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

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

**Annual Report and Audited Financial Statements**  
**Year ended 31 August 2018**

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

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**Reference and Administrative Details**

**Members**

Mrs Alison Allen  
Mrs Jacqui Burke  
Mr Perry Huntley  
The Archdeacon of Bedford

**Trustees**

Mrs Alison Allen  
Mr Edwin Barnes (Appointed 22 May 2018)  
Mrs Jacqui Burke  
Mr Mark Clark  
Mr Gavin Coombs (Appointed 22 May 2018)  
Rev Patsy Critchley  
Mr Nick Devonport (Resigned 08 February 2018)  
Mrs Caren Earp (Headteacher and Accounting Officer)  
Mrs Karen Evans (Appointed 20 February 2018)  
Mrs Sheree Gudgin  
Mr Graham Hayward  
The Archdeacon of Bedford – P Hughes  
Mr Perry Huntley  
Mrs Susan Jones  
Mr Bhavin Soneji (Resigned 12 July 2018)  
Rev. Shaun Speller  
Miss Jodie Sylvester (Resigned 11 February 2018)  
Mrs Gillian Taylor (Resigned 08 February 2018)

**Senior Management Team**

Mrs Caren Earp  
Mr Stephen Carrington  
Miss Naomi Chalkley  
Mrs Margaret Newman  
Mrs Annette Bell (Resigned 31 August 2017)  
Mrs Amanda Salzen (Appointed 01 September 2017)

**Principal and Registered Office**

Church Road  
Henlow  
Bedfordshire, SG16 6AN

**Company Registration Number**

07996350 (England and Wales)

**Independent Auditor**

Duncan & Toplis Limited  
15 Chequergate  
Louth  
Lincolnshire, LN11 0LJ

**Bankers**

Lloyds Bank  
1 Bancroft  
Hitchin, Hertfordshire, SG5 1JQ

**Solicitors**

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

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## TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

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

The catchment areas for the Academy are the local villages of Clifton, Henlow, Meppershall, Henlow Parish and Langford. We do attract pupils to the school from out of catchment, such as Arleseey, Biggleswade, Lower Stondon, Shefford, and Stotfold. 90% of our pupils in Year 8 transfer to Samuel Whitbread Academy.

### Structure, Governance and Management

#### Constitution

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

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

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

#### Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### Trustees' Indemnities

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

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

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

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



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

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

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

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

**Organisational Structure**

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

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

The Board of Governors focus on three core functions:

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

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

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

The sub-committees of the Governing Body are:

- Premises & Finance Committee
- Curriculum & Personnel Committee

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

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

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

**Arrangements for setting pay and remuneration of key management personnel**

The Governing Body has autonomy to determine the Head Teacher's individual pay range. The judgement is based on criteria including, but not limited to, the individual's level of experience and skills deemed essential to undertake the role considering the schools' own particular circumstances and challenges; the context and challenge arising from pupil needs, e.g. level of pupil mobility which affects challenge in relation to pupil outcomes. The Governing Body has autonomy to set the pay range above the top of the relevant 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.



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**Trade Union Facility Time**

<b>Relevant union officials</b>		
	<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
	1.00	1.00
<b>Percentage of time spent on facility time</b>		
	<b>Percentage of time</b>	<b>Number of employees</b>
	0%	-
	1%-50%	1.00
	51%-99%	-
	100%	-
<b>Percentage of pay bill spent on facility time</b>		
	Provide the total cost of facility time	£1,488
	Provide the total pay bill	£2,320,467
	Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	<b>0.06%</b>
<b>Paid trade union activities</b>		
	Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	£0

**Connected Organisations including Related Party Relationships**

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

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**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 2018 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**

I have enjoyed my fourth year as Head Teacher. 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. I feel that this was particularly noticeable in the ways that our pupils raised money for charity throughout the year. A wide range of charities are selected by the pupils and the fundraising often involves a determined and collaborative effort to help others. Their willingness to involve themselves in charitable events reflects an understanding of and empathy for the diverse range of needs in our local and wider community. The school community raised in excess of £5,000 in this academic year.

The Harvest Festival was a wonderful example of the generosity of the Henlow community and really has to be seen to be believed. Again, 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. Shoe boxes at Christmas brought similar generosity.

Our Key Stage 2 Christmas concert and drama performance 'The Xmas Factor' was enjoyed by many families as each night was a full house, and we were fortunate to hear a wide range of instruments and voices with some well-known Christmas favourites included. 'The Xmas Factor' had a little of everything but most of all it was true to our Henlow ethos of giving pupils the opportunity to thrive. The growing confidence was visible on stage as our younger pupils learnt lines, donned costumes, collaborated with others and learnt to play to an audience. The whole experience will undoubtedly help our pupils grow in confidence and develop skills they can employ both in the classroom and wider aspects of their lives.



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We still retained Primary Science Quality Mark Silver Award alongside our PE department holding Gold School Games Mark. The year began well for year 5 with the traditional river walk and some members of our choir took part in a Barnardos concert at the Royal Albert Hall. The anti-bullying concert is always a highlight of the year as lower feeder schools join us to sing powerful words together. This year we had two concerts in order to enable everyone to take part. The message pupil voices offer are dear to our hearts as we strive to eradicate all forms of bullying from our children's lives.

Sportability continues to go from strength to strength and ensured that pupils joining in with a wide variety of adventurous sports see a rise in their self-esteem.

