and parade when the whole school entered into the spirit selecting clothes from the 4 decades our school has been in existence. Replicating the hairstyles, footwear and sometimes cringe worthy fashions of our yesteryears created quite a scene and we very much appreciated the support of well-wishers, parents and neighbours as we passed by! In our assembly we were fortunate to have 4 of the 5 Head Teachers that the school has ever had: David Hines, Mike Plant, Ray Payne and myself. Each of us was accompanied on stage by a pupil from our era and we were given 2 minutes each to focus the audience's attention on highlights from our years. The traditions of the fun run, the huge range of clubs, raising money for charities, school colours and an emphasis on valuing an individual's progress have been themes throughout our history.

Sports Tour Review

During the Easter holidays we organized our inaugural Sports Tour when 48 pupils visited Holland. The pupils had an incredible trip that gave them a fully professional experience. This ranged from training on the same pitches as a professional Dutch squad. A truly fantastic trip from start to finish which was enjoyed by all who participated, and provided them with the opportunity to experience sport at international level.



The academic year has also seen us achieve major sporting recognition for the great work led by the PE department. Henlow received a **GOLD** Sainsbury's Games Mark, improving on the **SILVER** award received last year. Over 80% 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.

The pupils constantly demonstrate enthusiasm, commitment and a willingness to engage with all of the sporting opportunities on offer. Many of our achievements were recognised at the Annual Sports Awards, both individual and team achievements were celebrated in a memorable ceremony.

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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:

Attainment

	% achieved expected standard			% achieved high standard		
	Henlow	National	LA	Henlow	National	LA
Reading	67%	66%	65%	21%	19%	17%
Writing	76%	74%	77%	5%	15%	10%
Maths	65%	70%	64%	16%	17%	13%
SPaG	71%	72%		28%	23%	
Combined - Re,Wr, Ma	54%	53%	51%	2%	6%	

Average Scaled Scores			
	Henlow	National	LA
Reading	103	103	102
SPaG	105	104	
Maths	103	103	102



Not Available

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

Although levels are no longer in use, for our core subjects, the testing that has taken place still produces either a level or level indicator. We therefore are able to still track progress over the 4 years. Due to the change in curriculum this potentially is the last year we will be able to do this effectively.

2015/16

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

118 out of the 139 in Year 8 have been at Henlow for all 4 years.
In English - the data represents 117 pupils (1 pupil – long-term ill)
In Maths - the data represents 116 pupils (1 pupil – long-term ill and no baseline data for 1 pupil)

National expected progress over 4 years is 12 points progress

	Reading points	Writing points	Maths points
Whole cohort	14.21	16.03	18.33
Non- FSM/EVER6 (106/105 pupils)	14	15.92	18.42
FSM/EVER6 (11 pupils)	16.18	17.09	17.45

2014/15 (previous year)

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

Year 11 Performance Date (Samuel Whitbread Academy)

2016 results for SWA show that 64% of all pupils gained both English and Maths GCSE A* to C, whilst 69.5% of the Henlow cohort who attended SWA achieved this standard.

Pupil Attendance

Figures for the academic year 2015/16:

- 95.05% attendance
- 4.25% authorised absence
- 0.70% unauthorised absence

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Increase the number of pupil applicants to the Academy

The pupil roll continues to increase at point of entry to Year 5 and we are confident that our marketing strategies will continue to ensure a growing school population. There were 506 pupils on roll at 31st August 2016.

Pupil Premium Spending

The school is in the process of developing a new way of tracking projects and their impact on individuals. This will allow greater analysis of the success and impact of projects. This will also include tracking individualised spending on pupils and the impact this brings.

Quite often the impact of the way the Pupil Premium money is spent cannot be measured numerically through progress and academic achievement. For some pupils there may be social and emotional barriers. For the year 2015/16 we have launched a programme that will numerically track pupils' feelings towards school and learning as well as how they feel socially and emotionally. By providing appropriate training for staff, employing a school counsellor and pastoral officer, the Academy provides support and encouragement that allows pupils to feel safe and able to access learning. This package should help us in some way as to measuring this impact.

