

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Alison Allen Mrs Jacqui Burke Mr Perry Huntley The Archdeacon of Bedford - Mr David Middlebrook (appointed 30 March 2019)
Trustees	Mrs Alison Allen Mr Edwin Barnes Mrs Jacqui Burke Mr Mark Clark (resigned 14 May 2019) Mr Gavin Coombs Rev Patsy Critchley Mrs Caren Earp, Head Teacher and Accounting Officer Mrs Karen Evans Mrs Sheree Gudgin Mr Graham Hayward The Archdeacon of Bedford - Mr Paul Hughes (resigned 29 March 2019) Mr Perry Huntley, Chair of Trustees Mrs Susan Jones Rev Shaun Speller Mrs Tracy Molyneux (appointed 20 November 2018) The Archdeacon of Bedford - Mr David Middlebrook (appointed 30 March 2019)
Company registered number	07996350
Company name	Henlow Church of England Academy
Principal and registered office	Church Road Henlow Bedfordshire SG16 6AN
Chief Executive Officer	Mrs Caren Earp
Senior Management Team	Mrs Caren Earp, Head Teacher and Accounting Officer Mr Stephen Carrington, Deputy Head Teacher Miss Naomi Chalkley, Deputy Head Teacher Mrs Margaret Newman, Assistant Head Teacher Mrs Amanda Salzen, Business Manager
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank 1 Bancroft Hitchin Hertfordshire SG5 1JQ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

HENLOW CHURCH OF ENGLAND ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Henlow Church of England Academy (the Academy, the Trust or the Charitable Company) for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Academy operates as an independent Church of England school 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. 90% of our pupils in Year 8 transfer to Samuel Whitbread Academy. It has a published pupil capacity of 560 and had a roll of 641 in the school census on 16.05.2019.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents.

The Trustees of the 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. The terms Director, Trustee and Governor are interchangeable.

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 and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £5,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association outline the different types of Trustee. Each category has slightly different election processes, as outlined below:

- The term of office for any Trustee 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 Trustee.
- The incumbent shall be treated for all purposes as an ex officio Foundation Governor. Further, the Foundation may appoint an additional 2 Foundation Governors.

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- 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.

Trustees 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 electronically, which includes a section wholly dedicated to providing Governors with information relating to induction, policies, Governing 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 Trustees (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.

The Board of Trustees 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 Trustees has established two Committees. Each committee, attended by all Trustees, has its own terms of reference detailing the responsibilities and to the Head Teacher (The Accounting Officer).

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

The committees of the Governing Body are:

- Academy Business Committee
- Academy Priorities Committee

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

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FOR THE YEAR ENDED 31 AUGUST 2019

The Board of Trustees meet six times a year as a full board.

The Senior Team is led by the Head Teacher and comprises the Head Teacher, two Deputy Head Teachers, an Assistant Head Teacher and the Business Manager. These senior leaders lead the Academy at an executive level implementing the policies agreed by the Trustees and reporting back to them on progress. The Head Teacher, Deputy Head Teachers, Assistant Head Teacher 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 Head Teacher'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 Academy's own particular circumstances and challenges; the context and challenge arising from pupil needs, eg. 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 Head Teacher Group range for the Academy, and this is only exercised following appropriate consultations with external Human Resource Advisors.

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; and
- consider annually the salary of the Head Teacher 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.

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FOR THE YEAR ENDED 31 AUGUST 2019

The main objectives of the Academy during the period ended 31 August 2019 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; and
- to conduct Academy business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

Our continued 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.

Ofsted drew attention to the fact that our values permeate every aspect of our work. 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 £6,300 in this academic year.

The Harvest Festival was again a wonderful example of the generosity of the Henlow community. Donations were presented to The Need Project, a local charity whose aim is to directly support the neediest families within our local community and we have continued to collect food throughout the year for them. Shoe boxes at Christmas brought similar generosity.

We still retained Primary Science Quality Mark Silver Award alongside our PE department holding Gold School Games Mark.

It was an incredible honour to host the Watoto choir again. The concerts were an amazing uplifting experience for all who attended and it was wonderful to see so many members of our local community in the audience.

The prayer table hosted some vibrant displays throughout the year and the prayer garden is regularly used by staff and students as an area for quiet reflection.

The library continues to be re-invigorated by our librarian with wonderful displays encouraging reading. Along with literary based clubs and competitions.

In our OFSTED inspection in July 2017 we retained our GOOD grading. The report had many positive comments including 'Pupils' behaviour is impeccable.', 'You have a clear set of values which steers the school community.' and 'You and your team have created a safe culture where pupils can learn and socially interact well.'

