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

Annual Report and Financial Statements

For the period

1 April 2012 to 31 August 2013

THURSDAY



A52 "A2NJHX1N" #338
19/12/2013
COMPANIES HOUSE

Company Registration Number.
07996350 (England and Wales)

HENLOW CHURCH OF ENGLAND ACADEMY TRUST
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Reference and Administrative Details of the Academy Trust for the period ended 31 August 2013

Trustees & Advisers

Mr Perry Huntley (Appointed 19 March 2012)
Mrs Alison Allen (Appointed 19 March 2012)
Mrs Jacqui Burke (Appointed 19 March 2012)
Rev Jim Broadbridge (Appointed 1 April 2012)
Rev Patsy Critchley (Appointed 1 April 2012)
Rev Sue Groom (Appointed 1 April 2012)
Mrs Brenda Howe (Appointed 22 May 2012)
Mrs Susan Jones (Appointed 1 April 2012)
Ms Bernie Kenny (Appointed 1 April 2012)
Mr Ian Lee (Appointed 1 April 2012)
Mrs Albane Lester (Appointed 10 July 2012)
Mr Alan McCormack (Appointed 1 April 2012)
Mrs Tracey Moynihan (Appointed 18 April 2012)
Mr Raymond Payne, Headteacher and
Accounting Officer (Appointed 19 March
2012)
The Archdeacon of Bedford (Appointed 1 April
2012)

Committee

Premises & Finance Committee
Premises & Finance Committee
Curriculum & Personnel Committee
Premises & Finance Committee
Curriculum & Personnel Committee
Curriculum & Personnel Committee
Curriculum & Personnel Committee
Curriculum & Personnel Committee
Curriculum & Personnel Committee
Premises & Finance Committee
Premises & Finance Committee
Curriculum & Personnel Committee
Premises & Finance Committee

Company Secretary

Mrs Annette Bell

Clerk to the Governing Body

Mrs Suzanne Brightwell

Responsible Officer

Mrs Kathryn Long (Resigned July 2013)

Senior Leadership Team

Mr Raymond Payne
Mr Alan Walker (Retired 31 August 2012)
Mr Glenn Young
Miss Caroline Hinit (Appointed 1 September
2012)
Mrs Annette Bell
Mrs Margaret Newman
Mrs Penny Wood
Miss Philippa Church
Mr Ian Lee

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Registered Office Henlow Church of England Academy
Church Road
Henlow
Bedfordshire
SG16 6AN

Company Registration Number 07996350

Auditors Duncan & Toplis
Chartered Accountants & Auditors
15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Bankers Lloyds TSB Bank PLC
1 Bancroft
Hitchin
Hertfordshire
SG5 1JQ

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

Surveyors Ridge Consultants Ltd
The Cowyards
Blenheim Park
Oxford Road
Woodstock
OX20 1QR

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TRUSTEES' REPORT

The Trustees present their annual report together with the audited financial statements of the School for the period 1 April 2012 to 31 August 2013. The Charitable Company was incorporated on 19 March 2012 and commenced its activities on 1 April 2012 on the conversion of Henlow Voluntary Controlled Middle School to Henlow Church of England Academy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

Henlow Church of England Academy Trust was incorporated on 19 March 2012 and opened as an Academy on 1 April 2012. It 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 dated 19 March 2012.

The Governors act as the Trustees for the charitable activities of Henlow Church of England Academy and 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 Governors who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 - 2.

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 he/she ceases 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 School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim.

PRINCIPAL ACTIVITIES

The principal activity of the School is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school 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 relation to arranging for religious education and daily acts of worship and in having regard to the advice of the Diocesan Board of Education.

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The characteristics of the School set down in Section 1(6) of the Academies Act 2010 are

- The School has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum)
- The School curriculum has an emphasis on Mathematics, English, Sciences, IT and Foreign Languages as specified in the Funding Agreement
- The School provides education for pupils who are wholly or mainly drawn from the area in which the School is situated

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Articles outline the different types of Governor, 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 Principal or any post which is held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected
- The Headteacher 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 Members may appoint an additional 2 Foundation Governors
- Up to 3 Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when he/she is elected
- 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 School (excluding the Headteacher). If a Staff Governor ceases to work at the School 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 School. 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 GOVERNORS

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

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All Governors are provided with copies of policies, procedures, minutes, accounts, budget plans and other documents that they will need to undertake their role as Governors. As there are normally few new Governors in an academic year, induction tends to be done informally and is tailored specifically to the individual.