Contributions to charity are an absolute strength of our school and we are recognised far and wide for the giving nature of our school community. The Christmas boxes fill the school. Individual pupils raise money in numerous ways for charities that are dear to their hearts. It was an incredible honour to host the Watoto choir again. The concerts were an amazing uplifting experience for all who attended and it wonderful to see so many members of our local community in the audience.

The prayer table, now in the library, hosted some vibrant displays throughout the year. The prayer garden was officially opened in July. Local church representatives, counsellors, school governors and pupils were invited and all enjoyed the afternoon tea provided to mark the occasion. This new area was designed by pupils and provides a pleasant space at the centre of the school 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.

The Sports Tour to Holland to play football and hockey was thoroughly enjoyed by our older pupils.

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

The academic year has also seen us achieve major sporting recognition for the great work led by the PE department. Our gymnasts shone again at the national competition in Stoke on Trent where 8 of our pupils competed at the highest level. Over 80% of our pupils are involved in some extra-curricular sport, which is a fantastic achievement and testament to the hard work and enthusiasm of all the staff who encourage pupils to participate in sport.

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

### **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*

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*developing a Academy with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education."*

## Strategic Report

### Achievements and Performance

#### Pupil Attainment and Data

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

#### Key Stage 2 Attainment and Progress 2017-18

	% achieved expected standard		
	Henlow	National	LA
Reading	78%	75%	74%
Writing	81%	78%	78%
Maths	72%	76%	73%
GPS (Grammar, Spelling and Punctuation)	73%	78%	N/A
Combined - Re, Wr, Ma	59%	64%	62%

#### Previous 3 years Attainment Comparison

	% achieved Expected Standard		
	2015-16	2016-17	2017-18
Reading	67%	78%	78%
Writing	76%	78%	81%
Maths	65%	72%	72%
GPS (Grammar, Spelling and Punctuation)	71%	83%	73%
Combined - Re, Wr, Ma	54%	56%	59%

#### Scaled Score Comparison

Average Scaled Scores	Henlow	National	LA
Reading	106	105	105
GPS (Grammar, Spelling and Punctuation)	106	106	N/A
Maths	103	104	104

The scale starts at 80 and ends at 120.

- 80-99 is below expected attainment
- 100-109 is expected attainment
- 110-120 is higher than expected attainment. Students in this category would be considered high achievers.



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**Key Stage 2 Progress 2017/18**  
**Progress Comparison last 3 years**

	Reading	Writing	Maths
2015-16	-0.6	-2.8	-1.8
2016-17	-0.7	-1.9	-2.2
2017-18	0.4	-1.7	-1.4

**Year 8 Leavers 2017-18 Attainment and Progress**

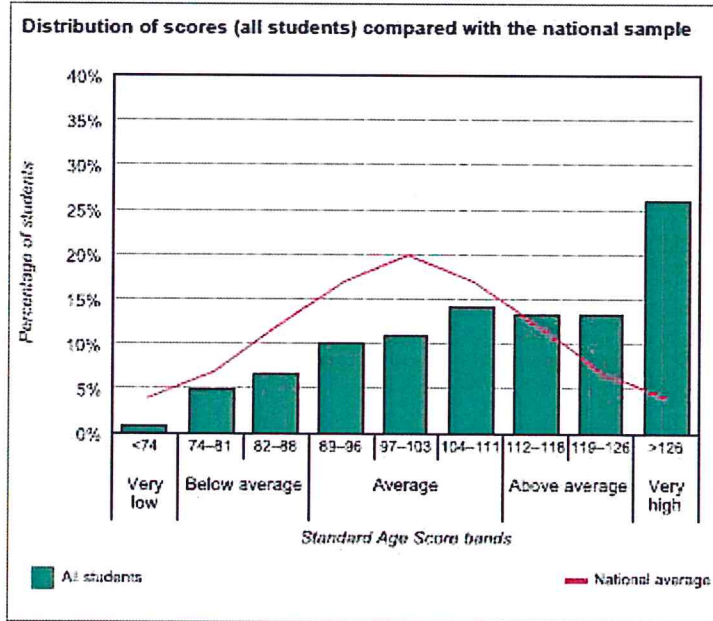
**Year 8 Performance Data 2017/18**

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



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### End of Year 8 Maths Attainment Results



The mean standard age score for this group is significantly higher than the national average.

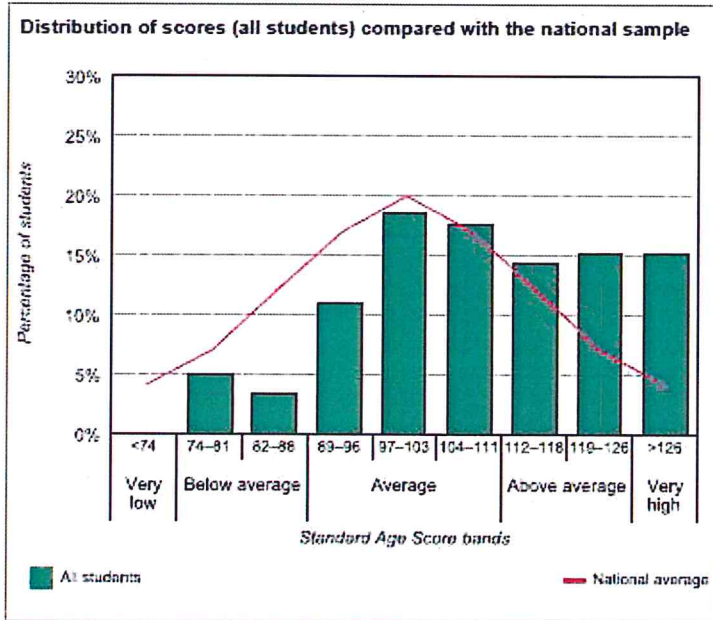
The spread of standard age scores for this group is significantly higher than the national average.