The academic year has also seen us achieve major sporting recognition for the great work led by the PE department. We have been successful in all sports including Year 5 Rugby District winners, Year 6 Girls District Athletic winners and pupils being selected for county cricket and football teams. 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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Fundraising

We have a whole school approach to fundraising and it forms part of our school ethos. Staff and pupils regularly raise money for charities such as Children In Need, Jeans for Genes and Macmillian. Donations to these events are entirely voluntary.

We do not work with, and have any oversight of, any commercial participators and/or professional fundraisers. The fundraising that we do conforms to recognised standards and is monitored by our external accountants via our school fund. We have received no fundraising complaints. We protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Any additional fundraising that the Academy receives is generated by the Parent Teacher Association (PTA) and is entirely separate from the Academy.

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.

Year 8 Performance - Henlow Academy uses an external company for baseline and end of year testing for pupils. This enables us to provide robust testing compared to National performance to measure the attainment and progress of our pupils.

Pupils at Henlow Academy achieve higher than the National average in Reading, Writing and Maths at KS2 SATs. Progress from KS1 in lower schools to Year 6 is above the national in reading and close to the national in writing and maths.

Pupil Attendance

Figures for the academic year 2018/19:

- 97.00% Target
- 95.83% attendance
- 3.56% authorised absence
- 0.61% unauthorised absence

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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 637 pupils on roll at 31st August 2019. The Academy received 180 requests for a year 5 place in September 2019 – the PAN is 140.

Pupil Premium Spending

- In-school Barriers
- A significant number of disadvantaged pupils join Henlow academy with lower than National Average Attainment in Maths, Literacy and Phonics
- Social, Emotional, Mental Health of pupils – increased number of pupils needing additional support in this area
- Transition of pupils from y4 to y5 and pupil's transition to upper School - often see a dip in attainment and SEMH concerns

External Barriers

The following challenges will impact the Academy's future performance:

- Mobility of pupils – particularly disadvantaged pupils coming from out of catchment schools in year. In recent years this has affected particularly the Year 6 group.
- Disadvantaged pupils on average have lower attendance than non-PP pupils – across all year groups
- Imminent, although delayed, closure of RAF Henlow – effect on Forces pupils

Use and Spending of Pupil Premium Funding

The Academy has a varied approach to the spending of this funding, from whole school initiatives to more individualised projects for pupils. This can be seen in more depth on the Pupil Premium Strategy for 2019-20 alongside the impact this funding has had for these pupils.

Attainment & Progress

Pupil Premium funding has been used to support Attainment and Progress through internal and external CPD sessions, training of Specialist Maths teachers, and on-line homework system called IXL, a robust testing system for Core subjects alongside Social and Emotional tests and Reading and Spelling tests. The funding has also been used to provide additional Maths groups in year 5 and 6, support intervention for Maths and English including a phonics programme and buy Christmas books for all Pupil Premium Pupils.

There has also been dedicated time to tracking and discussing individual Pupil Premium pupils' progress over the year.

Social, Emotional, Mental Health and Transition

For this strand the funding has been used to pay for a Pastoral Officer and School Counsellor. We also use a dog therapy initiative. The use of SIMs (data system) has allowed the profile of pupils affected by these limitations, to be raised. There are vulnerable group meetings for each year group every 2 weeks where key staff attend and discuss pupils that need to be targeted for support. There have also been dedicated CPD sessions focusing on individual pupils or groups of Pupil Premium pupils. There has also been a renewed focus on transition both into year 5 and for our year 8 leavers. The School also offers additional support for our Forces pupils in the form of Purple Club. There is a Young Carers club.

Additionally to this Pupil Premium funding has also been spent on a variety of initiatives including – breakfast club, homework and 4:45 club, music lessons and sports subsidies.

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Staffing

In September 2015 a revised staffing structure was introduced, with clearly defined responsibilities for teaching and learning responsibility holders. This continues to raise 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 76% of GAG income.

Pupil Voice

During 2018-19 our School Action Group continued to play an active role in School life. This student body is made up of dedicated members drawn from each of our year groups. The group meets weekly and also has its own online community via a google classroom which the children can (and do) access from home.

The group has a core of 10 or so active members and they have worked hard to produce a video to promote the group to new students.

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 that each and every pupil achieves their best. At breaks, lunchtimes, before and after School there are numerous opportunities to engage in a wide range of enrichment experiences, which include breakfast club, art club, gardening club, science club, homework club and 4:45 club. Our offer is further enhanced by a plethora of sporting clubs including basketball, cricket, tennis, dance, drama, gymnastics and music.

A number of pupils help in the library, Year 8 pupils have the opportunity to be office junior for a day and many pupils, predominantly in KS3, act as ambassadors for the School when giving tours to prospective parents when they visit with their children.