ORGANISATIONAL STRUCTURE

The structure of the School consists of two senior levels: the Board of Directors (Governing Body) and the Headteacher leading the Senior Leadership Team which includes Deputy Head Teachers, Year Group Leaders and the Business Manager.

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 School nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the School's policies, adopting the School Development Plan and budget, monitoring performance against these plans and making major decisions about the direction of the School including its curriculum, the achievement and welfare of students and staffing.

The Headteacher and Senior Leadership Team control the School at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

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, to the Headteacher (The Accounting Officer) and to the Senior Leadership Team.

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

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, eg. Salary Review Group, Admissions, Appeals, Discipline/Capability, SEND Governor.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School and its finances. The Trustees have implemented a number of systems to assess risks that the School faces, especially in the operational areas (e.g. teaching, health and safety, safeguarding of children and school trips) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The School has an effective system of internal financial controls, and has appointed a Responsible Officer to offer support and guidance and to ensure these systems of internal control are adequately implemented.

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A risk register is in place to be used as a management tool to ensure that all risks are identified and that actions are identified to help reduce the exposure of major risks. The risk register covers the following areas:

- Financial Risk
- Compliance Risk
- Operational Risk
- Strategic Risk

More specific risks that have been identified are those relating to Governance, IT Security, Fraud, Child Protection and Business Continuity. The Risk Register action plan is on-going and identifies the control measures which will mitigate these risks.

The School received a health and safety audit by Cambridgeshire County Council Risk Management Team in July 2012, and a working group was identified with responsibility for actions. The School also subscribes to the Central Bedfordshire Educational Visits risk assessment system (Evolve) to ensure that adequate control measures, risk assessments, etc. have been put in place for all types of educational visits/trips, and that these are being assessed according to the standards set by Government.

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 Trust, though it works with Henlow Church of England Academy PTA in the pursuit of charitable activities and general fundraising activities.

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

OBJECTIVES AND ACTIVITIES

SCHOOL VISION

The School seeks to create a harmonious community in which the individual is valued and is given every opportunity to fulfil their potential in terms of personal, emotional and intellectual growth, thus enabling them to live successfully in an increasingly demanding and ever-changing world.

MISSION STATEMENT

The School's mission statement is:

"Aiming for Excellence"

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AIMS

In accordance with our vision and mission statement, the School's aims are

- To recognise children as individuals and to support them in achieving their potential,
- To focus on the development of the whole child,
- To prepare children for the world in which they live

Throughout four years of education at Henlow Church of England Academy we aim to nurture young people who are confident individuals, successful learners and responsible citizens

OBJECTIVES AND ACTIVITIES TO SUPPORT THE AIMS

In order to support and promote the successful achievement of our aims, the School

- Offers a caring and safe environment for children and adults,
- Employs high quality teaching and support staff,
- Celebrates everyone's success and achievement,

- Offers a wonderfully unique learning experience (supported further by an outstanding range of enrichment and extra-curricular activities),
- Promotes a well-ordered community based on traditional values and the Christian ethos

SCHOOL DEVELOPMENT PLAN

Each year the School produces a School Development Plan. In the summer of 2012 the SDP Working Group, comprising all of the Senior Leadership Team and all the members of the Governing Body, reviewed progress on the previous SDP, and identified priorities for moving the School forward during the 2012/13 academic year. In making their judgements they considered a range of evidence, including the School's self-evaluation, progress with last year's areas of focus and new educational and government initiatives. They also considered issues relating to advice and recommendations that were received from the two Ofsted inspections, in May 2012 (a full inspection and a Church School SIAS inspection).