In addition to this initiative, funding received in the academic year has been spent on the following key strategies, and future plans have also been identified:

2015/2016 Pupil Premium

- Additional Maths and English Sets
- Focused Pedagogy Training for staff
- Development of tracking and intervention systems for Pupil Premium pupils
- Maths and English Intervention
- Focused TA Literacy support
- Pastoral Officer and School Counsellor
- Trips, Uniform, Books

Future Plans 2016/17

- Teaching and Learning – Quality First Teaching Programme Development (CPD Training)
- Phonics Programme
- Intervention (One to One and small group tuition)
- Spellodrome and Reading Eggs Programme Trial for Year 6's
- Homework Club
- Pastoral Officer and School Counsellor
- Trips, Uniform, Books

Staffing

In September 2015 a revised staffing structure was introduced, with clearly defined responsibilities for teaching and learning responsibility holders. This has raised the quality of teaching and learning across the school, and has also offered a wide range of development opportunities to staff. Teaching staff costs represent 70% of GAG income.

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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 and donations made to charity. The School Council have been working really hard at fundraising activities to contribute towards replacing the patio picnic tables. They have provided refreshments at our Parents' Evenings and 40th Anniversary evening event, as well as selling fresh fruit pots on "Melon Monday". We took delivery of 9 new picnic tables on our 40th Anniversary Celebration day! A perfect gift on this special day which will improve the dining experiences of our pupils.

"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.

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 the Kingswood Centre in Kent; and of course our inaugural Sports Tour to Holland. There were numerous museum and theatre visits as well as participation in the national singing event, "Sing Up" at the O2 in London.

Facilities Enhancements

We have been extremely fortunate to benefit from Government CIF funding over the last few years. This amount is now in excess of £965,000 and has supported enhancement of the school buildings and facilities for the benefit of the school community. In this academic year we have taken ownership of a new double classroom block, which has truly transformed the learning environment for our pupils, and have also benefited from the upgrading of our Fire Safety and Fire Evacuation systems.

Facilities maintenance is excellent and a refurbishment programme is planned annually to ensure that financial commitments are planned whilst setting annual and multi-year budgets. Larger scale infrastructure costs are also taken into account to ensure that there are no unexpected repair / replacement expenditure.

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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 2016 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 £2,658,600 compared to total resources expended (including depreciation) of £2,563,447 to give a surplus for the year of £95,153.

Taking into account the surplus brought forwards from last year, the School has £814,346 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 2016 is considered to be in line with that objective.

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 £814,346 comprising restricted funds £674,707 and unrestricted funds £139,639.

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

- Repairs / Maintenance to building fabric
- Sporting Facilities Development (Contribution)
- Investment in ICT

The school was successful in a bid to the EFA Conditions Improvement Fund to upgrade the Fire Safety System.

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.

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 Academies 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 Teacher incorporates 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.

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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 Academy's 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 £715,000.

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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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 continues
- 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 to develop the rewards systems
- Meaningful performance review – new links established and time given
- A new assessment framework we have confidence in – GL Assessment for baseline and progress measures
- Sustainable structures
- Continuing with our development of the curriculum, e.g. options in year 7 and 8, additional small group class in Year 7 with tailored curriculum offer
- Interpreting national freedoms and making the right choices for Henlow
- Public Relations – newsletter, “school gates” and local press
- Becoming the school of choice for ALL of our community
- Continuing to develop closer links with our feeder lower schools, e.g. curriculum links, liaison, sharing of CPD

Funds Held as Custodian Trustee on Behalf of Others

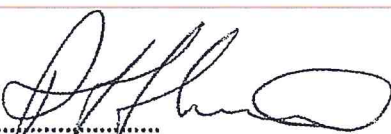
The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

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 8th December 2016 and signed on its behalf by:


.....
Mr Perry Huntley
Chair of Trustees

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

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:

Trustee	Meetings attended	Out of a possible
Mr Perry Huntley (Chair)	5	5
Mrs Jacqui Burke (Vice Chair)	4	5
Mrs Alison Allen	5	5
Rev Sue Groom (resigned January 2016)	0	2
Rev Patsy Critchley	4	5
Mrs Brenda Howe (resigned November 2015)	0	1
Mr Mark Clark	4	5
Miss Jodie Sylvester	5	5
Mrs Sheree-Ann Gudgin	5	5
Mr Alan Dorricott (resigned November 2015)	1	2
Mrs Gillian Taylor (appointed April 2016)	1	1
Mr Bhavin Soneji	5	5
Mrs Susan Jones (appointed October 2015)	3	4
Mrs Caren Earp (Headteacher)	5	5
Archdeacon Hughes, Diocese of St Albans	1	5

Staff Governor elections were held early in September to seek to fill one existing vacancy. Mrs Susan Jones was appointed to the Curriculum & Personnel Committee. Two Foundation Governor vacancies arose during the year. The Reverend Sue Groom relocated to take up a new appointment and Mr Alan Dorricot was forced to resign due to ill health. Mrs Gillian Taylor was appointed in April 2016 and the remaining vacancy will be taken by the Vicar of St Mary's Church, Henlow, upon appointment. This process was not completed during the financial year under review.

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 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.

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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, safeguarding of pupils, and delivery of the key priorities of the school. The Committee met four times during the year.

Trustee	Meetings attended	Out of a possible
Mr Bhavin Soneji (Chair)	4	4
Mr Perry Huntley (transferred from C&P)	3	3
Miss Jodie Sylvester	3	4
Mr Alan Dorricott (resigned November 2015)	0	0
Mr Mark Clark	3	4
Mrs Alison Allen (transferred to C&P)	1	1
Mrs Caren Earp (Head 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:

Trustee	Meetings attended	Out of a possible
Mrs Alison Allen (Chair)	2	2
Mrs Jacqui Burke	1	3
Mr Perry Huntley	1	1
Rev Susan Groom (resigned January 2016)	0	0
Rev Patsy Critchley	2	3
Mrs Brenda Howe (resigned November 2015)	0	1
Mrs Sheree Gudgin	1	3
Mrs Susan Jones (appointed October 2015)	3	3
Mrs Caren Earp (Head Teacher)	3	3

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.

Improving educational outcomes for our students remains the key priority. The school has taken the following steps to ensure continued improvement in our delivery of education and improve our pupils' aspirations and attainment. The school is committed to supporting our pupils achieve their potential through a varied curriculum offer, an extensive range of extra-curricular activities, and embedding our core values of Honesty, Enthusiasm, Nurture, Love and Originality to develop the whole person and best prepare them for higher education, and future employment opportunities.

The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Reviewing operations to maximise resources

- Restructuring of the leadership model, development of middle leaders and delivery of targeted CPD to ensure continued high quality of teaching is maintained across all curriculum areas. For example, the introduction of the TLR3 has enabled developing leaders to deliver whole school projects, eg introduction of one new group at KS3 focussing on pupils with SEN.
- New initiatives are costed and budgeted appropriately to maximise benefit from funding. For example, a revised school day which allowed for 30 minutes of whole school intervention strategies to be embedded, focussing of literacy across the curriculum.
- 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.

Collaboration

- 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. Specialist teachers of MFL, PE and Computing delivered 1 hour of teaching per week at local feeder lower schools. The Head Teachers meet regularly to share ideas, improve collaborative approaches and discuss local context.

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Targeted Improvement

There has been huge investment in the management information system to develop a robust tracking and reporting system for monitoring pupil progress. This ensures that we can continue to use data so that staff can continue to extend pupils' learning. We have employed experienced, high quality staff to support our school improvement agenda, and we involve all staff in focussing on the pupils' learning, encouraging creativity and innovation in delivering the curriculum.