The table below shows the mean scores with confidence bands for the group against the national average.

	No. of students	Mean SAS	SAS (with 90% confidence bands)											
			60	70	80	90	100	110	120	130	140			
National average	-	100.0						•						
All students	120	112.4									•			

The graph above shows that pupils at Henlow Academy achieve higher than the National average in Mathematics.

## End of Year 8 English Attainment Results



The mean standard age score for this group is significantly higher than the national average.

The spread of standard age scores for this group is not significantly different from the national average.

The table below shows the mean scores with confidence bands for the group against the national average.

	No. of students	Mean SAS	SAS (with 90% confidence bands)											
			60	70	80	90	100	110	120	130	140			
National average	-	100.0						●						
All students	119	110.0								●	●			

The graph above shows that pupils at Henlow Academy achieve higher than the National average in English.

### Progress End of Year 6 to End of Year 8

The table below shows the Average Standardised Score for the cohort at the end of Year 6 and the improved Average Standardised Score at the end of Year 8. A score of 100 is National Average.

	English	Maths
End of Year 6	107.5	102.92
End of Year 8	110.0	112.4

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### **Pupil Attendance**

Figures for the academic year 2017/18:

- 97.00% Target
- 95.52% attendance
- 3.93% authorised absence
- 0.55% unauthorised absence

### **Increase in 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 596 pupils on roll at 31<sup>st</sup> August 2018.

### **Pupil Premium Spending**

#### **In-school Barriers**

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

#### **External Barriers**

- 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.
- Imminent closure of RAF Henlow – effect on Forces pupils

### **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 2017-18.

### **Attainment & Progress**

The funding has been used to support Attainment and Progress through internal and external CPD sessions, training of Specialist Maths teachers, and on-line homework system called IXL, a robust testing system for Core subjects alongside Social and Emotional tests and Reading and Spelling tests. The funding has also been used to support Personalised Learning, buying Christmas books for all Pupil Premium Pupils and one to one intervention.

There also has been dedicated time to tracking and discussing individual PP's progress over the year and additional curriculum time dedicated to Personalised Learning.



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### **Social, Emotional, Mental Health and Transition**

For this strand the funding has been used to pay for a Pastoral Officer and School Counsellor. It has also supported Personalised Learning through Mindfulness programmes and Growth Mindset initiatives. The use of SIMs (data system) has allowed the profile of these pupils to be raised. 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.

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**

In September 2015 a revised staffing structure was introduced, with clearly defined responsibilities for teaching and learning responsibility holders. This continues to raise the quality of teaching and learning across the school, and has also offered a wide range of development opportunities to staff. Teaching staff costs represent 72% of GAG income.

### **Pupil Voice**

During 2017-18 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.

In the last year School Action Group has continued to organise a number of events as well as represent the pupils' views in the development of the school. They organised another successful Bake Off competition. A working party was also established to work with the Finance Team in selecting a new catering company to provide school lunches. The children acted as testers, gave feedback at SAG meetings and sought the views of the wider community, this resulted in a new company being employed.

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



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plethora of sporting clubs including basketball, cricket, tennis, dance, drama, gymnastics and music. Sportability is run very successfully to enhance our offer to pupils with SEND, there have been many successes and medals including silver medals at the national finals.

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

In year 2018/19, 17 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 of Spanish and Sports Leaders are taught on alternate weeks over the course of the entire school year, whereas the other options are only taught for half a year (on alternate weeks). We have two accredited options: Sports Leaders and the Crest Award. On successful completion of these courses the pupils will receive a certificate. The options programme is designed to enrich the pupils experience - it increases the opportunity to explore other areas of the curriculum as well as focus in on subjects already covered in school. Some of the options, such as languages (Greek, Italian and Spanish), triple science, WW2 history, GCSE PE, textiles, food studies and robotics prepare the pupils for their GCSE options. To support pupils learning of 'the basics' we have included the options of book club and extra English. Lastly, to support an active healthy lifestyle we have included practical based subjects such as officiating and fitness - these are also both aspects of the GCSE PE course.

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

### **Facilities Enhancements**

Trustees decisions have led to us being granted Government CIF funding over the last few years. This amount is now in excess of £1,834,000 and has supported enhancement of the school buildings and facilities for the benefit of the school community. We have been extremely fortunate to benefit from Government CIF funding over the last few years. This amount is now in excess of £1,834,000 and has supported enhancement of the school buildings and facilities for the benefit of the school community. In this academic year we have benefited from 2 new classrooms to replacement our mobile classroom unit. These we built in conjunction with the LA funded 4 classrooms and sports hall. 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.

As part of the schools temporary PAN expansion we were fortunate to have 4 new classrooms and a new sports hall built which were funded by the local authority. The classrooms have been completed and we are awaiting the handover of the sports hall at the beginning of October 2018.

### **Going Concern**

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

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### **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 2018 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 funding of £5,398,809 compared to total resources expended of £3,123,320 to give a surplus for the year of £2,275,489.

Taking into account the surplus brought forwards from last year, the School has £12,392,174 in accumulated reserves carried forwards.