It was agreed that the three key areas of focus would be

- To enhance the personalisation of pupils' learning
- To further develop the use of ICT across the School
- To improve the distinctive Christian ethos of the School

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ACHIEVEMENTS AND PERFORMANCE

During the academic year 2012/13 there was considerable progress and success in the focus areas of the School Development Plan. These were most notably

Personalised Learning

- Development of our Management Information System to improve data tracking and assessment of pupils to identify appropriate and effective intervention strategies
- Implementing training and development for all staff to develop and improve skills and understanding of new data tracking system
- Data successfully transferred to Management Information System and all teaching staff effectively monitoring pupil progress and identifying specific needs
- Effective intervention strategies identified and implemented as a result of improved system for monitoring pupil progress
- Consistent approach to Assessment for Learning (AfL) developed and teaching staff are now more confident in the use of this strategy
- Lesson observations undertaken by Senior Leaders which focussed on strong pedagogy, AfL strategies and questioning techniques

Development of ICT

- Comprehensive audit of ICT hardware and infrastructure undertaken to inform action/development priorities at both curriculum and business levels
- Whole School audit/survey undertaken of staff skills and competencies in use of ICT to assist with the development of a programme of support and Continuing Professional Development to improve staff capabilities and raise overall standards of ICT competency
- Development of virtual learning environment as a teaching and learning tool, and to further enhance and improve parental engagement
- Subject Leaders conducted a review and explored ideas for developing the use of ICT across the Curriculum
- Substantial development in the use of ICT to engage parents has been achieved by the introduction of electronic communication system, on-line payments and improved website. Focussed emphasis given to local media coverage to improve marketing opportunities
- Areas of responsibility for the management of the ICT network more clearly defined to ensure all staff identified in this process are fully understanding of their role and area of accountability

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Improved Distinctive Christian Ethos

- Working party established with responsibility for moving forward with this priority area
- Staff Prayer Group established which meets on a weekly basis This has since flourished and as a result an additional meeting has been set up
- Establishment of a Christian Union group within the School This has proved successful and on-going monitoring is being undertaken to review effectiveness and impact
- Visits have been undertaken to local/regional Church of England Schools to improve understanding of making Christian ethos distinctive
- The creation of a list of Gospel Values and linking these to the collective worship already undertaken which encompasses daily reflection CPD based upon "Values" which resulted in the creation of Henlow Values

Honesty
Enthusiasm
Nurture
Love
Originality
Wisdom

PUPIL PERFORMANCE

Key Stage 2 SATs Results 2013 (Pupils in Year 6)

	Reading	Writing	Mathematics
Level 4+	86%	84%	86%
Level 5+	39%	30%	35%
Level 6			7%

The results were extremely pleasing, considering the fact that 36% of the children involved were on the Special Educational Needs Register

Year 8 Pupil Exit Data

Subject	Average Points Score	Henlow Year 8 Exit Level 5+	National Year 9 Level 5+
English	12 0	92%	82%
Mathematics	16 7	86%	81%
Science	12 3	89%	83%

Year 8 pupils sit end of Key Stage 3 tests in English, Mathematics and Science, that are designed to be taken nationally by Year 9 pupils The table above clearly indicates how well the children have performed and progressed during their time at Henlow, with outstanding progress in Mathematics

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OTHER NOTABLE ACHIEVEMENTS AND ACTIVITIES

During the course of the academic year a wide range of activities and achievements are worthy of note

- **Super Learning Days**
Language Day, Kenya Day, Science Day, Maths Day, ICT and Literacy
- Over 50 lunchtime and after school clubs operating each term
- Sporting success, especially in the Schools Eastern Region Gymnastics Competition
- Special Events – Harvest Festival, Remembrance, Visits by Pastor John Kahindi from Kenya (British Council Connecting Classrooms Project), Anti-Bullying Event with feeder lower schools and involvement of Year 4 children, Annual Fun Run, Cyber Bullying awareness event (and visit to Houses of Parliament), Christmas Concert, Key Stage 2 Drama Production jesus@bethlehemstable.com, Key Stage 3 Drama Production "Mr Toad", Arts Week, Book Week with Book Character Day, Year 6 Activities Week
- Year 8 pupil success with Science Crest Awards and Maths Challenge
- Charities – over £2,000 raised by pupils for a variety of charities across the year which included events such as cake sales, fun run participation, talent show and MUFTI days
- **Visits**
The School provides much opportunity for enhancing the learning experiences of its pupils by organising numerous educational visits and residential opportunities throughout the academic year
Visits which take place include
River Walk, Henlow Village Study, The Safety Centre (Hazard Alley), Roald Dahl Museum, Kentwell Hall, Kingswood Activity Centre, St Albans, St Mary's Church, Henlow, France, E2BN Conference, Wyboston, the Lake District, the Houses of Parliament, skiing in Bulgaria, Pizza Express, Biggleswade, Boyd Scout Field, Henlow, Whipsnade Zoo, Warwick Castle, Stevenage (Bowling and Cinema)