Focus on our Pupils' individual needs

- As part of the re-modelling of our structures, a new Deputy Head Teacher was appointed with the remit of pupil engagement and progress. A Pastoral Intervention Leader was appointed to offer a pastoral support role to our pupils alongside an external school Counsellor.
- We continue to fund the role of Pupil Premium Lead to monitor the achievement of this group of pupils.
- 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.

Financial Governance and Challenge

- 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.
- The Finance Committee meets regularly to receive monitoring reports, review the financial position, and challenge decisions.

Effective Procurement

- 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. Cleaning Contract, Grounds Maintenance.
- High value contracts with a period of 3 – 5 years (eg. Grounds Maintenance, Insurance) are reviewed and compared against the market to ensure that these are still competitive.

Reviewing Controls and Managing Risk

- Budget monitoring reports are presented to the Premises and Finance Committee on a regular basis, with any significant variances explained and closely monitored and reviewed, to ensure there is no significant impact on anticipated out-turn.

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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 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy 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 2015 to 31 August 2016 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 Premises & Finance 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 continue to appoint 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.

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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.

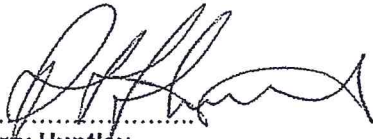
Review of Effectiveness

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

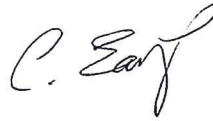
- the work of the external reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 8th December 2016 and signed on its behalf by:



.....
Mr Perry Huntley
Chair of Trustees



.....
Mrs Caren Earp
Accounting Officer

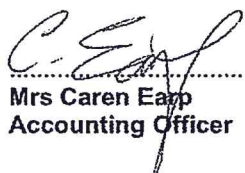
HENLOW CHURCH OF ENGLAND ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 Eazp
Accounting Officer

Date: 8th December 2016

HENLOW CHURCH OF ENGLAND ACADEMY
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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 EFADfE 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 8th December 2016 and signed on its behalf by:



.....
Mr Perry Huntley
Chair of Trustees

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

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

We have audited the financial statements of Henlow Church of England Academy for the year ended 31 August 2016 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 Statement of Trustees' responsibilities, 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

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

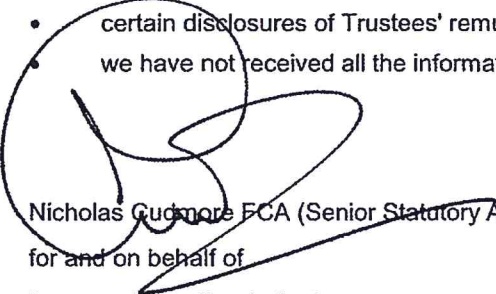
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.

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 Gudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ
8 December 2016

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

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

In accordance with the terms of our engagement letter dated 30 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 the 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 the 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 the 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 AUDITORS

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the 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.

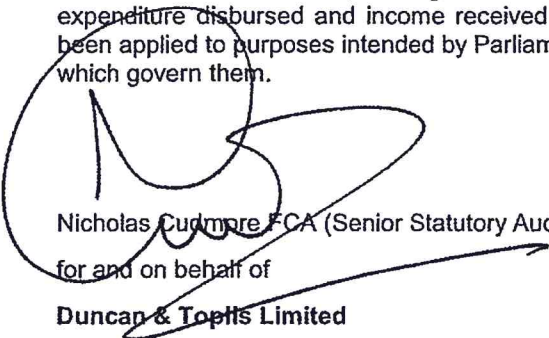
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

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 2015 to 31 August 2016 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)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

