

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 13
Governance Statement	14 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditors' Report on the Financial Statements	22 - 24
Independent Reporting Accountant's Report on Regularity	25 - 26
Statement of Financial Activities Incorporating Income and Expenditure Account	27
Balance Sheet	28 - 29
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 55

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Jacqui Burke Mrs Alison Allen Mr Perry Huntley Mr David Middlebrook
Trustees	Mrs Alison Allen Mr Edwin Barnes Mrs Jacqui Burke (resigned 10 December 2019) Mr Gavin Coombs Rev Patsy Critchley Mrs Caren Earp, Head Teacher and Accounting Officer Mrs Karen Evans Mrs Sheree Gudgin (resigned 10 December 2019) Mr Graham Hayward Mr Perry Huntley, Chair of Trustees Mrs Susan Jones (resigned 10 December 2019) Rev Shaun Speller Mrs Tracy Molyneux Mrs Julia Cave (appointed 10 February 2020) Mrs Nicola Cooper (appointed 10 February 2020) Mrs N Matthiae (appointed 10 February 2020) Mr David Middlebrook
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 Leadership 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 Mrs Jodie Gregory, Assistant Head Teacher
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds Bank
1 Bancroft
Hitchin
Hertfordshire
SG5 1JQ

Solicitors

Stone King
91 Charterhouse Street
London
EC1M 6HR

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Reports of Henlow Church of England Academy (the Academy, the Trust or the Charitable Company) for the period 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates as an independent Church of England 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 677 in the January 2020 school census.

Structure, Governance and Management

Constitution

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

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 Trustees, each category has slightly differing 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 Governor.
- The incumbent shall be treated for all purposes as an ex officio Foundation Governor. Further, the Foundation may appoint an additional 2 Foundation Governors.
- Up to 3 Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- Up to 3 Staff Governors shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Head Teacher). If a Staff Governor ceases to work at the Academy then he/she shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his/her work at the Academy. Any election of a Staff Governor which is contested shall be held by secret ballot.
- Up to 2 Community Governors can be appointed by the Founding Members.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors will depend on their existing experience. The Academy currently buys in to Central Bedfordshire Council's Governor Training Package and all Governors are actively encouraged to attend training courses covering charity, educational, legal, safer recruitment and financial matters. A suite of information stored 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 Directors (Governing Body) and the Head Teacher leading the Senior Team.

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

The Board of Directors focus on three core functions:

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

The Board of Directors has established two committees. Each committee, attended by all Directors, has its own terms of reference detailing their responsibilities to the Academy 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 Directors 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.

The Board of Directors meet six times a year as a full board. This has not been possible in the year due to restrictions imposed by UK-wide lockdown response to the outbreak of the COVID-19 pandemic. As a result, Committee meetings have been held more regularly.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Senior Team is led by the Head Teacher and comprises the Head Teacher, two Deputy Head Teachers, two Assistant Head Teachers and the Business Manager. These senior leaders lead the Academy at an executive level implementing the policies agreed by the Governors and reporting back to them on progress. The Senior Team 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 School'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
- 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.

Trade Union Representative

Trade union representatives and full-time equivalents are as follows:

Trade union representatives: 1

FTE trade union representatives: 1

Percentage of working hours spent on facility time are as follows:

1 to 50% of working hours: 1 representatives

Total pay bill and facility time costs are as follows:

Total pay bill: £3,552

Total cost of facility time: £260,643

Percentage of pay spent on facility time: 0.14%

Connected Organisations including Related Party Relationships

There are no related parties which control 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. The Diocese does have significant influence over certain operations of the Academy because it owns a long leasehold title to the property from which the Academy operates. The holds Academy a license to occupy the premises on a rolling two year basis and has freedom to operate in accordance with this license.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Henlow Church of England Academy to provide education for pupils of different abilities between the ages of 9 and 13 with an emphasis on creating an environment where individuals have an opportunity to fulfil their potential in terms of personal, emotional and intellectual growth. The Academy additionally aims to share its facilities with the local community where possible, and encourage wider community engagement whenever practicable.

The main objectives of the Academy during the period ended 31 August 2020 are summarised below:

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

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 despite the Covid-19 restrictions. 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 £2,770 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 continue to collect food throughout the year for them.