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MEET THE GOVERNING BODY

The Board of Governors for the period ended 31 August 2013:

Mr Perry Huntley

Perry has been a Parent Governor since September 2008. Perry was elected Chair of Governors in September 2009 and is a Founding Member of the Academy. Perry also sits on the Premises and Finance Committee, Headteacher Performance Management and Salary Review Groups. Perry is a Senior Manager at one of the largest managed pub, bar and restaurant companies within the UK. Perry is married with three daughters, two daughters currently attend Henlow Church of England Academy, and the other daughter attends Samuel Whitbread Academy. Perry also plays an active supporting role within the Parent Teacher Association.

Mrs Jacqui Burke

Jacqui has been a Parent Governor since September 2007. Jacqui was elected Vice Chair of Governors in September 2008 and is a Founding Member of the Academy. Since September 2008, Jacqui has held the position of Chair of the Curriculum and Personnel Committee. Jacqui also sits on the Headteacher Performance Management and Salary Review Groups (since 2008). Jacqui is married with three children, who have all attended Henlow Middle School/Henlow Church of England Academy, and all have transferred to Samuel Whitbread Academy. Jacqui is Global Marketing and Sales Manager for a medical device manufacturer with responsibility for marketing and sales activity in the UK, Europe and USA.

Mrs Alison Allen

Alison has been a Parent Governor since 2006, initially at a school in Norfolk and then at Henlow from 2009. Alison is a Founding Member of the Academy and is Chair of Premises and Finance Committee. Alison also sits on Headteacher Performance Management and Salary Review Groups. Alison has twin daughters who both attended Henlow Church of England Academy, and are currently Y11 pupils at Stratton Upper School. Alison is a Regional Adviser for PTA-UK, a national charity supporting PTAs within schools and has previously worked as Market Research Manager for a major insurance company.

Mr Raymond Payne

Ray has served as Headteacher at Henlow Middle School/Henlow Church of England Academy for 16 years. His teaching career began in 1979 at Etonbury Middle School, before he moved to Streetfield Middle School, in Dunstable, where he was promoted to the post of Deputy Headteacher in January 1988. He is now one of the longest serving and most experienced Headteachers in Bedfordshire. He has vast experience of sitting on a wide range of committees, often in the position of Chairperson, within both the County and the local Learning Community. His passion surrounds teaching and learning, and providing children with exciting opportunities to achieve and be successful. Outside of school his interests are sport, history, gardening and walking.

Mrs Brenda Howe

Brenda has served as a Parent Governor since May 2012 and currently sits on the Curriculum and Personnel Committee. She is the Governor with responsibility for SEND pupils. Brenda is an Independent Social Worker and Trainer, having worked for many years for Bedfordshire Local Authority both in the Child Care Teams and the Fostering and Adoption Teams. As an independent, Brenda writes and presents training sessions for Foster Carers and has a specialist interest in Friends and Family Foster Care, for which she runs a Support Group. Brenda also sits on the Bedfordshire Fostering Panel, Bedfordshire Adoption Panel and the Hertfordshire Fostering Panel. Brenda is a parent of two grown up children, and her grand-daughter attends the School. Brenda is also the Diocesan Governor of All Saints Church of England Academy, Clifton, she is also the Safeguarding Governor and has responsibility for SEND pupils. She is also involved in the Headteacher Performance Management Group for the Academy.