In year 2018/19, options were offered to pupils in KS3. The pupils have the opportunity to select between 2 and 4 options in one academic year. The options programme is designed to enrich the pupils experience - it increases the opportunity to explore other areas of the curriculum as well as focus in on subjects already covered in School. Some of the options, such as languages (Greek, Italian and Spanish), triple science, WW2 history, GCSE PE, textiles, food studies and robotics prepare the pupils for their GCSE options. To support pupils' learning of 'the basics' we have included the options of book club and extra English. Lastly, to support an active healthy lifestyle we have included practical based subjects such as officiating and fitness - these are also both aspects of the GCSE PE course.

Our staff also arrange a wide variety of educational visits to engage, motivate and inspire pupils by taking learning outside the classroom. Last year trips included the Year 5 visit to Shuttleworth, the Year 6 residential Kingswood, the Year 8 residential to PGL and a whole school ski trip. Our Year 5 pupils performed for Year 4 pupils at the Anti Bullying Concert, and there were numerous visits to museums and theatres as well as participation in the national singing event "Sing Up" at the O2 in London.

Facilities Enhancements

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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As part of the Schools temporary PAN expansion we were fortunate to have 4 new classrooms and a new sports hall built which were funded by the Local Authority. Two further new classrooms were funded by a Conditions Improvement Fund bid. The classrooms were completed in August 2018 and the sports hall was handed over at the beginning of October 2018.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy 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 Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy 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 income of £3,517,312 compared to total resources expended of £3,709,767 to give a deficit for the year of £192,395.

Taking into account the surplus brought forwards from last year, the School has £3,290,355 in accumulated reserves carried forwards.

The Governors 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 ESFA funding becoming interrupted, and the carry forwards at 31 August 2019 is considered to be in line with that objective.

Reserves Policy

The Academy's '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 its charitable objectives within the boundaries of any applicable restrictions 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 Governors 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 set a balanced budget for the 2018/19 academic year. The level of reserves were affected in the 2017/18 academic year and this level of reserves has not been achievable during the year ended 31 August 2019. A balanced budget has been set for 2019/20 with the intention to increase the reserves over the next 3 years.

The Academy's current level of free reserves is £241,538.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £112,030.

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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.

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 Academy's 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 Academy's approach to risk management is supported by a risk management training programme which raises awareness of risk throughout the Academy. In addition, Heads of Department and Head 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.

Government funding

The Academy has considerable reliance on continued government funding through the Education Skills Funding Agency (ESFA) 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.

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 102.

The Academy 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 Barnett Waddington LLP, Actuarial Assessors, stands at £740,000.

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Pupil Strategy

The Academy 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 July 2018); and SIAMS Outstanding June 2017:
- investing in its teaching staff and resources.

With ongoing commitment to quality, the Academy 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.

Plans for Future Periods

Our plans for future periods include the following:

- Continue to focus on Maths through lessons, maths fluency and the maths hub (Milton Keynes).
- 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 at all levels.
- 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.
- Continue GL Assessment for baseline and progress measures.
- Sustainable structures.
- Continuing with our development of the curriculum, e.g. options in year 7 and 8.
- Interpreting national freedoms and making the right choices for Henlow.
- Public Relations – newsletter, “school gates” and local press.
- 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.

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Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 10 December 2019 and signed on its behalf by:

Mr Perry Huntley
Chair of Governors

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Henlow Church of England Academy 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 Board of Trustees has 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 and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Alison Allen	5	6
Mr Edwin Barnes	4	6
Mrs Jacqui Burke	3	6
Mr Mark Clark	3	6
Mr Gavin Coombs	6	6
Rev Patsy Critchley	4	6
Mrs Caren Earp, Head Teacher and Accounting Officer	5	6
Mrs Karen Evans	3	6
Mrs Sheree Gudgin	1	6
Mr Graham Hayward	5	6
The Archdeacon of Bedford - Mr Paul Hughes	0	1
Mr Perry Huntley, Chair of Trustees	6	6
Mrs Susan Jones	6	6
Rev Shaun Speller	4	6
Mrs Tracy Molyneux	4	4

The Trustees have stayed the same with the exception of the ArchDeacon of Bedford. The previous ArchDeacon Hughes finished on 29th March 2019 and the Archdeacon Middlebrook was appointed on 30th March 2019.

Mrs Tracy Molyneux joined us as a finance Governor in November 2018 and Mr Mark Clark finished his term as a parent Governor in May 2019.

We have a good mix of skills within our Trustee team covering the main areas such as finance, health & safety, curriculum and church ethos amongst others. A skills audit is undertaken annually to ensure there is experience in all areas.

The Governors work has been focused on the expected Ofsted visit and the future of the School. With this in mind they restricted the meetings into two main committees which all Governors would attend. Academy Business Matters/Full Governors Meeting covers finance, audit, health & safety, Head Teacher's report, link Governors reports and policies to review. Education Priorities Meeting covers our main curriculum priorities for the year. In 2018/19 they were, Data, Maths, Progress, Attendance and the Future. These priorities are set each year depending on the needs of the Academy.