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 September 2019 we were one of the first schools to be inspected under the new framework and retained our GOOD grading. The report had many positive comments including 'Pupils feel safe and happy in School' and 'The School's curriculum contributes strongly to the pupils' wider personal development.'

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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, held virtually this year. Both individual and team achievements were celebrated in a memorable ceremony.

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 accounts.

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 KS2 SAT exams were suspended this year due to Covid-19, however the School continued to offer high quality learning throughout lockdown. This included remaining open for children of Key workers and, after May half term, year 6 pupils. Online work continued to be set and for those pupils who were not able to gain access to this, packs of work was delivered to them. These actions reflect the hard work and commitment which is evident from all of our pupils, and the commitment of our staff.

Pupil Attendance

Figures for the academic year 2019/20 up to lockdown:

- 97.00% Target
- 96.06% attendance
- 3.26% authorised absence
- 0.68% unauthorised absence

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Increase the number of pupil applicants to the Academy

The pupil roll continues to increase at point of entry to Year 5 and we are confident that our marketing strategies will continue to ensure a growing School population. There were 677 pupils on roll in January 2020. The Academy received 190 requests for a year 5 place in September 2020 – the PAN is 140.

Pupil Premium Spending 2019/20

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 Year 4 to Year 5 and pupil's transition to upper school - often see a dip in attainment and social, emotional and mental health (SEMH) concerns

External Barriers

- 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-Pupil Premium pupils – across all year groups
- Imminent, although delayed, closure of RAF Henlow – effect on Forces pupils
- Imminent move to a two tier schooling system in Central Bedfordshire with this pyramid beginning the transition in 2021.
- The outbreak of the COVID-19 pandemic and the effect on learning/missed learning

Use and Spending of Pupil Premium Funding

The School 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 2020-21 alongside the impact this funding has had for these pupils. Many of these strategies have continued from the previous year due to COVID-19. Funding that was not spent on planned initiatives has been spent on a new set of ChromeBooks for pupils to use.

Attainment & Progress

The funding has been used to support Attainment and Progress through internal and external CPD sessions, training of Specialist Maths teachers, and online 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.

This year the School has also taken part in the Achievement for All programme designed on engaging hard to reach pupils and their families. This was launched in January and has had to be delayed due to COVID-19. This will resume again in January 2021.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 these pupils 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 PP 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.

The School has also bought in additional SEMH programmes including Mindfit, a programme designed to link PE, positive mental health and well-being.

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

Staffing

The Trust continues to raise the quality of teaching and learning across the School with clearly defined responsibilities for teaching and learning responsibility holders and has also offered a wide range of development opportunities to staff. Teaching staff costs represent around 75% of recurrent income.

Pupil Voice

During 2019-20 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.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

In year 2019/20, 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. Unfortunately, from March 2020, due to the COVID-19 pandemic we were not able to offer any of our usual trips. However our pupils did get to attend the national singing event 'Sing Up' at the O2 earlier in the year.

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.

Planning permission was granted in July 2020 for the School to continue to expand its buildings and work started in August 2020.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

In making this statement the Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.6

Financial Review

Most of the School'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 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School also receives other grants from the ESFA 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 £3,804,715 (excluding capital funding) compared to total resources expended of £3,428,556 (excluding pension and restricted fixed assets). The Academy purchased assets from local authority grants totalling £301,771, resulting in a surplus of £74,388 for the year.

Taking into account the surplus brought forwards from last year, the School has £3,088,392 in accumulated reserves carried forwards.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees consider an appropriate level of reserves to be in the order of 1-2 months' total expenditure, to insulate the School in the event of ESFA funding becoming interrupted, and the carry forwards at 31 August 2020 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 the Academy's operations 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 Academy's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £280,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy set a balanced budget for the 2019/20 academic year. A balanced budget has been set for 2020/21 with the intention to increase the reserves over the next 3 years.

The Academy's current level of free reserves is £151,272.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; and the pension reserve, amounted to £164,654.

Investment Policy

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

Principal Risks and Uncertainties

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the 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.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

1. 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.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the Academy's Balance Sheet in line with the requirements of FRS 102.

The School takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable. The current deficit, as reported by Barnett Waddingham, Actuarial Assessors, stands at £1,278,000.