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Mrs Albane Lester

Albane has served as a Parent Governor since July 2012, and sits on the Premises and Finance Committee. Albane undertook the position of business adviser in previous roles and brings a broad experience of corporate operations and governance, and sees her role as assisting with enhancing the governance of the School. Albane is committed to seeing Christian values upheld in business. Albane also has experience of teaching, as a volunteer in school and at Church. She has a son who currently attends the School.

Rev Sue Groom

Sue has served as a Foundation Governor since October 2009, and sits on the Curriculum and Personnel Committee. Sue takes a particular interest in Collective Worship and the RE Curriculum. Sue is half-time Priest in Charge of Henlow and Langford, and half-time Diocesan Director of Ordinands which means that she is responsible for overseeing the selection and training of clergy across the diocese of St Albans (Bedfordshire, Hertfordshire and Barnet). Sue lives in the Vicarage in Langford with her husband, and is currently in the process of completing a PhD in her spare time.

Rev Patsy Critchley

Patsy has served as Foundation Governor since April 2012 and sits on the Curriculum & Personnel Committee. From 1991 – 2003 Patsy taught English at Samuel Whitbread Community College (now Academy). From 2004 – 2007 she undertook Ordination Training (Eastern Region Ministry Course), and in September 2005 undertook a Certificate of Theological Education & Ministry (Oxford). In 2007 Patsy became an Ordained Deacon, and in 2008, Ordained Priest. In 2009 Patsy graduated with a B A Hons in Christian Theology from Anglia Ruskin University. Patsy has served as Curate of Shefford and Meppershall from September 2007 – November 2010, and is currently Curate of Henlow and Langford. Patsy served as Foundation Governor of Meppershall Church of England Lower School from November 2007 – September 2011. Patsy is married and has two adult sons.

Mr Ian Lee

Having completed 22 years in the Royal Air Force, Ian was appointed as Head of Design and Technology in September 2003. Ian was appointed Head of Year in September 2007. Ian was appointed Staff Governor in 2012 and sits on the Premises and Finance Committee, and has a special interest in Health & Safety. Ian's son and daughter both attended the School, and his brother was one of the first students to attend Henlow.

Mrs Sue Jones

Sue has served as a Staff Governor since 2010 and sits on the Curriculum and Personnel Committee.

Sue has worked at the School since September 2008, and gained the qualification of a Higher Level Teaching Assistant with a specialism in mathematics, and has just completed a degree in Educational Studies. Sue is married with two children both of whom attended Henlow Middle School.

Mr Alan McCormack

Alan received qualified teacher status in 2004 after serving with the Royal Air Force for 14 years. Alan is currently the School's SENCO. Alan has served as a Staff Governor since 2012 and sits on the Curriculum and Personnel Committee. Alan is married with two young children.

Mrs Tracey Moynihan

Tracey was appointed in May 2012 as a Community Governor. Tracey currently sits on the Premises and Finance Committee. Tracey is a Police Inspector for the Metropolitan Police and has served for 22 years, performing a variety of roles at back office and operational level. Tracey is married and, along with her husband, are approved Foster Carers for Mid-Bedfordshire. They provide care on an emergency basis when they have spare time from work commitments.

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Mrs Annette Bell

Annette is the Business Manager at Henlow Church of England Academy, and has worked at the School since October 2003. Prior to conversion to Academy, Annette held the position of Office & Finance Manager. Annette has previously worked within the National Health Service, Local Government and Private Industry in business administration, office management and finance roles. Annette is married and has two children, both of whom attended the Henlow Middle School.

Mrs Suzanne Brightwell

Suzanne was appointed Clerk to the Governing Body in January 2012. Suzanne is employed by Stevenage Borough Council as Senior Performance and Resilience Officer, a role which involves corporate governance, risk management, performance monitoring, business continuity and emergency planning. Suzanne has two children, both of whom attended the School and are both now attending Samuel Whitbread Academy. Suzanne is actively involved in the organisation and running of a local Brownie Group, and has been a Brownie Leader for almost 10 years. Suzanne is also an active member of the Parent Teacher Association.

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*", in exercising their powers or duties. They have referred to the guidance when reviewing the School's aims and objectives and in planning its future activities.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School 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 note of the Financial Statements.

FINANCIAL REVIEW

The majority of the School's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School also receives other grants from the EFA such as Pupil Premium and Y7 Catch Up Funding, and Special Educational Needs Statemented Funding from the Local Authority.