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

One of our key priorities is the effective use of data. Over the past year, a working party comprised of Governors, SLT, teaching and support staff have reviewed and mapped out all the data which is available to us, in terms of timing, validity and usefulness. The group considered the most effective data streams and consolidated the collection of such data across all subjects and year groups. Staff have shared their knowledge and good practices with colleagues to ensure consistency across the School. This has allowed us to see and report performance data more clearly to enable better tracking and predicting of progress.

After July 2018 Ofsted inspection the Governors and Senior Leadership Team a full review which lead us to restructure our approach to meetings and lead Governor roles. We reflected on this approach in our July meeting and made the decision to continue with the new structure. During the summer term the School held a consultation to expand to an extended secondary school. The Governors used the feedback to review our future direction and strategy with key stakeholders.

The changes that we made were praised by Ofsted who visited us again in September 2019 and we achieved a secure 'good' grading.

The Academy Business Committee is a sub-committee of the main Board of Trustees and acts as the Academy Audit Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Alison Allen	5	6
Mr Edwin Barnes	4	6
Mrs Jacqui Burke	3	6
Mr Mark Clark	3	6
Mr Gavin Coombs	6	6
Rev Patsy Critchley	4	6
Mrs Caren Earp, Head Teacher and Accounting Officer	5	6
Mrs Karen Evans	3	6
Mrs Sheree Gudgin	1	6
Mr Graham Hayward	5	6
The Archdeacon of Bedford - Mr Paul Hughes	0	1
Mr Perry Huntley, Chair of Trustees	6	6
Mrs Susan Jones	6	6
Rev Shaun Speller	4	6
Mrs Tracy Molyneux	4	6

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Reviewing all premises contracts when the current contracts come to an end to ensure best value.
- Careful planning of staffing to minimise costs incurred when staff are on long term sick. This included adjusting timetabling several times throughout the year.
- Timetabling and recruitment have been the focus for setting the new 2019/20 budget to ensure staff costs are sustainable.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Henlow Church of England Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Susan Baker as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The checks carried out in the current period included income, purchasing and invoicing, bank reconciliation, VAT claims and payroll.

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Academy Business Board on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

Review of effectiveness

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

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

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

Approved by the Board of Trustees on 10 December 2019 and signed on their behalf by:

Mr Perry Huntley
Chair of Trustees

Mrs Caren Earp
Accounting Officer

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Henlow Church of England Academy I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

Mrs Caren Earp
Accounting Officer
Date: 10 December 2019

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 10 December 2019 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**

Opinion

We have audited the financial statements of Henlow Church of England Academy (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This Report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street

Bishop's Stortford
Hertfordshire
CM23 3BT

17 December 2019

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HENLOW
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 March 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Henlow Church of England Academy and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Henlow Church of England Academy's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Henlow Church of England Academy's funding agreement with the Secretary of State for Education dated 19 March 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HENLOW CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Date: 17 December 2019

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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	2	27,962	325,039	35,464	388,465	470,966
Charitable activities	3	72,276	2,972,854	-	3,045,130	5,011,547
Other trading activities	4	83,601	-	-	83,601	44,184
Investments	5	176	-	-	176	112
Total income		<u>184,015</u>	<u>3,297,893</u>	<u>35,464</u>	<u>3,517,372</u>	<u>5,526,809</u>
Expenditure on:						
Charitable activities	6	206,173	2,995,855	508,739	3,710,767	3,251,320
Total expenditure		<u>206,173</u>	<u>2,995,855</u>	<u>508,739</u>	<u>3,710,767</u>	<u>3,251,320</u>
Net (expenditure)/ income		<u>(22,158)</u>	<u>302,038</u>	<u>(473,275)</u>	<u>(193,395)</u>	<u>2,275,489</u>
Transfers between funds	16	-	(495,780)	495,780	-	-
Net movement in funds before other recognised gains/(losses)		<u>(22,158)</u>	<u>(193,742)</u>	<u>22,505</u>	<u>(193,395)</u>	<u>2,275,489</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	21	1,000	(226,000)	-	(225,000)	157,000
Net movement in funds		<u>(21,158)</u>	<u>(419,742)</u>	<u>22,505</u>	<u>(418,395)</u>	<u>2,432,489</u>
Reconciliation of funds:						
Total funds brought forward		151,666	(209,228)	3,766,312	3,708,750	1,276,261
Net movement in funds		(21,158)	(419,742)	22,505	(418,395)	2,432,489
Total funds carried forward		<u>130,508</u>	<u>(628,970)</u>	<u>3,788,817</u>	<u>3,290,355</u>	<u>3,708,750</u>

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

The notes on pages 29 to 53 form part of these financial statements.