### **Reserves Policy**

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

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £280,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy set a deficit budget for the 2017/18 academic year mainly due the growth in pupil numbers. This led to increased staffing and income for the growth from the council. However due to a discrepancy in the growth fund income, some of which was made up as increased capital funding, this level of reserves has not been achievable during the year ended 31 August 2018. A balanced budget has been set for 2018/19 with the intention to increase the reserves over the next 3 years.

The academy's current level of unrestricted reserves is £151,665.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £219,772.

The amount of funds that can only be realised by disposing of tangible fixed assets are £12,424,154. The fixed asset fund includes unspent capital grants of £25,583.

Total funds held are £12,392,174.

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

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



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HENLOW CHURCH OF ENGLAND ACADEMY  
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- Investment in ICT

The school was successful in a bid to the ESFA Conditions Improvement Fund to replace the mobile unit with 2 new classrooms.

**Investment Policy**

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

**Principal Risks and Uncertainties**

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

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

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

The 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.

1. Government funding

The Academy has considerable reliance on continued government funding through the Education and 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

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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 Hyman Robinson, Actuarial Assessors, stands at £429,000.

### 3. Pupil Strategy

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

- ensuring the school delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes (Ofsted July 2018); and SIAMS Outstanding June 2017:
- investing in its teaching staff and resources.

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

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

### **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 Macmillan. Donations to these events are entirely voluntary.

We do not work with, or 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.

### **Plans for Future Periods**

- A focus on Maths through lessons, maths fluency and the maths hub (Milton Keynes)
- Pedagogy – all staff involved in professional study groups and triads
- Pupil Premium – continue our increased focus
- WWW, EBI, MRI – our consistent approach to marking
- Development of leadership at all levels
- Writing – specific plans including cross-curricular
- Collaboration – an hour of staffing given to each feeder lower school continues
- Developing independence – through options in Years 7 and 8
- Stretching the most able and supporting appropriately
- A focus on the fully rounded individual – highlight our ethos
- The feeling of success – continue to develop the rewards systems
- Meaningful performance review – new links established and time given
- Continue GL Assessment for baseline and progress measures
- Sustainable structures



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- Continuing with our development of the curriculum, e.g. options in year 7 and 8.
- Interpreting national freedoms and making the right choices for Henlow
- Public Relations – newsletter, “school gates” and local press
- Becoming the school of choice for ALL of our community
- Continuing to develop closer links with our feeder lower schools, e.g. curriculum links, liaison, sharing of CPD

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

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

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company’s auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees’ Report, incorporating a strategic report, approved by order of the Board of Trustees on 27<sup>th</sup> November 2018 and signed on its behalf by:



Mr Perry Huntley  
Chair of Trustees

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## GOVERNANCE STATEMENT

### Scope of Responsibility

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

The Trustees have delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Henlow Church of England Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met 5 times during the year. Attendance during the year at meetings of the Trustees were as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Perry Huntley (Chair)	5	5
Mrs Jacqui Burke (Vice Chair)	4	5
Mrs Alison Allen	5	5
Rev Patsy Critchley	4	5
Mr Mark Clark	3	5
Miss Jodie Sylvester (resigned 11 February 2018)	2	3
Mrs Sheree-Ann Gudgin	4	5
Mrs Gillian Taylor (resigned 8 February 2018)	0	1
Mr Bhavin Soneji (resigned 12 July 2018)		
Mrs Susan Jones	3	5
Mrs Caren Earp (Headteacher)	5	5
Mr Nick Devonport (resigned 8 February 2018)	5	5
Mr Graham Hayward (appointed December 2016)	1	2
Rev. Shaun Speller (appointed February 2017)	3	5
Archdeacon Hughes, Diocese of St Albans		
Mr Edwin Barnes (appointed 1 May 2018)	0	1
Mr Gavin Coombs (appointed 1 May 2018)	2	2
	2	2

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

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Mark Clark (Chair from 13 December 2017)	3	4
Mr Bhavin Soneji (Chair – resigned 12 December 2017)	3	4
Mr Perry Huntley	3	4
Miss Jodie Sylvester	2	2
Mrs Caren Earp (Head Teacher)	4	4
Mr Nick Devonport	1	2
Rev. Shaun Speller	2	4
Mr Edwin Barnes	1	1
Mr Gavin Coombs	1	1

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

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs Alison Allen (Chair)	3	3
Mrs Jacqui Burke	2	3
Rev Patsy Critchley	2	3
Mrs Sheree Gudgin	1	3
Mrs Susan Jones	2	3
Mrs Caren Earp (Head Teacher)	3	3
Mrs Gillian Taylor (resigned 08 February 2018)	0	2
Mr Graham Hayward	2	3
Mr Gavin Coombs	1	1



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### **Review of Value for Money**

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

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

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

#### **Reviewing operations to maximise resources**

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.

#### **Collaboration**

- Educational outcomes have been improved through effective collaboration with the local learning community, particularly through sharing good practices with an improved focus of delivery of high quality continued professional development. Specialist teachers of MFL, PE and Computing 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.

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

**Effective Procurement**

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

**Reviewing Controls and Managing Risk**

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

**The Purpose of the System of Internal Control**

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



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### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Board of Trustees.

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

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

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

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

- to appoint Mrs S Baker to undertake the role of Internal Auditor, to perform additional checks.