8 December 2016

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

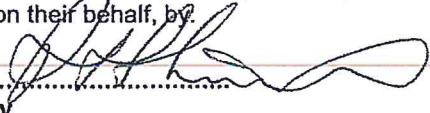
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	13,060	105,099	10,891	129,050	170,116
Charitable activities:	3					
Funding for the Academy trust's educational operations		-	2,498,110	-	2,498,110	2,429,849
Other trading activities	4	15,451	15,635	-	31,086	31,233
Investments	5	-	354	-	354	135
TOTAL INCOME		28,511	2,619,198	10,891	2,658,600	2,631,333
EXPENDITURE ON:						
Raising funds		11,091	14,315	-	25,406	30,103
Funding for the Academy trust's educational operations		17,416	2,359,379	161,246	2,538,041	2,552,348
TOTAL EXPENDITURE	8	28,507	2,373,694	161,246	2,563,447	2,582,451
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	4	245,504 (31,697)	(150,355) 31,697	95,153 -	48,882 -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(313,000)	-	(313,000)	9,000
NET MOVEMENT IN FUNDS		4	(99,193)	(118,658)	(217,847)	57,882
RECONCILIATION OF FUNDS:						
Total funds brought forward		139,635	58,900	9,264,848	9,463,383	9,405,501
TOTAL FUNDS CARRIED FORWARD		139,639	(40,293)	9,146,190	9,245,536	9,463,383

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		9,293,520		9,081,211
CURRENT ASSETS					
Debtors	15	206,118		82,841	
Cash at bank and in hand		726,087		746,764	
		<u>932,205</u>		<u>829,605</u>	
CREDITORS: amounts falling due within one year	16	(265,189)		(81,433)	
NET CURRENT ASSETS			667,016		748,172
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	22		(715,000)		(366,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			9,245,536		9,463,383
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	674,707		424,900	
Restricted fixed asset funds	17	9,146,190		9,264,848	
Restricted funds excluding pension liability		<u>9,820,897</u>		<u>9,689,748</u>	
Pension reserve		<u>(715,000)</u>		<u>(366,000)</u>	
Total restricted funds			9,105,897		9,323,748
Unrestricted funds	17		139,639		139,635
TOTAL FUNDS			9,245,536		9,463,383

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:


 P M Huntley
 Chair of Trustees

The notes on pages 31 to 52 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	<u>341,633</u>	<u>(15,131)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		354	182
Purchase of tangible fixed assets		(373,555)	(45,621)
Capital grants from DfE/EFA		10,891	211,113
Net cash (used in)/provided by investing activities		<u>(362,310)</u>	<u>165,674</u>
Change in cash and cash equivalents in the year		(20,677)	150,543
Cash and cash equivalents brought forward		<u>746,764</u>	<u>596,221</u>
Cash and cash equivalents carried forward		<u><u>726,087</u></u>	<u><u>746,764</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Henlow Church of England Academy constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Henlow Church of England Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Henlow Church of England Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement 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 incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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 Expenditure

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

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

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed 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 Interest receivable

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

1.8 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.16 Realignment of comparatives

Following revisions to the EFA Accounts Direction, certain expenses in 2015/2016 have been classified on a different basis to 2014/2015. Where such differences arise, comparatives have been realigned to accord with 2015/2016 classifications.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	13,060	6,313	-	19,373	14,863
Capital grants	-	-	10,891	10,891	11,313
Other voluntary income	-	98,786	-	98,786	143,940
Total donations and capital grants	13,060	105,099	10,891	129,050	170,116

In 2015, of the total income from donations and capital grants, £10,534 was to unrestricted funds and £159,582 was to restricted and fixed asset funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,013,607	2,013,607	2,054,730
Pupil Premium	-	92,680	92,680	84,683
Other DfE/EFA Revenue grants	-	17,695	17,695	43,384
Capital Maintenance grant	-	325,193	325,193	199,800
	-	2,449,175	2,449,175	2,382,597
Other government grants				
SEN 1-1 Funding	-	44,935	44,935	47,252
Other government revenue grants	-	4,000	4,000	-
	-	48,935	48,935	47,252
	-	2,498,110	2,498,110	2,429,849

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £2,429,849 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	3,930	-	3,930	5,121
Sale of goods	-	7,015	7,015	6,925
Other income	11,521	8,620	20,141	19,187
	15,451	15,635	31,086	31,233

In 2015, of the total income from other trading activities, £15,240 was to unrestricted funds and £15,993 was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank account interest	-	354	354	135
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In 2015, of the total investment income, £ *NIL* was to unrestricted funds and £ 135 was to restricted funds.