3. Pupil Strategy

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

- ensuring the School delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes (Good Ofsted September 2019); and Statutory Inspection of Anglican and Methodist Schools (SIAMS) Outstanding June 2017;
- investing in its teaching staff and resources.
- extending the age range of the school in line with Central Bedfordshire Councils plans

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

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

Plans for Future Periods

- 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
- 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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- 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
- An explicit focus on the extended age range: curriculum, ethos and facilities.
- Ensuring we provide quality remote education for pupils who are not able to be in School due to the current COVID-19 era.

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information 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 order of the Board of Directors, as the company directors, on 14 December 2020 and signed on its behalf by:

Mr Perry Huntley
Chair of Trustees

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

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, 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.

As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Directors 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 Directors 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 Directors has formally met 8 times during the year. Its purpose includes to monitor, evaluate and review policy and performance in relation to financial management, ensure compliance with all reporting and regulatory requirements, receive management reports from the Head Teacher, Responsible Officer and Auditors, and approve and challenge the annual budget. There were no issues of concern for the Committee to consider during the financial year. The Committee is fully informed of the school's financial progress throughout the year, and is committed to regular challenge and support to ensure that decisions are taken which will not pose a risk to the financial viability, educational progress, safeguarding of pupils, and delivery of the key priorities of the school.

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

Trustee	Meetings attended	Out of a possible
Mrs Alison Allen	6	8
Mr Edwin Barnes	6	8
Mrs Jacqui Burke	0	2
Mr Gavin Coombs	7	8
Rev Patsy Critchley	4	8
Mrs Caren Earp, Head Teacher and Accounting Officer	8	8
Mrs Karen Evans	7	8
Mrs Sheree Gudgin	0	5
Mr Graham Hayward	5	8
Mr Perry Huntley, Chair of Trustees	8	8
Mrs Susan Jones	2	5
Rev Shaun Speller	6	8
Mrs Tracy Molyneux	7	8
Mrs Julia Cave	3	5
Mrs Nicola Cooper	3	5
Mrs N Matthiae	3	5
Mr David Middlebrook	0	0

The Members have stayed the same this academic year.

Mrs N Matthiae joined us as a Parent Governor in February. Mrs S Jones & Ms S Gudgin finished their terms as Staff Governors and were replaced by Ms J Cave and Mrs N Cooper in February.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 request to expand the School from a middle school to a 9 – 16 school by September 2021. The meetings continue with the two committees which all Governors 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 2019/20 they were, Data, Maths, Progress, Attendance and the Future. These priorities are set each year depending on the needs of the Academy.

One of our key priorities was the future of the School. Over the past year, a working party comprised of Governors, senior leaders, teaching and support staff have reviewed and mapped out all steps required to move us from a middle school to an extended secondary. This has included curriculum, new building works and liaising with the Local Authority, Diocese and Regional Schools Commission. We gained permission from the Regional Schools Commissioner in May to expand the School and planning permission was granted in July for the additional classrooms needed to facilitate the move.

Ofsted visited for a full inspection in September 2019. We were one of the first Schools to be inspected on the new framework and gained a 'Good' rating.

In March 2019, due to the COVID-19 outbreak, the Governors moved to virtual meetings and continued to meet throughout the remainder of the academic year. They ensured that the School continued to offer high quality teaching and learning throughout the lockdown and that the School was prepared for the new academic year.

Throughout the year and in particular, during the lockdown period, the Diocese demonstrated support, care and gratitude to the staff and Governors during a very difficult time and they continue to do so.

Governance reviews:

The Governors continue to review the new governance structure to ensure it meets the criteria set out by the ESFA and is of most benefit to School improvement.

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

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Alison Allen	2	2
Mr Edwin Barnes	1	2
Mrs Susan Jones	1	1
Mr Perry Huntley	2	2
Rev Patsy Critchley	1	2
Mrs Tracy Molyneux	2	2
Mr Graham Hayward	2	2
Rev Shaun Speller	0	2
Mrs Caren Earp	2	2
Mrs Karen Evans	2	2
Mr Gavin Coombs	2	2
Mrs N Matthiae	2	2
Mrs Nicola Cooper	2	2
Mrs Julia Cave	1	2
Mrs Sheree Gudgin	1	1

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 Directors where value for money can be improved, including the use of benchmarking data where appropriate.