Excluding the value of assets inherited from the old school on conversion to an Academy, during the period 1 April 2012 to 31 August 2013 the School received total funding of £3,629,859 compared to total resources expended of £3,322,349 to give a Surplus for the financial period of £307,510.

Taking into account the Surplus inherited from the former Local Authority School, the School has £405,673 in accumulated reserves carried forwards, of which £183,637 is restricted funds and £222,036 unrestricted funds.

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FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The School has a comprehensive Risk Register, which is used in conjunction with regular financial reporting to monitor the operational and financial performance of the School. The School has adopted an Academies Financial Handbook and Business Continuity Plan to ensure that key personnel involved in the financial management of the School are compliant with internal controls and systems, and to ensure business continuity of the School in the event of a disastrous occurrence.

The Governors formally examine and monitor the financial health of the School on a termly basis reviewing performance against budgets by means of regular reports at all Full Governors and Premises & Finance Committee Meetings. Cash Flow Forecasts are produced to regularly monitor income and expenditure to ensure sufficient funds are available to continue to deliver committed and planned objectives. The Governors have appointed a Responsible Officer to undertake quarterly checks on the systems of internal control, with reports presented to the Governing Body for review.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body undertakes a comprehensive review of the risks to which the School is exposed. The Governors identify systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the School.

The internal controls for managing risks deemed as medium and high are incorporated into the Risk Register and management action plan. The effectiveness of the School's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Governing Body will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the School, 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 School level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the School and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high and are assessed against two criteria, frequency and impact, using a consistent scoring system.

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

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1. Government Funding

The School has considerable reliance on continued Government Funding through the Education Funding Agency (EFA) and the Local Authority

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

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

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the School's Balance Sheet in line with the requirements of FRS 17. The School takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable. The current deficit, as reported by Hyman Robinson, Actuarial Assessors, stands at £247,000.

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

3. Pupil Strategy

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

- Ensuring the School delivers high quality education and opportunities for development of the whole child,
- Maintaining outstanding success rates and good inspection outcomes, and
- Investing in its teaching staff and resources

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

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

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

4. Loss of Key Personnel

Every member of staff employed by the School is valued and regarded as key to delivering successful outcomes. However, the loss of key personnel in senior leadership and finance roles could have a significant impact on the effective management of the School. This risk has been identified by the Governing Body and will be mitigated by

- Senior Leaders encouraged to pursue career progression to ensure effective succession planning is embedded within the School. Training and Development provided to ensure this is effective
- A re-structuring of the Senior Management Team to ensure effective continuity of leadership and management responsibilities
- A re-structuring of the Business Team to ensure effective continuity of business function, together with the focussed development of key personnel to be able to undertake key financial responsibilities
- Active participation by Governors in the leadership and management of the School

RESERVES POLICY

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

The Trustees consider an appropriate level of reserves to be in the order of 1-2 months' total expenditure, to insulate the School in the event of EFA funding becoming interrupted, and the carry forwards at 31 August 2013 is considered to be in line with that objective.

The reserves this year includes figures for future projects, including

- | | |
|---|---------|
| - ICT Development | £30,000 |
| - Premises/Facilities Development | £15,000 |
| - Increased levels of staffing to improve intervention strategies | £17,000 |

INVESTMENT POLICY

The School has not undertaken any investments of reserve funds during the period 1 April 2012 to 31 August 2013, and therefore the School does not have an investment policy in place.

PLANS FOR FUTURE PERIODS

The School will continue to strive to provide outstanding education for all of its pupils, focussing its development priorities on whole school ICT development, promotion of the distinctive Christian Character and Ethos of the School, and the continued development of its teachers and support staff to ensure the sustained provision of high quality professionals who can successfully deliver the School's objectives.

The School has been successful in accessing Academies Capital Maintenance Funding (ACMF) in the amount of £475,000 to improve the facilities to assist in the delivery of a high quality of education for its pupils. The project is for the re-roofing of the entire building and will commence in November 2013 and will be completed by March 2014.