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

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

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

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



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**Review of Effectiveness**


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

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

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

Approved by order of the members of the Board of Trustees on 27<sup>th</sup> November 2018 and signed on its behalf by:

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

  
.....  
**Mrs Caren Earp**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Henlow Church of England Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust 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 2017.

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

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



.....  
Mrs Caren Earp  
Accounting Officer

Date: 27<sup>th</sup> November 2018

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who act as Governors for charitable activities of Henlow Church of England Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education 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:

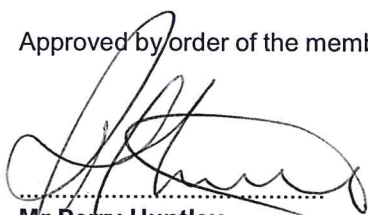
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 Trustees on 27<sup>th</sup> November 2018 and signed on its behalf by:



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



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

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**Opinion**

We have audited the financial statements of Henlow Church of England Academy (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**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. 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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



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

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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](http://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.

Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

**Duncan & Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:



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

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In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Henlow Church of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henlow Church of England Academy and the 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 the 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 auditors**

The Accounting Officer is responsible, under the requirements of Henlow Church of England Academy's funding agreement with the Secretary of State for Education dated 19 March 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

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

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

**Duncan & Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

**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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants	2	511	124,331	218,124	342,966	842,228
Charitable activities:	3					
Funding for the Academy's educational operations		-	5,011,547	-	5,011,547	2,344,656
Other trading activities	4	31,337	12,847	-	44,184	36,355
Investments	5	112	-	-	112	612
<b>Total income</b>		<u>31,960</u>	<u>5,148,725</u>	<u>218,124</u>	<u>5,398,809</u>	<u>3,223,851</u>
<b>Expenditure on:</b>						
Raising funds		20,483	7,808	-	28,291	21,303
Academy trust educational operations		5,364	2,941,385	148,280	3,095,029	2,776,399
<b>Total expenditure</b>	8	<u>25,847</u>	<u>2,949,193</u>	<u>148,280</u>	<u>3,123,320</u>	<u>2,797,702</u>
<b>Net income before transfers</b>		6,113	2,199,532	69,844	2,275,489	426,149
Transfers between Funds	16	-	(2,213,447)	2,213,447	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		6,113	(13,915)	2,283,291	2,275,489	426,149
Actuarial gains on defined benefit pension schemes	22	-	157,000	-	157,000	288,000
<b>Net movement in funds</b>		6,113	143,085	2,283,291	2,432,489	714,149
<b>Reconciliation of funds:</b>						
Total funds brought forward		145,552	(352,313)	10,166,446	9,959,685	9,245,536
<b>Total funds carried forward</b>		<u><u>151,665</u></u>	<u><u>(209,228)</u></u>	<u><u>12,449,737</u></u>	<u><u>12,392,174</u></u>	<u><u>9,959,685</u></u>



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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	13		12,424,154		9,517,756
<b>Current assets</b>					
Debtors	14	294,675		603,592	
Cash at bank and in hand		379,162		587,337	
		<u>673,837</u>		<u>1,190,929</u>	
<b>Creditors:</b> amounts falling due within one year	15	<u>(276,817)</u>		<u>(251,000)</u>	
<b>Net current assets</b>			<u>397,020</u>		<u>939,929</u>
<b>Total assets less current liabilities</b>			<u>12,821,174</u>		<u>10,457,685</u>
Defined benefit pension scheme liability	22		<u>(429,000)</u>		<u>(498,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>12,392,174</u></u>		<u><u>9,959,685</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	16	219,772		145,687	
Restricted fixed asset funds	16	12,449,737		10,166,446	
Restricted income funds excluding pension liability		<u>12,669,509</u>		<u>10,312,133</u>	
Pension reserve		<u>(429,000)</u>		<u>(498,000)</u>	
Total restricted income funds			<u>12,240,509</u>		<u>9,814,133</u>
Unrestricted income funds	16		<u>151,665</u>		<u>145,552</u>
<b>Total funds</b>			<u><u>12,392,174</u></u>		<u><u>9,959,685</u></u>

The financial statements on pages 35 to 62 were approved by the Trustees, and authorised for issue, on 27 November 2018 and are signed on their behalf, by:

.....  
**P M Huntley**  
**Chair of Trustees**

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>2,844,250</u>	<u>223,119</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		112	639
Purchase of tangible fixed assets		<b>(3,063,698)</b>	<b>(373,669)</b>
Capital grants from DfE Group		11,161	11,161
<b>Net cash used in investing activities</b>		<u><b>(3,052,425)</b></u>	<u><b>(361,869)</b></u>
<b>Change in cash and cash equivalents in the year</b>		<b>(208,175)</b>	<b>(138,750)</b>
Cash and cash equivalents brought forward		<u>587,337</u>	<u>726,087</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>379,162</u></u>	<u><u>587,337</u></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going concern**

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



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

**1.3 Income**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.4 Expenditure**

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line
Furniture and fixtures	-	25% straight line
Plant and equipment	-	33% 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 incorporating Income and Expenditure Account.

**1.6 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.7 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.

**1.8 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.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

**1.9 Liabilities and provisions**

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

**1.10 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 basis 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 14. Prepayments are not financial instruments.