6. DIRECT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Educational supplies	164,514	164,514	203,928
Technology costs	31,722	31,722	20,334
Staff Development	7,704	7,704	8,839
Educational consultancy	24,629	24,629	67,565
Other costs	5,442	5,442	1,443
Wages and salaries	1,371,767	1,371,767	1,375,548
National insurance	105,880	105,880	93,568
Pension cost	237,197	237,197	215,790
Depreciation	161,246	161,246	145,113
	<u> </u>	<u> </u>	<u> </u>
	<u>2,110,101</u>	<u>2,110,101</u>	<u>2,132,128</u>

In 2015, the Academy incurred the following Direct costs:

£2,132,128 in respect of Funding for the Academy's educational operations

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. SUPPORT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Pension cost	15,000	15,000	13,000
Technology costs	18,395	18,395	17,139
Maintenance of premises and equipment	36,367	36,367	54,850
Cleaning	35,225	35,225	33,000
Rent and rates	18,882	18,882	20,520
Energy costs	16,796	16,796	16,502
Insurance	17,611	17,611	19,880
Security	5,309	5,309	-
Transport	1,767	1,767	-
Telephone, postage and stationery	6,314	6,314	3,685
Catering	13,709	13,709	16,150
Other costs	33,091	33,091	18,460
Operating leases - other	23,037	23,037	21,842
Auditors' remuneration	4,500	4,500	12,450
Auditors' remuneration - non-audit	3,212	3,212	3,244
Personnel fees	9,910	9,910	7,208
Wages and salaries	128,005	128,005	123,104
National insurance	8,381	8,381	6,325
Pension cost	32,429	32,429	32,861
	<u>427,940</u>	<u>427,940</u>	<u>420,220</u>

During the year ended 31 August 2016, the Academy incurred the following Governance costs:

£17,622 (2015 - £22,902) included within the table above in respect of Funding for the Academy's educational operations.

In 2015, the Academy incurred the following Support costs:

£397,318 in respect of Funding for the Academy's educational operations

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	4,043	4,043	6,011
Expenditure on fundraising trading	-	-	21,363	21,363	24,092
Funding for the Acad:					
Direct costs	1,725,935	161,246	222,920	2,110,101	2,132,128
Support costs	168,815	130,190	128,935	427,940	420,220
	<u>1,894,750</u>	<u>291,436</u>	<u>377,261</u>	<u>2,563,447</u>	<u>2,582,451</u>

In 2016, of the total expenditure, £17,622 (2015 - £23,756) was to unrestricted funds and £2,534,940 (2015 - £2,558,695) was to restricted funds.

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	161,246	145,113
Operating lease rentals	17,311	21,842
	<u>178,557</u>	<u>166,955</u>

10. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	4,500	4,500
Fees payable to the Academy's auditor and its associates in respect of:		
EFA comparison study audit (grant funded)	-	7,950
Audit-related assurance services	3,212	3,244
	<u>7,712</u>	<u>15,694</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,488,584	1,479,316
Social security costs	114,261	99,893
Operating costs of defined benefit pension schemes	269,626	248,651
	<u>1,872,471</u>	<u>1,827,860</u>
Supply teacher costs	8,279	30,776
Staff restructuring costs - severance payments	14,000	-
	<u><u>1,894,750</u></u>	<u><u>1,858,636</u></u>

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

	2016 No.	2015 No.
Teachers	31	32
Management	1	1
Administration, support and other staff	35	34
	<u>67</u>	<u>67</u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	1	0

The above employee earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for the member of staff amounted to £12,842 (2015: £Nil).