HENLOW CHURCH OF ENGLAND ACADEMY

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07996350

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	12	3,788,817	3,740,729
		<u>3,788,817</u>	<u>3,740,729</u>
Current assets			
Debtors	13	548,189	678,675
Cash at bank and in hand	20	138,201	379,162
		<u>686,390</u>	<u>1,057,837</u>
Creditors: amounts falling due within one year	14	(188,852)	(404,816)
		<u>497,538</u>	<u>653,021</u>
Net current assets		497,538	653,021
Creditors: amounts falling due after more than one year	15	(256,000)	(256,000)
		<u>4,030,355</u>	<u>4,137,750</u>
Net assets excluding pension liability		4,030,355	4,137,750
Defined benefit pension scheme liability	21	(740,000)	(429,000)
		<u>3,290,355</u>	<u>3,708,750</u>
Total net assets		<u><u>3,290,355</u></u>	<u><u>3,708,750</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	3,788,817	3,766,312
Restricted income funds	16	112,030	219,772
		<u>3,900,847</u>	<u>3,986,084</u>
Restricted funds excluding pension liability	16	3,900,847	3,986,084
Pension reserve	16	(740,000)	(429,000)
		<u>3,160,847</u>	<u>3,557,084</u>
Total restricted funds	16	3,160,847	3,557,084
Unrestricted income funds	16	129,508	151,666
		<u>3,290,355</u>	<u>3,708,750</u>
Total funds		<u><u>3,290,355</u></u>	<u><u>3,708,750</u></u>

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

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

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

Mr Perry Huntley
Chair of Trustees

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	116,762	2,844,250
Cash flows from investing activities	19	(357,723)	(3,052,425)
Change in cash and cash equivalents in the year		(240,961)	(208,175)
Cash and cash equivalents at the beginning of the year		379,162	587,337
Cash and cash equivalents at the end of the year	20	<u>138,201</u>	<u>379,162</u>

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Henlow Church of England Academy meets the definition of a public benefit entity under FRS 102.

1.2 Company Status

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Trust's registered office is Church Road, Henlow, Bedfordshire, SG16 6AN.

1.3 Prior Year Restatement

During the 2019 audit an error was identified in the accounting treatment for land and buildings occupied by the Academy under short term lease from the Diocese of St Albans.

Historically, these premises were recognised as long leasehold property, however, the Academy is not a party to the 125 lease granted to the Diocese by the freehold owner.

As a result, assets previously recognised as long leasehold property have been de-recognised from the Balance Sheet and replaced with a debtor and creditor of equal value demonstrating the donation in kind made for the right to occupy the premises and a notional amount of annual rental costs equal to the value of the donation.

A debtor and creditor of equal value represents 3 years notional rental donations and charges have also been recognised in the Balance Sheet as other debtors and other creditors.

1.4 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

1.6 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.

• **Charitable activities**

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.7 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 institution with whom the funds are deposited.

HENLOW CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Fixtures and fittings	- 2 - 25% straight line
Motor vehicles	- 25% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.10 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.

1.11 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.

HENLOW CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.16 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

2. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Donations	27,962	129,774	157,736	7,900
Donation in kind	-	128,000	128,000	128,000
Capital grants	-	35,464	35,464	218,124
Educational trip contributions	-	67,265	67,265	116,942
	<u>27,962</u>	<u>360,503</u>	<u>388,465</u>	<u>470,966</u>
Total 2018 as restated	<u>10,894</u>	<u>460,072</u>	<u>470,966</u>	

In 2018, income from donations was £7,900 of which £511 was unrestricted and £7,389 restricted.

In 2018, income from donation in kind was £128,000 of which all was restricted.

In 2019, capital grants of £35,464 (2018 - £218,124) were in relation to restricted fixed assets.

In 2018, educational trip contributions were £116,942 of which all was restricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Funding for the Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,316,219	2,316,219	2,010,907
Other DfE/ESFA grants	-	199,146	199,146	139,518
	-	2,515,365	2,515,365	2,150,425
Other government grants				
Local Authority grants	-	457,489	457,489	2,861,122
	-	457,489	457,489	2,861,122
Other funding				
Catering income	72,276	-	72,276	-
	72,276	2,972,854	3,045,130	5,011,547
Total 2018	-	5,011,547	5,011,547	

In 2018, income from DFE/ESFA grants was £2,150,425 of which all was restricted.

In 2018, income from other government grants was £2,861,122 of which all was restricted.

4. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	76,616	-	76,616	25,674
Other income	6,985	-	6,985	11,087
Sale of goods	-	-	-	7,423
	83,601	-	83,601	44,184
Total 2018	36,761	7,423	44,184	

HENLOW CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Income from other trading activities (continued)

In 2018, lettings income was £25,674 of which all was unrestricted.