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

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

**1.11 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.12 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. Accounting Policies (continued)**

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

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

**1.13 Fund accounting**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. Accounting Policies (continued)**

**1.14 Critical accounting estimates and areas of judgment**

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.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. Income from donations and capital grants**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
Donations	511	7,389	-	7,900	17,056
Capital Grants	-	-	218,124	218,124	681,851
Similar incoming resources	-	116,942	-	116,942	143,321
	<u>511</u>	<u>124,331</u>	<u>218,124</u>	<u>342,966</u>	<u>842,228</u>
<i>Total 2017</i>	<u>10,542</u>	<u>149,835</u>	<u>681,851</u>	<u>842,228</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**3. Funding for Academy's educational operations**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,021,574	2,021,574	2,048,745
Pupil Premium	-	101,546	101,546	94,927
Other DfE/ESFA Revenue grants	-	27,305	27,305	17,969
	-	2,150,425	2,150,425	2,161,641
<b>Other government grants</b>				
SEN funding	-	75,179	75,179	48,984
Other Local Authority revenue grants - growth funding	-	2,785,943	2,785,943	134,031
	-	2,861,122	2,861,122	183,015
	-	5,011,547	5,011,547	2,344,656
<i>Total 2017</i>	-	2,344,656	2,344,656	

**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Sale of goods	-	7,423	7,423	6,761
Lettings income	25,674	-	25,674	14,549
Other income	5,663	5,424	11,087	15,045
	31,337	12,847	44,184	36,355
<i>Total 2017</i>	19,668	16,687	36,355	



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income - other local investments	112	-	112	612
<i>Total 2017</i>	612	-	612	

**6. Direct costs**

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	208,495	208,495	212,943
Technology costs	25,888	25,888	26,384
Staff development	13,560	13,560	19,400
Education consultancy	50,321	50,321	18,427
Other costs	5,025	5,025	2,659
Wages and salaries	1,684,805	1,684,805	1,475,087
National insurance	156,409	156,409	138,282
Pension cost	323,098	323,098	271,247
Depreciation	148,280	148,280	149,433
	<u>2,615,881</u>	<u>2,615,881</u>	<u>2,313,862</u>
<i>Total 2017</i>	<u>2,313,862</u>	<u>2,313,862</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**7. Support costs**

	<b>Educational operations</b>	<b>Total 2018</b>	<i>Total 2017</i>
	£	£	£
Technology costs	20,242	20,242	29,473
Recruitment and support	4,375	4,375	1,525
Maintenance of premises and equipment	17,779	17,779	28,939
Cleaning	37,986	37,986	37,298
Rent and rates	22,983	22,983	24,235
Energy costs	20,845	20,845	21,433
Insurance	16,367	16,367	18,337
Security	1,953	1,953	1,887
Transport	1,473	1,473	1,387
Telephone, postage and stationery	5,836	5,836	7,370
Catering	14,066	14,066	13,683
Other costs	36,096	36,096	35,534
Operating leases - other	11,821	11,821	20,451
Auditors' remuneration	7,802	7,802	7,800
Legal and professional fees	8,275	8,275	10,560
Wages and salaries	177,588	177,588	141,615
National insurance	12,615	12,615	10,521
Pension cost	61,046	61,046	50,489
	<u>479,148</u>	<u>479,148</u>	<u>462,537</u>
<i>Total 2017</i>	<u>462,537</u>	<u>462,537</u>	

During the year ended 31 August 2018, the Academy incurred the following Governance costs:

£16,077 (2017 - £18,360) included within the table above in respect of Funding for the academy trust's educational operations.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**8. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	7,808	7,808	4,882
Support costs	-	-	-	-	-
Expenditure on fundraising trading					
Direct costs	-	-	20,483	20,483	16,421
Support costs	-	-	-	-	-
Funding for the academy's operations					
Direct costs	2,164,312	116,655	334,914	2,615,881	2,313,862
Support costs	251,249	110,084	117,815	479,148	462,537
	<u>2,415,561</u>	<u>226,739</u>	<u>481,020</u>	<u>3,123,320</u>	<u>2,797,702</u>
<i>Total 2017</i>	<u>2,087,241</u>	<u>282,574</u>	<u>427,887</u>	<u>2,797,702</u>	

**9. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the academy	148,280	149,433
Auditors' remuneration - audit	4,500	4,500
Auditors' remuneration - other services	3,302	3,300
Operating lease rentals	<u>12,418</u>	<u>12,745</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**10. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,838,994	1,606,145
Social security costs	169,024	148,803
Operating costs of defined benefit pension schemes	384,144	321,736
	<b>2,392,162</b>	<b>2,076,684</b>
Agency staff costs	16,861	10,557
Bought in professional fees	6,538	-
	<b>2,415,561</b>	<b>2,087,241</b>

**b. Staff numbers**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Teachers	40	33
Management	1	1
Administration, support and other staff	39	33
	<b>80</b>	<b>67</b>

**c. Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for the members of staff amounted to £13,722 (2017: £13,265).

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management for their services to the academy trust was £318,266 (2017: £315,692).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Trustees' remuneration and expenses**

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

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Mrs C Earp, Headteacher	Remuneration	<b>80,000-85,000</b>	<i>75,000-80,000</i>
	Pension contributions paid	<b>10,000-15,000</b>	<i>10,000-15,000</i>
Mrs S Gudgin, Staff Governor	Remuneration	<b>15,000-20,000</b>	<i>10,000-15,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
Mrs S Jones, Staff Governor	Remuneration	<b>30,000-35,000</b>	<i>25,000-30,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>0-5,000</i>
Mrs J Gregory, Staff Governor	Remuneration	<b>40,000-45,000</b>	<i>40,000-45,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>
Mrs K Evans, Staff Governor	Remuneration	<b>10,000-15,000</b>	-
	Pension contributions paid	<b>0-5,000</b>	-

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

**12. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £973 (2017 - £973). The cost of this insurance is included in the total insurance costs.