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £14,000 (2015: £Nil). This was for one payment only.

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £311,663 (2015: £468,797). The fall in remuneration is attributable to a restructuring during the year which has reduced the number of staff considered to be key management personnel.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits earned during their tenure as Governors was as follows:

		2016	2015
		£'000	£'000
Mrs C Earp, Headteacher	Remuneration	75-80	50-55
	Pension contributions paid	10-15	5-10
Mrs S Gudgin, Staff Governor Appointed 10 May 2015	Remuneration	10-15	0-5
	Pension contributions paid	0-5	0-5
Mrs S Jones, Staff Governor Appointed 1 October 2015	Remuneration	25-30	0
	Pension contributions paid	0-5	0
Miss J Sylvester, Staff Governor	Remuneration	40-45	35-40
	Pension contributions paid	5-10	5-10
Mr A McCormack, Staff Governor Resigned 31 July 2015	Remuneration	0	35-40
	Pension contributions paid	0	5-10
Mr G Young, Deputy Headteacher Resigned January 2015	Remuneration	0	15-20
	Pension contributions paid	0	0-5

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

13. 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 2016 was £990 (2015 - £646).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 September 2015	9,259,000	59,034	14,268	78,143	9,410,445
Additions	347,129	7,939	10,140	8,347	373,555
At 31 August 2016	<u>9,606,129</u>	<u>66,973</u>	<u>24,408</u>	<u>86,490</u>	<u>9,784,000</u>
Depreciation					
At 1 September 2015	256,795	20,463	6,290	45,686	329,234
Charge for the year	110,168	16,880	8,055	26,143	161,246
At 31 August 2016	<u>366,963</u>	<u>37,343</u>	<u>14,345</u>	<u>71,829</u>	<u>490,480</u>
Net book value					
At 31 August 2016	<u>9,239,166</u>	<u>29,630</u>	<u>10,063</u>	<u>14,661</u>	<u>9,293,520</u>
At 31 August 2015	<u>9,002,205</u>	<u>38,571</u>	<u>7,978</u>	<u>32,457</u>	<u>9,081,211</u>

Included in long leasehold property is land at valuation of £3,946,000 (2015: £3,946,000) which is not depreciated.

Additions to leasehold property in the year comprise building work on the school's existing site and not the acquisition of new land or property.

15. DEBTORS

	2016 £	2015 £
Trade debtors	-	900
Other debtors	20,925	24,744
Prepayments and accrued income	44,577	41,901
Grants receivable	140,616	15,296
	<u>206,118</u>	<u>82,841</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	167,785	-
Other taxation and social security	35,098	32,511
Other creditors	30,819	29,889
Accruals and deferred income	31,487	19,033
	<u>265,189</u>	<u>81,433</u>
	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	4,765	4,915
Resources deferred during the year	5,070	4,765
Amounts released from previous years	(4,765)	(4,915)
Deferred income at 31 August 2016	<u>5,070</u>	<u>4,765</u>