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

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

Reviewing operations to maximise resources

- Development of middle leaders and delivery of targeted CPD to ensure continued high quality of teaching is maintained across all curriculum areas
- New initiatives are costed and budgeted appropriately to maximise benefit from funding. For example, a revised school day which allows for 30 minutes of whole school intervention strategies has been embedded, focussing on literacy & maths across the curriculum.
- Efficient deployment of staff to provide value for money in terms of quality of teaching, quality of learning and teacher / student ratio and curriculum management. For example, class sizes have been closely monitored and a review of the current structure undertaken to ensure that appropriate staffing levels were appropriate to curriculum costings.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Collaboration

- Educational outcomes have been improved through effective collaboration with the local learning community, particularly through sharing good practices with an improved focus of delivery of high quality continued professional development. Specialist teachers of MFL, PE and English continue to deliver 1 hour of teaching per week at local feeder lower schools. The Head Teachers meet regularly to share ideas, improve collaborative approaches and discuss local context.

Targeted Improvement

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

Focus on our Pupils' individual needs

- We have a Deputy Head Teacher with the remit of pupil engagement and progress and a Pastoral Intervention Leader to offer pastoral support to our pupils alongside an external school Counsellor.
- We continue to fund the role of Pupil Premium Lead to monitor the achievement of this group of pupils.
- Investment in internal modifications to continue to promote high quality teaching spaces which meets the needs of the curriculum on offer and movement in pupil numbers.

Financial Governance and Challenge

- The Governing Body effectively oversees the financial management of the school through effective challenge to ensure that procurement processes are robust and secure value for money.
- The Academy Business Committee meets regularly to receive monitoring reports, review the financial position, and challenge decisions.

Effective Procurement

- Contracts are renegotiated or not renewed if they prove not to be good value for money to ensure quality and effectiveness is achieved, e.g. Cleaning Contract, Grounds Maintenance.
- High value contracts with a period of 3 – 5 years (eg. Grounds Maintenance, Insurance) are reviewed and compared against the market to ensure that these are still competitive.

Reviewing Controls and Managing Risk

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

No consideration of the Procurement Policy Note was required during the period. All suppliers operated at full capacity and procurement procedures were unchanged.

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

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Henlow Church of England Academy for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Directors 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 Directors 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 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Directors.

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 Directors;
- regular reviews by the Academy Business 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; and
- identification and management of risks.

The Board of Directors has decided to employ 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 Directors through the Academy Business Committee on the operation of the systems of control and on the discharge of the Directors' 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.

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

GOVERNANCE STATEMENT (CONTINUED)

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:

- on discharge of the Board of Directors financial decisions to help the committee consider actions and assess year on year progress
- the work of the Internal Auditor;
- the work of the External Auditors;
- the work of the senior leaders 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 order of the members of the Board of Directors on 14 December 2020 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 Directors 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 2019.

I confirm that I and the Board of Directors 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 2019.

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 Directors and ESFA.

Mrs Caren Earp
Accounting Officer
Date: 14 December 2020

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 order of the members of the Board of Directors on 14 December 2020 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 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

15 December 2020

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 AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 March 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 to 31 August 2020 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: 15 December 2020

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 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	2	-	379,829	12,573	392,402	388,465
Charitable activities	3	36,588	3,353,626	-	3,390,214	3,045,130
Other trading activities	4	34,515	-	-	34,515	83,601
Investments	5	157	-	-	157	176
Total income		<u>71,260</u>	<u>3,733,455</u>	<u>12,573</u>	<u>3,817,288</u>	<u>3,517,372</u>
Expenditure on:						
Charitable activities	6	49,496	3,489,060	52,695	3,591,251	3,710,767
Total expenditure		<u>49,496</u>	<u>3,489,060</u>	<u>52,695</u>	<u>3,591,251</u>	<u>3,710,767</u>
Net (expenditure)/ income		<u>21,764</u>	<u>244,395</u>	<u>(40,122)</u>	<u>226,037</u>	<u>(193,395)</u>
Transfers between funds	16	-	(301,771)	301,771	-	-
Net movement in funds before other recognised gains/(losses)		<u>21,764</u>	<u>(57,376)</u>	<u>261,649</u>	<u>226,037</u>	<u>(193,395)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(428,000)	-	(428,000)	(225,000)
Net movement in funds		<u>21,764</u>	<u>(485,376)</u>	<u>261,649</u>	<u>(201,963)</u>	<u>(418,395)</u>
Reconciliation of funds:						
Total funds brought forward		129,508	(627,970)	3,788,817	3,290,355	3,708,750
Net movement in funds		21,764	(485,376)	261,649	(201,963)	(418,395)
Total funds carried forward		<u>151,272</u>	<u>(1,113,346)</u>	<u>4,050,466</u>	<u>3,088,392</u>	<u>3,290,355</u>