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**13. Tangible fixed assets**

	Leasehold Land & Building £	Fixtures and fittings £	Plant & Equipment £	Total £
<b>Cost</b>				
At 1 September 2017	9,930,481	98,453	128,735	10,157,669
Additions	3,051,588	-	3,090	3,054,678
At 31 August 2018	<u>12,982,069</u>	<u>98,453</u>	<u>131,825</u>	<u>13,212,347</u>
<b>Depreciation</b>				
At 1 September 2017	480,217	52,965	106,731	639,913
Charge for the year	119,690	16,224	12,366	148,280
At 31 August 2018	<u>599,907</u>	<u>69,189</u>	<u>119,097</u>	<u>788,193</u>
<b>Net book value</b>				
At 31 August 2018	<u>12,382,162</u>	<u>29,264</u>	<u>12,728</u>	<u>12,424,154</u>
At 31 August 2017	<u>9,450,264</u>	<u>45,488</u>	<u>22,004</u>	<u>9,517,756</u>

Included in long leasehold property is land at valuation of £3,946,000 (2017: £3,946,000) which is not depreciated.

Additions to property in the year comprise building work on the school's existing site and not the acquisition of new land or buildings. These additions were purchased by the Academy at a value of £3,051,588 (2017: £NIL).

**14. Debtors**

	2018 £	2017 £
VAT recoverable	138,229	39,782
Other debtors	-	2,514
Prepayments and accrued income	101,818	49,894
Grants receivable	54,628	511,402
	<u>294,675</u>	<u>603,592</u>



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**15. Creditors: Amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	41,761	150,751
Other taxation and social security	43,382	37,376
Other creditors	6,867	35,277
Accruals and deferred income	184,807	27,596
	276,817	251,000
	276,817	251,000
	2018	2017
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2017	5,890	5,070
Resources deferred during the year	35,683	5,890
Amounts released from previous years	(5,890)	(5,070)
	35,683	5,890
Deferred income at 31 August 2018	35,683	5,890

Deferred income includes trip income and grant income relating to the year ended 31 August 2019.

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**16. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	145,552	31,960	(25,847)	-	-	151,665
<b>Restricted funds</b>						
General Annual Grant (GAG)	15,267	2,021,574	(2,334,122)	297,281	-	-
Other DfE/ESFA Grants	67,219	128,851	(136,822)	(59,248)	-	-
Government grants	-	75,179	(75,179)	-	-	-
School Fund	63,201	137,178	(137,134)	-	-	63,245
Local authority grants	-	2,785,943	(177,936)	(2,451,480)	-	156,527
Pension reserve	(498,000)	-	(88,000)	-	157,000	(429,000)
	<u>(352,313)</u>	<u>5,148,725</u>	<u>(2,949,193)</u>	<u>(2,213,447)</u>	<u>157,000</u>	<u>(209,228)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	1,057,997	218,124	(17,973)	-	-	1,258,148
Capital expenditure from GAG	178,475	-	(14,525)	3,089	-	167,039
Capital expenditure from other income	8,929,974	-	(115,782)	2,210,358	-	11,024,550
	<u>10,166,446</u>	<u>218,124</u>	<u>(148,280)</u>	<u>2,213,447</u>	<u>-</u>	<u>12,449,737</u>
Total restricted funds	<u>9,814,133</u>	<u>5,366,849</u>	<u>(3,097,473)</u>	<u>-</u>	<u>157,000</u>	<u>12,240,509</u>
Total of funds	<u><u>9,959,685</u></u>	<u><u>5,398,809</u></u>	<u><u>(3,123,320)</u></u>	<u><u>-</u></u>	<u><u>157,000</u></u>	<u><u>12,392,174</u></u>

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

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

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

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

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

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

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

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £155,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £157,000 actuarial decrease in the net pension fund deficit.

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.



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**16. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>General funds</b>						
General Funds	139,639	30,822	(24,909)	-	-	145,552
<b>Restricted funds</b>						
General Annual Grant (GAG)	268,996	2,048,745	(2,150,723)	(151,751)	-	15,267
Other DfE/ESFA Grants	329,082	246,927	(172,703)	(336,087)	-	67,219
Government grants	-	48,984	(48,984)	-	-	-
School Fund	76,629	166,522	(179,950)	-	-	63,201
Pension reserve	(715,000)	-	(71,000)	-	288,000	(498,000)
	<u>(40,293)</u>	<u>2,511,178</u>	<u>(2,623,360)</u>	<u>(487,838)</u>	<u>288,000</u>	<u>(352,313)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	227,716	681,851	(19,929)	168,359	-	1,057,997
Capital expenditure from GAG	13,735	-	(20,708)	185,448	-	178,475
Capital expenditure from other income	8,904,739	-	(108,796)	134,031	-	8,929,974
	<u>9,146,190</u>	<u>681,851</u>	<u>(149,433)</u>	<u>487,838</u>	<u>-</u>	<u>10,166,446</u>
Total restricted funds	<u>9,105,897</u>	<u>3,193,029</u>	<u>(2,772,793)</u>	<u>-</u>	<u>288,000</u>	<u>9,814,133</u>
Total of funds	<u><u>9,245,536</u></u>	<u><u>3,223,851</u></u>	<u><u>(2,797,702)</u></u>	<u><u>-</u></u>	<u><u>288,000</u></u>	<u><u>9,959,685</u></u>