In 2018, other income was £11,087 of which £5,663 was unrestricted and £5,424 restricted.

In 2018, sale of goods income was £7,423 of which all was restricted.

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	176	176	112
	176	176	112

In 2018, all investment income was in relation to unrestricted funds.

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	As restated Total 2018 £
Direct costs	1,802,692	-	222,029	2,024,721	1,960,231
Support costs	755,725	263,563	666,758	1,686,046	1,291,089
	2,558,417	263,563	888,787	3,710,767	3,251,320
Total 2018 as restated	2,415,561	226,739	609,020	3,251,320	

In 2019, of the total expenditure, £206,173 (2018 - £25,847) was from unrestricted funds, £2,994,855 (2018 - £2,949,193) was from restricted funds and £508,739 (2018 - £148,280) was from restricted fixed asset funds.

In 2018, direct expenditure consisted of £1,744,102 staff costs and £216,129 other costs.

In 2018, support expenditure consisted of £671,459 staff costs, £274,359 premises costs and £345,271 other costs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Charitable activities

	2019 £	2018 £
Direct costs	2,024,721	1,960,231
Support costs	1,686,046	1,291,089
	3,710,767	3,251,320
	2019 £	2018 £
Support staff costs	755,725	671,459
Depreciation	473,275	148,280
Premises costs	263,563	274,359
Other support costs	166,372	144,867
Governance costs	27,111	52,124
	1,686,046	1,291,089

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	30,364	12,418
Depreciation of tangible fixed assets	473,275	148,280
Fees paid to Auditors for:		
- Audit	5,250	4,500
- Other services	5,200	3,302
	5,450	7,802

HENLOW CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,940,684	1,838,994
Social security costs	177,603	169,024
Pension costs	404,528	384,144
	<u>2,522,815</u>	<u>2,392,162</u>
Agency staff costs	-	16,861
Bought in professional fees	35,602	6,538
	<u>2,558,417</u>	<u>2,415,561</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	34	40
Management	5	1
Administration, support and other staff	38	39
	<u>77</u>	<u>80</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £80,001 - £90,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management for their services to the Academy Trust was £455,106 (2018 - £488,172).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Staff costs (continued)

d. Key management personnel (continued)

Included in the above were employer National Insurance Contributions of £39,384 and employer pension contributions of £61,407.

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mrs Caren Earp, Head Teacher and Accounting Officer	Remuneration	80,000 - 85,000	80,000 - 85,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mrs Sheree Gudgin	Remuneration	15,000 - 20,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mrs Susan Jones	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs J Gregory	Remuneration		40,000 - 45,000
	Pension contributions paid		5,000 - 10,000
Mrs Karen Evans	Remuneration	20,000 - 25,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2019, expenses totalling £798 were reimbursed or paid directly to 2 Trustees (2018 - £NIL). Expenses claimed related mainly to mileage for travel to meetings.

11. 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 2019 is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Tangible fixed assets (as restated)

	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2018	3,821,522	131,825	-	3,953,347
Additions	501,589	12,824	6,950	521,363
At 31 August 2019	<u>4,323,111</u>	<u>144,649</u>	<u>6,950</u>	<u>4,474,710</u>
Depreciation				
At 1 September 2018	93,521	119,097	-	212,618
Charge for the year	460,316	11,222	1,737	473,275
At 31 August 2019	<u>553,837</u>	<u>130,319</u>	<u>1,737</u>	<u>685,893</u>
Net book value				
At 31 August 2019	<u>3,769,274</u>	<u>14,330</u>	<u>5,213</u>	<u>3,788,817</u>
At 31 August 2018	<u>3,728,001</u>	<u>12,728</u>	<u>-</u>	<u>3,740,729</u>

13. Debtors

	2019 £	As restated 2018 £
Due after more than one year		
Other debtors	256,000	256,000
	<u>256,000</u>	<u>256,000</u>
Due within one year		
Trade debtors	450	-
VAT recoverable	34,613	138,229
Prepayments and accrued income	129,126	101,818
Donation in kind	128,000	128,000
Grants receivable	-	54,628
	<u>548,189</u>	<u>678,675</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Creditors: Amounts falling due within one year

	2019	As restated
	£	2018
		£
Trade creditors	-	41,761
Other taxation and social security	43,250	43,382
Other creditors	128,000	134,866
Accruals and deferred income	17,602	184,807
	188,852	404,816
	188,852	404,816
	2019	2018
	£	£
Deferred income at 1 September 2018	35,683	5,890
Resources deferred during the year	11,432	35,683
Amounts released from previous periods	(35,683)	(5,890)
	11,432	35,683
	11,432	35,683

Deferred income includes trip income and grant income received in advance relating to year ending 31 August 2020.