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

The notes on pages 30 to 55 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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	4,050,466	3,788,817
		4,050,466	3,788,817
Current assets			
Debtors	13	515,641	548,189
Cash at bank and in hand	20	334,147	138,201
		849,788	686,390
Creditors: amounts falling due within one year	14	(261,862)	(188,852)
		587,926	497,538
Net current assets			
Creditors: amounts falling due after more than one year	15	(272,000)	(256,000)
		4,366,392	4,030,355
Net assets excluding pension liability			
Defined benefit pension scheme liability	22	(1,278,000)	(740,000)
		3,088,392	3,290,355
Total net assets		3,088,392	3,290,355
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	4,050,466	3,788,817
Restricted income funds	16	164,654	112,030
		4,215,120	3,900,847
Restricted funds excluding pension liability	16	4,215,120	3,900,847
Pension reserve	16	(1,278,000)	(740,000)
		2,937,120	3,160,847
Total restricted funds	16		
Unrestricted income funds	16	151,272	129,508
		3,088,392	3,290,355
Total funds		3,088,392	3,290,355

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 27 to 55 were approved by the Trustees, and authorised for issue on 14 December 2020 and are signed on their behalf, by:

Mr Perry Huntley
Chair of Trustees

HENLOW CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07996350

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	497,560	116,762
Cash flows from investing activities	19	(301,614)	(357,723)
Change in cash and cash equivalents in the year		195,946	(240,961)
Cash and cash equivalents at the beginning of the year		138,201	379,162
Cash and cash equivalents at the end of the year	20, 21	334,147	138,201

The notes on pages 30 to 55 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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.

The Academy Trust's functional and presentational currency is Pounds Sterling.

1.2 Company Status

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

The Registered Office is Church Road, Henlow, Bedfordshire, SG16 6AN.

1.3 Fund accounting

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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.

1.5 Expenditure

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

• **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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Going concern

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

Following the year end the Academy has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. The Academy has recognised a site improvement asset in line with the Academies Accounts Direction 2019 to 2020 guidance, given where the site is not recognised as land and buildings within the financial statements.

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:

Leasehold Improvements	- 50 years straight line
Fixtures and fittings	- 25% straight line
Computer Equipment	- 33% 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Operating leases

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

1.12 Financial instruments

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

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

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Interest receivable

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

1.15 Taxation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.16 Right to Occupy

The Academy 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 the 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 £136,000 (2019 - £128,000) per annum, on this basis a donation from the Diocese of £136,000 (2019 - £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 £408,000 (2019 - £384,000) 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.

The basis for the valuation above is Insurance value informed by replacement cost.

1.17 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	221,465	-	221,465	157,736
Donation in kind	-	136,000	-	136,000	128,000
Capital grants	-	-	12,573	12,573	35,464
Educational trip contributions	-	22,364	-	22,364	67,265
Total 2020	<u>-</u>	<u>379,829</u>	<u>12,573</u>	<u>392,402</u>	<u>388,465</u>
Total 2019	<u>27,962</u>	<u>325,039</u>	<u>35,464</u>	<u>388,465</u>	

In 2019, income from donations was £157,736 of which £27,962 was unrestricted and £129,774 restricted.

In 2019, income from donation in kind was £128,000 of which all was restricted.

In 2019, capital grants of £35,464 were in relation to restricted fixed assets.

In 2019, educational trip contributions were £67,265 of which all was restricted.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,546,198	2,546,198	2,316,219
Other DfE/ESFA grants	-	357,480	357,480	199,146
	-	2,903,678	2,903,678	2,515,365
Other government grants				
Local Authority grants	-	449,948	449,948	457,489
	-	449,948	449,948	457,489
Other funding				
Catering income	36,588	-	36,588	72,276
Total 2020	36,588	3,353,626	3,390,214	3,045,130
Total 2019	72,276	2,972,854	3,045,130	

In 2019, income from DfE/ESFA grants was £2,515,365 of which all was restricted.