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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	139,639	62,782	(50,756)	-	-	151,665
<b>Restricted funds</b>						
General Annual Grant (GAG)	268,996	4,070,319	(4,484,845)	145,530	-	-
Other DfE/ESFA Grants	329,082	375,778	(309,525)	(395,335)	-	-
Government grants	-	124,163	(124,163)	-	-	-
School Fund	76,629	303,700	(317,084)	-	-	63,245
Pension reserve	(715,000)	2,785,943	(177,936)	(2,451,480)	-	156,527
	(40,293)	7,659,903	(5,572,553)	(2,701,285)	445,000	(209,228)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	227,716	899,975	(37,902)	168,359	-	1,258,148
Capital expenditure from GAG	13,735	-	(35,233)	188,537	-	167,039
Capital expenditure from other income	8,904,739	-	(224,578)	2,344,389	-	11,024,550
	9,146,190	899,975	(297,713)	2,701,285	-	12,449,737
	9,105,897	8,559,878	(5,870,266)	-	445,000	12,240,509
<b>Total of funds</b>	<u>9,245,536</u>	<u>8,622,660</u>	<u>(5,921,022)</u>	<u>-</u>	<u>445,000</u>	<u>12,392,174</u>

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**17. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,424,154	12,424,154
Current assets	151,665	496,589	25,583	673,837
Creditors due within one year	-	(276,817)	-	(276,817)
Provisions for liabilities and charges	-	(429,000)	-	(429,000)
	<u>151,665</u>	<u>(209,228)</u>	<u>12,449,737</u>	<u>12,392,174</u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Restricted fixed asset funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	-	-	9,517,756	9,517,756
Current assets	145,552	396,687	648,690	1,190,929
Creditors due within one year	-	(251,000)	-	(251,000)
Provisions for liabilities and charges	-	(498,000)	-	(498,000)
	<u>145,552</u>	<u>(352,313)</u>	<u>10,166,446</u>	<u>9,959,685</u>

**18. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	2,275,489	426,149
<b>Adjustment for:</b>		
Depreciation charges	148,280	149,433
Dividends, interest and rents from investments	(112)	(639)
Decrease/(increase) in debtors	308,917	(397,474)
Increase/(decrease) in creditors	34,837	(14,189)
Capital grants from DfE and other capital income	(11,161)	(11,161)
Defined benefit pension scheme cost less contributions payable	74,000	55,000
Defined benefit pension scheme finance cost	14,000	16,000
<b>Net cash provided by operating activities</b>	<u>2,844,250</u>	<u>223,119</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash at bank	379,162	587,337
Total	<u>379,162</u>	<u>587,337</u>

**20. Contingent liabilities**

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

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

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

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

**21. Capital commitments**

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>172,436</u>	<u>648,688</u>

**22. Pension commitments**

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

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

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (2017 - £34,436) and are included within creditors.

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**22. Pension commitments (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £225,305 (2017 - £201,605).

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

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

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**22. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £107,000 (2017 - £83,000), of which employer's contributions totalled £85,000 (2017 - £65,000) and employees' contributions totalled £22,000 (2017 - £18,000). The agreed contribution rates for future years are 22% for employers and 5.5% - 6.80% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.2	26.2

	At 31 August 2018	At 31 August 2017
	£	£
<b>Sensitivity analysis</b>		
Discount rate -0.5%	214,000	201,000
Salary increase rate +0.5%	34,000	35,000
Pension increase rate +0.5%	177,000	162,000



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**22. Pension commitments (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	742,000	639,000
Property	115,000	101,000
Cash and other liquid assets	243,000	213,000
Debt instruments	179,000	168,000
	<u>1,279,000</u>	<u>1,121,000</u>

The actual return on scheme assets was £29,000 (2017 - £20,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(155,000)	(120,000)
Interest income	29,000	20,000
Interest cost	(43,000)	(36,000)
	<u>(169,000)</u>	<u>(136,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,619,000	1,627,000
Current service cost	155,000	120,000
Interest cost	43,000	36,000
Employee contributions	21,000	18,000
Actuarial gains	(126,000)	(178,000)
Benefits paid	(4,000)	(4,000)
	<u>1,708,000</u>	<u>1,619,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. Pension commitments (continued)**

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

	2018	2017
	£	£
Opening fair value of scheme assets	1,121,000	912,000
Interest income	29,000	20,000
Actuarial losses	31,000	110,000
Employer contributions	81,000	65,000
Employee contributions	21,000	18,000
Benefits paid	(4,000)	(4,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,279,000</u>	<u>1,121,000</u>

**23. Operating lease commitments**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
<b>Amounts payable:</b>		
Within 1 year	16,003	16,003
Between 1 and 5 years	44,892	49,672
After more than 5 years	11,223	22,446
	<hr/>	<hr/>
Total	<u>72,118</u>	<u>88,121</u>

**24. Members' liability**

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

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**25. Related party transactions**

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period:

Expenditure related party transactions

A total of £1,558 (2017 - £Nil) was paid to the Diocese of St Albans with regards to a service level agreement. The Archdeacon of Bedford, Mr P Hughes, is a trustee of the academy. No balance was owing at the year end (2017 - £Nil). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.