Deferred income relates to the proportion of grant income received that relates to the year ended 31 August 2017.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	139,635	28,511	(28,507)	-	-	139,639
Restricted funds						
General Annual Grant (GAG)	330,164	2,013,607	(2,043,078)	(31,697)	-	268,996
Other DfE/EFA grants	2,808	435,568	(109,294)	-	-	329,082
Government grants	-	48,935	(48,935)	-	-	-
School Fund	78,679	81,898	(101,761)	-	-	58,816
Other income restricted	13,249	39,190	(34,626)	-	-	17,813
Pension reserve	(366,000)	-	(36,000)	-	(313,000)	(715,000)
	<u>58,900</u>	<u>2,619,198</u>	<u>(2,373,694)</u>	<u>(31,697)</u>	<u>(313,000)</u>	<u>(40,293)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	238,162	10,891	(21,337)	-	-	227,716
Capital expenditure from GAG	12,184	-	(30,146)	31,697	-	13,735
Capital expenditure from other income	9,014,502	-	(109,763)	-	-	8,904,739
	<u>9,264,848</u>	<u>10,891</u>	<u>(161,246)</u>	<u>31,697</u>	<u>-</u>	<u>9,146,190</u>
Total restricted funds	<u>9,323,748</u>	<u>2,630,089</u>	<u>(2,534,940)</u>	<u>-</u>	<u>(313,000)</u>	<u>9,105,897</u>
Total of funds	<u>9,463,383</u>	<u>2,658,600</u>	<u>(2,563,447)</u>	<u>-</u>	<u>(313,000)</u>	<u>9,245,536</u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. 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 £36,000. 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 £313,000 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 2016.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	9,293,520	9,293,520	9,081,211
Current assets	139,639	788,145	4,421	932,205	829,605
Creditors due within one year	-	(113,438)	(151,751)	(265,189)	(81,433)
Provisions for liabilities and charges	-	(715,000)	-	(715,000)	(366,000)
	<u>139,639</u>	<u>(40,293)</u>	<u>9,146,190</u>	<u>9,245,536</u>	<u>9,463,383</u>

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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	95,153	48,882
Adjustment for:		
Depreciation charges	161,246	145,113
Dividends, interest and rents from investments	(354)	(182)
Increase in debtors	(123,277)	(1,678)
Increase/(decrease) in creditors	183,756	(33,153)
Capital grants from DfE and other capital income	(10,891)	(211,113)
Defined benefit pension scheme finance cost	36,000	37,000
Net cash provided by/(used in) operating activities	341,633	(15,131)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	726,087	746,764
Total	726,087	746,764

21. 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.

22. 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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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22. PENSION COMMITMENTS (continued)

Contributions amounting to £30,819 were payable to the schemes at 31 August 2016 (2015 - 29,803) 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £184,854 (2015 - £162,327).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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22. PENSION COMMITMENTS (continued)

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 2016 was £81,000 (2015 - £79,000), of which employer's contributions totalled £64,000 (2015 - £62,000) and employees' contributions totalled £17,000 (2015 - £17,000). The agreed contribution rates for future years are 21% for employers and 5.5 to 9.9% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
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

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	702,000	472,000
Debt instruments	91,000	127,000
Property	91,000	78,000
Cash	28,000	28,000
Total market value of assets	912,000	705,000

The actual return on scheme assets was £28,000 (2015 - £24,000).

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22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(85,000)	(86,000)
Net interest cost	(15,000)	(13,000)
	<u>(100,000)</u>	<u>(99,000)</u>
Actual return on scheme assets	<u>28,000</u>	<u>24,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	1,071,000	950,000
Current service cost	85,000	86,000
Interest cost	43,000	37,000
Contributions by employees	17,000	17,000
Actuarial losses/(gains)	412,000	(18,000)
Benefits paid	(1,000)	(1,000)
	<u>1,627,000</u>	<u>1,071,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	705,000	612,000
Return on plan assets (excluding net interest on the net defined pension liability)	28,000	24,000
Actuarial gains and (losses)	99,000	(9,000)
Contributions by employer	64,000	62,000
Contributions by employees	17,000	17,000
Benefits paid	(1,000)	(1,000)
	<u>912,000</u>	<u>705,000</u>

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23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
Amounts payable:		
Within 1 year	17,311	21,843
Between 1 and 5 years	54,452	46,200
After more than 5 years	33,669	44,892
Total	<u>105,432</u>	<u>112,935</u>

24. MEMBERS' LIABILITY

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

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		9,463,383	9,463,383
Total funds reported under FRS 102		<u>9,463,383</u>	<u>9,463,383</u>

Reconciliation of net income	Notes	31 August 2015
		£
Net income previously reported under UK GAAP		59,882
Change in recognition of LGPS interest cost	A	<u>(11,000)</u>
Net movement in funds reported under FRS 102		<u>48,882</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £11,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

27. CONTROLLING PARTY

The trustees have ultimate control of the Academy.