In 2019, income from other government grants was £457,489 of which all was restricted.

In 2019, income from catering was £72,276 of which all was unrestricted.

4. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	27,493	27,493	76,616
Other income	7,022	7,022	6,985
Total 2020	34,515	34,515	83,601
Total 2019	83,601	83,601	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Income from other trading activities (continued)

In 2019, lettings income was £76,616 of which all was unrestricted.

In 2019, other income was £6,985 of which all was unrestricted.

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	157	157	176
	176	176	
Total 2019			

In 2019, all investment income was in relation to unrestricted funds.

6. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	As restated Total 2019 £
Direct costs	1,927,513	-	236,463	2,163,976	2,024,721
Support costs	778,774	211,256	437,245	1,427,275	1,686,046
Total 2020	2,706,287	211,256	673,708	3,591,251	3,710,767
Total 2019 as restated	2,522,815	263,563	924,389	3,710,767	

In 2020, of the total expenditure, £49,496 (2019 - £206,173) was from unrestricted funds, £3,489,060 (2019 - £2,995,855) was from restricted funds and £52,695 (2019 - £508,739) was from restricted fixed asset funds.

In 2019, direct expenditure consisted of £1,802,692 staff costs and £222,029 other costs.

In 2019, support expenditure consisted of £719,123 staff costs, £263,563 premises costs and £703,360 other costs.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Charitable activities

	2020 £	2019 £
Direct costs	2,163,976	2,024,721
Support costs	1,427,275	1,686,046
	3,591,251	3,710,767
	2020 £	As restated 2019 £
Support staff costs	778,774	719,123
Depreciation	52,695	473,275
Premises costs	158,561	263,563
Other support costs	365,691	167,372
Governance costs	47,819	27,111
Professional Services	23,735	35,602
	1,427,275	1,686,046

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	29,509	30,364
Depreciation of tangible fixed assets	52,695	473,275
Fees paid to Auditors for:		
- Audit	5,440	5,250
- Other services	5,320	5,200
	5,320	5,200

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	As restated 2019
	£	£
Wages and salaries	1,961,405	1,940,684
Social security costs	182,984	177,603
Pension costs	547,864	404,528
	2,692,253	2,522,815
Other staff costs	14,034	-
	2,706,287	2,522,815

Other staff costs of £14,034 comprise £8,643 of agency costs and £5,391 of staff restructuring costs.

Bought in professional fees in the prior year have been reclassified to others support costs. This is reflected in notes 6,7 and 9 above.

Staff restructuring costs comprise:

	2020	2019
	£	£
Settlement agreements	5,391	-
	5,391	-

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual settlement payments totalling £5,391 (2019 - £Nil). This was paid to 1 individual.

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	38	34
Management	2	5
Administration, support and other staff	42	38
	82	77

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £570,415 (2019 £455,106).

Employer national insurance contributions included within key management personnel remuneration was £48,330 (2019 - £39,384)

Employer pension contributions included within key management personnel remuneration was £101,342 (2019 - £61,407)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Mrs Caren Earp, Head Teacher and Accounting Officer	Remuneration	90,000 - 95,000	80,000 - 85,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
Mrs Sheree Gudgin	Remuneration	10,000 - 15,000	15,000 - 20,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mrs Susan Jones	Remuneration	15,000 - 20,000	30,000 - 35,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
Mrs Karen Evans	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
Mrs Nicola Cooper	Remuneration	15,000 - 20,000	Nil
	Pension contributions paid	0 - 5,000	Nil
Mrs Julia Cave	Remuneration	20,000 - 25,000	Nil
	Pension contributions paid	5,000 - 10,000	Nil

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £798).

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 period ended 30 April 2020 is included in the total insurance cost.