15. Creditors: Amounts falling due after more than one year

	2019	As restated
	£	2018
		£
Other creditors	256,000	256,000
	256,000	256,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds

	Restated Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	151,666	184,015	(206,173)	-	-	129,508
Restricted general funds						
GAG	-	2,316,219	(1,820,439)	(495,780)	-	-
Other DfE/ESFA grants	-	67,395	(67,395)	-	-	-
School fund	63,245	129,774	(148,164)	-	-	44,855
LA grants	156,527	453,289	(542,641)	-	-	67,175
Pupil Premium	-	135,951	(135,951)	-	-	-
Educational visits	-	67,265	(67,265)	-	-	-
Right to occupy	-	128,000	(128,000)	-	-	-
Pension reserve	(429,000)	-	(86,000)	-	(225,000)	(740,000)
	<u>(209,228)</u>	<u>3,297,893</u>	<u>(2,995,855)</u>	<u>(495,780)</u>	<u>(225,000)</u>	<u>(627,970)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	1,258,148	35,464	(35,464)	(1,258,148)	-	-
Capital expenditure from GAG	167,039	-	-	(167,039)	-	-
Capital expenditure from other income	2,341,125	-	-	(2,341,125)	-	-
Restricted fixed asset fund	-	-	(473,275)	4,262,092	-	3,788,817
	<u>3,766,312</u>	<u>35,464</u>	<u>(508,739)</u>	<u>495,780</u>	<u>-</u>	<u>3,788,817</u>
Total Restricted funds	<u>3,557,084</u>	<u>3,333,357</u>	<u>(3,504,594)</u>	<u>-</u>	<u>(225,000)</u>	<u>3,160,847</u>
Total funds	<u><u>3,708,750</u></u>	<u><u>3,517,372</u></u>	<u><u>(3,710,767)</u></u>	<u><u>-</u></u>	<u><u>(225,000)</u></u>	<u><u>3,290,355</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
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The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

This represents income received which may be used towards meeting any of the charitable objectives of the Academy.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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 2019.

Other DfE/ESFA grants

This represents funding from the DfE/ESFA grants for specific projects.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

Local Authority

This represents allocated funding for special educational needs pupils and funding for the future growth of the Academy.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Right to Occupy

This fund represents the rent free occupation of the land and buildings from the Diocese of St Albans.

Pension reserve

This fund represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

Restricted fixed assets fund

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

DfE/ESFA capital grants

This represents funding received from ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities. It also represents funding for specific projects in relation to the Art and Science block roofing to improve the Academy's buildings and facilities.

Transfers

The transfers represent contributions to the CIF grant from the General Annual Grant and a transfer from the General Annual Grant to the restricted fixed asset fund for capital additions.

School fund

This fund represents the restricted income activity in relation to the Academy's extra-curricular activity.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	145,552	31,960	(25,846)	-	-	151,666
Restricted funds						
GAG	15,267	2,021,574	(2,334,122)	297,281	-	-
Other DfE / ESFA grants	67,219	128,851	(136,822)	(59,248)	-	-
Government grants	-	75,179	(75,179)	-	-	-
School fund	63,201	137,178	(137,134)	-	-	63,245
Right to occupy	-	128,000	(128,000)	-	-	-
LA grants	-	2,785,943	(177,936)	(2,451,480)	-	156,527
Pension reserve	(498,000)	-	(88,000)	-	157,000	(429,000)
	<u>(352,313)</u>	<u>5,276,725</u>	<u>(3,077,193)</u>	<u>(2,213,447)</u>	<u>157,000</u>	<u>(209,228)</u>
Restricted fixed asset funds						
DfE / ESFA capital grants	1,057,997	218,124	(17,973)	-	-	1,258,148
Capital expenditure from GAG	178,475	-	(14,525)	3,089	-	167,039
Capital expenditure from other income	246,549	-	(115,782)	2,210,358	-	2,341,125
	<u>1,483,021</u>	<u>218,124</u>	<u>(148,280)</u>	<u>2,213,447</u>	<u>-</u>	<u>3,766,312</u>
Total Restricted funds	<u>1,130,708</u>	<u>5,494,849</u>	<u>(3,225,473)</u>	<u>-</u>	<u>157,000</u>	<u>3,557,084</u>
Total funds	<u><u>1,276,260</u></u>	<u><u>5,526,809</u></u>	<u><u>(3,251,319)</u></u>	<u><u>-</u></u>	<u><u>157,000</u></u>	<u><u>3,708,750</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,788,817	3,788,817
Debtors due after more than one year	-	256,000	-	256,000
Current assets	129,508	300,882	-	430,390
Creditors due within one year	-	(188,852)	-	(188,852)
Creditors due in more than one year	-	(256,000)	-	(256,000)
Provisions for liabilities and charges	-	(740,000)	-	(740,000)
Total	129,508	(627,970)	3,788,817	3,290,355