The Academy has opted into the Department of Education's risk protection arrangement (RPA) from May 2020, an alternative to insurance where the UK Government funds cover the losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Tangible fixed assets

	Building Improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	4,224,658	98,453	144,649	6,950	4,474,710
Additions	292,671	-	12,013	9,660	314,344
At 31 August 2020	<u>4,517,329</u>	<u>98,453</u>	<u>156,662</u>	<u>16,610</u>	<u>4,789,054</u>
Depreciation					
At 1 September 2019	470,810	82,924	130,422	1,737	685,893
Charge for the year	34,099	7,870	8,988	1,738	52,695
At 31 August 2020	<u>504,909</u>	<u>90,794</u>	<u>139,410</u>	<u>3,475</u>	<u>738,588</u>
Net book value					
At 31 August 2020	<u><u>4,012,420</u></u>	<u><u>7,659</u></u>	<u><u>17,252</u></u>	<u><u>13,135</u></u>	<u><u>4,050,466</u></u>
At 31 August 2019	<u><u>3,753,848</u></u>	<u><u>15,529</u></u>	<u><u>14,227</u></u>	<u><u>5,213</u></u>	<u><u>3,788,817</u></u>

The Academy has recognised a site improvement asset in line with the Academies Accounts Direction 2019 to 2020 guidance, given where the site is not recognised as land and buildings within the financial statements.

13. Debtors

	2020 £	2019 £
Due after more than one year		
Donation in kind	272,000	256,000
	<u>272,000</u>	<u>256,000</u>
Due within one year		
Trade debtors	6,570	450
VAT recoverable	41,479	34,613
Prepayments and accrued income	59,592	129,126
Donation in kind	136,000	128,000
	<u>515,641</u>	<u>548,189</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	40,311	43,250
Other creditors	187,086	128,000
Accruals and deferred income	34,465	17,602
	261,862	188,852
	261,862	188,852
	2020 £	2019 £
Deferred income at 1 September 2019	11,432	35,683
Resources deferred during the year	12,399	11,432
Amounts released from previous periods	(11,432)	(35,683)
	12,399	11,432
	12,399	11,432

Resources deferred in the year relate to ESFA funding received in advance for the 2020/21 academic year.

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

	2020 £	2019 £
Other creditors	272,000	256,000
	272,000	256,000

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	129,508	71,260	(49,496)	-	-	151,272
Restricted general funds						
GAG	-	2,546,198	(2,480,014)	-	-	66,184
Other DfE/ESFA grants	-	202,306	(198,377)	-	-	3,929
Other Government grants	67,175	449,948	(215,352)	(301,771)	-	-
School fund	44,855	201,076	(161,204)	-	-	84,727
Pupil Premium	-	155,174	(145,360)	-	-	9,814
Educational visits	-	22,364	(22,364)	-	-	-
Right to occupy	-	136,000	(136,000)	-	-	-
Restricted donations	-	20,389	(20,389)	-	-	-
Pension reserve	(740,000)	-	(110,000)	-	(428,000)	(1,278,000)
	<u>(627,970)</u>	<u>3,733,455</u>	<u>(3,489,060)</u>	<u>(301,771)</u>	<u>(428,000)</u>	<u>(1,113,346)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	-	12,573	-	(12,573)	-	-
Restricted fixed asset fund	3,788,817	-	(52,695)	314,344	-	4,050,466
	<u>3,788,817</u>	<u>12,573</u>	<u>(52,695)</u>	<u>301,771</u>	<u>-</u>	<u>4,050,466</u>
Total Restricted funds	<u>3,160,847</u>	<u>3,746,028</u>	<u>(3,541,755)</u>	<u>-</u>	<u>(428,000)</u>	<u>2,937,120</u>
Total funds	<u><u>3,290,355</u></u>	<u><u>3,817,288</u></u>	<u><u>(3,591,251)</u></u>	<u><u>-</u></u>	<u><u>(428,000)</u></u>	<u><u>3,088,392</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds (continued)

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

Unrestricted funds

This represents income received 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 be used for the normal running costs of the Trust, including education and support costs.

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 2020.

Other DfE/ESFA grants

This represents various grants from the DfE and ESFA for the provision of specific services to pupils of the Academy.

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.

Other government grants

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. The transfer between funds represents fixed assets purchased through capital funding.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

School fund

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

Restricted donations

This represents funding received to be used to achieve a specific charitable objective of the Academy.

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

	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 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>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
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>

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	4,050,466	4,050,466
Debtors due after more than one year	-	272,000	-	272,000
Current assets	151,272	426,516	-	577,788
Creditors due within one year	-	(261,862)	-	(261,862)
Creditors due in more than one year	-	(272,000)	-	(272,000)
Provisions for liabilities and charges	-	(1,278,000)	-	(1,278,000)
Total	<u><u>151,272</u></u>	<u><u>(1,113,346)</u></u>	<u><u>4,050,466</u></u>	<u><u>3,088,392</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Analysis of net assets between funds (continued)

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

	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	<u>129,508</u>	<u>(627,970)</u>	<u>3,788,817</u>	<u>3,290,355</u>

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	226,037	(193,395)
Adjustments for:		
Depreciation	52,695	473,275
Capital grants from DfE and other capital income	(12,573)	(163,464)
Interest receivable	(157)	(176)
Notional rent adjustment	16,000	-
Defined benefit pension scheme movements	110,000	86,000
Decrease in debtors	32,548	130,486
Increase/(decrease) in creditors	73,010	(215,964)
Net cash provided by operating activities	<u>497,560</u>	<u>116,762</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Cash flows from investing activities

	2020 £	2019 £
Interest received	157	176
Purchase of tangible fixed assets	(314,344)	(521,363)
Capital grants from DfE Group	12,573	163,464
Net cash used in investing activities	(301,614)	(357,723)

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	334,147	138,201

21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	138,201	195,946	334,147
	138,201	195,946	334,147

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Pension commitments

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

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

Contributions amounting to £51,086 were payable to the schemes at 31 August 2020 (2019 - £ Nil) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £340,203 (2019 - £230,092).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Pension commitments (continued)

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 2020 was £134,000 (2019 - £119,000), of which employer's contributions totalled £107,000 (2019 - £95,000) and employees' contributions totalled £ 27,000 (2019 - £24,000). The agreed contribution rates for future years are 22.51 percent for employers and 5.5 - 6.8 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	2.5
Rate of increase for pensions in payment/inflation (CPI)	2.25	2.2
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (RPI)	3.00	3.2
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:

	2020	2019
	Years	Years
Retiring today		
Males	22.2	20.7
Females	24.3	23.2
Retiring in 20 years		
Males	23.4	21.7
Females	26.1	24.7

As at 31 August 2020 the Academy had a pension liability of £1,278,000 (2019 - £740,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Pension commitments (continued)

Sensitivity analysis

	2020	2019
Discount rate +0.1%	(72,000)	(47,000)
Discount rate -0.1%	74,000	48,000
Mortality assumption - 1 year increase	98,000	70,000
Mortality assumption - 1 year decrease	(95,000)	(68,000)
CPI rate +0.1%	66,000	40,000
CPI rate -0.1%	(65,000)	(39,000)
	(72,000)	(47,000)

Share of scheme assets

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

	2020 £	2019 £
Equities	1,197,000	1,004,000
Property	167,000	137,000
Cash and other liquid assets	106,000	68,000
Bonds	284,000	226,000
	1,754,000	1,435,000

The actual return on scheme assets was £90,000 (2019 - £37,000).

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

	2020 £	2019 £
Current service cost	(203,000)	(160,000)
Past service cost	-	(9,000)
Interest income	27,000	37,000
Interest cost	(40,000)	(48,000)
Administrative expenses	(1,000)	(1,000)
	(217,000)	(181,000)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	2,175,000	1,708,000
Current service cost	203,000	160,000
Interest cost	40,000	48,000
Employee contributions	27,000	24,000
Actuarial losses	631,000	225,000
Benefits paid	(44,000)	1,000
Past service costs	-	9,000
At 31 August	<u>3,032,000</u>	<u>2,175,000</u>

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

	2020 £	2019 £
At 1 September	1,435,000	1,279,000
Interest income	27,000	37,000
Actuarial gains	203,000	-
Employer contributions	107,000	95,000
Employee contributions	27,000	24,000
Benefits paid	(44,000)	1,000
Administration expenses	(1,000)	(1,000)
At 31 August	<u>1,754,000</u>	<u>1,435,000</u>

23. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	29,509	25,584
Later than 1 year and not later than 5 years	49,748	67,817
	<u>79,257</u>	<u>93,401</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Members' liability

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

25. Related party transactions

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

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 £136,000 (2019 - £128,000) per annum, on this basis a donation from the Diocese of £136,000 (2019 - £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 £408,000 (2019 - £384,000) 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 (2019 - £1,165) 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 (2019 - £NIL).

During the prior 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. C Earp resigned in the prior year and as such the related party is not required to be disclosed for the current year,

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.