Analysis of net assets between funds - prior year (as restated)

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,740,729	3,740,729
Debtors due after more than one year	-	256,000	-	256,000
Current assets	151,666	624,588	25,583	801,837
Creditors due within one year	-	(404,816)	-	(404,816)
Creditors due in more than one year	-	(256,000)	-	(256,000)
Provisions for liabilities and charges	-	(429,000)	-	(429,000)
Total	151,666	(209,228)	3,766,312	3,708,750

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(193,395)	2,275,489
Adjustments for:		
Depreciation	473,275	148,280
Capital grants from DfE and other capital income	(163,464)	(11,161)
Interest receivable	(176)	(112)
Defined benefit pension scheme movements	86,000	88,000
Decrease in debtors	130,486	308,917
(Decrease)/increase in creditors	(215,964)	34,837
Net cash provided by operating activities	116,762	2,844,250

19. Cash flows from investing activities

	2019 £	2018 £
Interest received	176	112
Purchase of tangible fixed assets	(521,363)	(3,063,698)
Capital grants from DfE Group	163,464	11,161
Net cash used in investing activities	(357,723)	(3,052,425)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	138,201	379,162

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21. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £230,092 (2018 - £225,305).

A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#)

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £119,000 (2018 - £107,000), of which employer's contributions totalled £95,000 (2018 - £85,000) and employees' contributions totalled £ 24,000 (2018 - £22,000). The agreed contribution rates for future years are 22 per cent for employers and 5.5 - 6.8 per cent 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.

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21. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.50	2.70
Rate of increase for pensions in payment/inflation (CPI)	2.20	2.40
Discount rate for scheme liabilities	1.85	2.80
Commutation rate	50	50

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.7	22.4
Females	23.2	24.5
<i>Retiring in 20 years</i>		
Males	21.7	24.0
Females	24.7	26.2

As at 31 August 2019 the Academy had a pension liability of £740,000 (2018 - £429,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2019	2018
Discount rate +0.1%	(47,000)	-
Discount rate -0.1%	48,000	-
Mortality assumption - 1 year increase	70,000	-
Mortality assumption - 1 year decrease	(68,000)	-
CPI rate +0.1%	40,000	-
CPI rate -0.1%	(39,000)	-

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21. Pension commitments (continued)

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	1,004,000	742,000
Property	137,000	115,000
Cash and other liquid assets	68,000	243,000
Bonds	226,000	179,000
Total market value of assets	1,435,000	1,279,000

The actual return on scheme assets was £37,000 (2018 - £29,000).

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

	2019 £	2018 £
Current service cost	(160,000)	(155,000)
Past service cost	(9,000)	-
Interest income	37,000	29,000
Interest cost	(48,000)	(43,000)
Administrative expenses	(1,000)	-
Total amount recognised in the Statement of Financial Activities	(181,000)	(169,000)

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

	2019 £	2018 £
At 1 September	1,708,000	1,619,000
Current service cost	160,000	155,000
Interest cost	48,000	43,000
Employee contributions	24,000	21,000
Actuarial losses/(gains)	225,000	(126,000)
Benefits paid	1,000	(4,000)
Past service costs	9,000	-
At 31 August	2,175,000	1,708,000

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21. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,279,000	1,121,000
Interest income	37,000	29,000
Actuarial gains	-	31,000
Employer contributions	95,000	81,000
Employee contributions	24,000	21,000
Benefits paid	1,000	(4,000)
Administration expenses	(1,000)	-
At 31 August	<u>1,435,000</u>	<u>1,279,000</u>

22. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	25,584	16,003
Later than 1 year and not later than 5 years	67,817	44,892
Later than 5 years	-	11,223
	<u>93,401</u>	<u>72,118</u>

23. Members' liability

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

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24. Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Trust operates from land and buildings provided rent free by the Diocese of St Albans. Under an agreement between the Diocese, the Academy and the Secretary of State, the Diocese would be required to give 24 months notice from year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £128,000 per annum, on this basis a donation from the Diocese of £128,000 is shown in the accounts together with a notional expense of the same amount. In addition, included in both debtors and creditors is a donation in kind receivable of £348,000 which represents the commitment by the Diocese to provide the land and buildings rent free for a further 36 months, and the requirement to pay the future rental expenses.

During the year the Academy paid £1,165 (2018 - £1,558) was paid to the Diocese of St Albans with regards to a service level agreement. The Archdeacon of Bedford, Mr David Middlebrook is a Trustee of the Academy. No balance was owing at the year end (2018 - £NIL).

During the year the Academy incurred expenditure totalling £10,715 and received income totalling £7,581 from Henlow Academy PTA, an entity of which C Earp is a Trustee.

There were no other related party transactions in the year which with the exception of certain Trustee remunerations and expenses already disclosed in note 10.