HENLOW CHURCH OF ENGLAND ACADEMY TRUST
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It is proposed to pursue additional Capital Funding in the next available round, to further develop the premises and it is hoped that the School will secure adequate levels of funding for the replacement of four temporary classroom units. This will greatly enhance the teaching and learning opportunities for our staff and pupils.

FUNDS HELD AS CUSTODIANS

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

AUDITORS

Insofar as the Trustees are aware:

- There is no relevant information of which the charitable company's Auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors, Duncan & Toplis, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the members of the Governing Body on **11 December 2013** and signed on its behalf by



P M Huntley
Chair of the Governing Body

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Henlow Church of England Academy 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Henlow Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 5 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Huntley – Founding Member (Chair)	5	5
Mrs J Burke – Founding Member	4	5
Mrs A Allen – Founding Member	5	5
Rev J Broadbridge – Foundation Governor	2	3
Rev P Critchley – Foundation Governor	5	5
Rev S Groom – Foundation Governor	1	5
Mrs B Howe – Parent Governor	5	5
Ms B Kenny – Parent Governor	3	5
Mrs A Lester – Parent Governor	5	5
Miss T Moynihan – Community Governor	3	5
Mrs S Jones – Staff Governor	4	5
Mr I Lee – Staff Governor	2	5
Mr A McCormack – Staff Governor	3	5
Mr R Payne – Headteacher	5	5

There was a vacant role of Community Governor which the Board were unable to fill during this period. Rev J Broadbridge died in April 2013 leaving a Foundation Governor Vacancy. Rev S Groom was on sabbatical from September 2012 to 1 December 2012. The Archdeacon of Bedford was invited to the Boards' Annual General Meeting on 24 October 2012.

The **Premises & Finance Committee** is a sub-committee of the main Governing Body. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, comply with reporting and regulatory requirements, receive management reports from the Responsible Officer and Auditors, and approve the annual budget. It is also responsible for premises issues, health and safety and risk management.

HENLOW CHURCH OF ENGLAND ACADEMY TRUST
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Trustee	Meetings attended	Out of a possible
Mrs A Allen – Founding Member (Chair)	3	4
Mr P Huntley – Founding Member	4	4
Rev J Broadbridge – Foundation Governor	0	2

Trustee	Meetings attended	Out of a possible
Mrs A Lester – Parent Governor	3	4
Mrs T Moynihan – Community Governor	4	4
Mr I Lee – Staff Governor	2	4
Mr R Payne – Headteacher	4	4

The **Curriculum and 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 requirements, receive management reports from the Headteacher and Deputy Headteachers, and approve the staffing levels and curriculum policies for the School. It is also responsible for ensuring the School complies with all of the regulations relating to safer recruitment practices and the safeguarding of pupils.

Attendance at meetings in the year was as follows

Trustee	Meetings attended	Out of a possible
Mrs J Burke – Founding Governor (Chair)	3	3
Rev S Groom – Foundation Governor	1	3
Rev P Critchley – Foundation Governor	3	3
Ms B Kenny – Parent Governor	2	3
Mrs S Jones – Staff Governor	0	3
Mr A McCormack – Staff Governor	2	3
Mr R Payne – Headteacher	3	3
Miss Z C Hinnitt – Deputy Headteacher (Observer)	3	3
Mr G Young – Deputy Headteacher (Observer)	3	3

There were five scheduled meetings of the Curriculum and Personnel Committee. Two meetings were cancelled as the meetings, if held, would not have been quorate.

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 School'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 period ended 31 August 2013 and up to the date of approval of the Annual Report and Financial Statements.

HENLOW CHURCH OF ENGLAND ACADEMY TRUST
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CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 April 2012 to 31 August 2013 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Governors.

Adequate development and training is undertaken by key personnel to ensure that they are fully aware of their responsibilities as defined within their job descriptions to manage risk, particularly in relation to the legal compliance frameworks imposed upon the School (eg Health and Safety Law).

THE RISK CONTROL FRAMEWORK

The School'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 Governing Body,
- 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 Governing Body has considered the need for a specific internal audit function and has appointed Mrs K Long as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems.

The RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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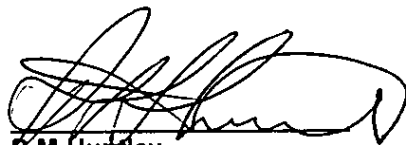
REVIEW OF EFFECTIVENESS

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

- The work of the Responsible Officer,
- The work of the external Auditor,
- The financial management and governance self-assessment process (FMGEV undertaken upon conversion and accepted by the EFA),
- The work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework (Headteacher, Business Manager and Finance Manager)

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 Governing Body on 11 December 2013 and signed on its behalf by


P M Huntley
Chair of the Governing Body


R G Payne
Accounting Officer

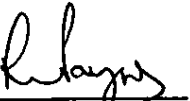
HENLOW CHURCH OF ENGLAND ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.


R G Payne
Accounting Officer

HENLOW CHURCH OF ENGLAND ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as Governors of Henlow Church of England Academy Trust Limited 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 Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP),
- Make judgments and accounting estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2013 and signed on its behalf by


P M Huntley
Chair of the Governing Body

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

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

We have audited the financial statements of Henlow Church of England Academy for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



N P Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis

Chartered Accountant and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date

11th December 2013

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

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

In accordance with the terms of our engagement letter dated 3 May 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, 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 period 19 March 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Henlow Church of England Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henlow Church of England Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Henlow Church of England Academy and the EFA, for our work, for this report, or for the conclusion we have formed

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

The accounting officer is responsible, under the requirements of Henlow Church of England Academy's funding agreement with the Secretary of State for Education dated 19 March 2012, and the Academies Financial Handbook extant from 2006, 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 2013. 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 period 19 March 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

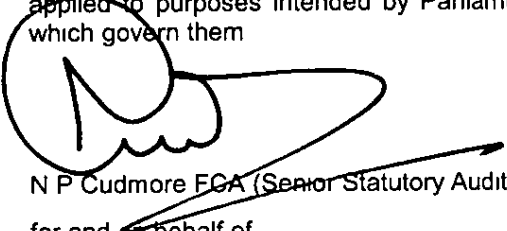
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 19 March 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



N P Cudmore FCA (Senior Statutory Auditor)
for and on behalf of

Duncan & Topliss

Chartered Accountant and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date 11th December 2013

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

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and statement of Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	226,670	-	-	226,670
Activities for generating funds	3,4	9,768	-	-	9,768
Investment income	5	512	-	-	512
Incoming resources from charitable activities	6	-	3,227,015	165,894	3,392,909
Transfer from predecessor school		237,285	(188,000)	9,259,000	9,308,285
TOTAL INCOMING RESOURCES		474,235	3,039,015	9,424,894	12,938,144
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising expenses and other costs	4	6,680	-	-	6,680
Charitable activities		245,519	2,974,881	49,729	3,270,129
Governance costs	8	-	45,540	-	45,540
TOTAL RESOURCES EXPENDED	11	252,199	3,020,421	49,729	3,322,349
NET INCOMING RESOURCES BEFORE TRANSFERS		222,036	18,594	9,375,165	9,615,795
Transfers between Funds	21	-	(10,957)	10,957	-
NET INCOME FOR THE YEAR		222,036	7,637	9,386,122	9,615,795
Actuarial gains and losses on defined benefit pension schemes		-	(71,000)	-	(71,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		222,036	(63,363)	9,386,122	9,544,795
<i>Total funds at 19 March 2012</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2013		222,036	(63,363)	9,386,122	9,544,795

All of the Academy's activities derive from acquisitions in the current financial period

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

The notes on pages 31 to 54 form part of these financial statements

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

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	18		9,248,610
CURRENT ASSETS			
Debtors	19	39,963	
Cash at bank and in hand		588,215	
		<u>628,178</u>	
CREDITORS: amounts falling due within one year	20	<u>(84,993)</u>	
NET CURRENT ASSETS			543,185
TOTAL ASSETS LESS CURRENT LIABILITIES			9,791,795
Defined benefit pension scheme liability	30		<u>(247,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>9,544,795</u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	21	183,637	
Restricted fixed asset funds	21	9,386,122	
		<u>9,569,759</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(247,000)</u>	
Total restricted funds			9,322,759
Unrestricted funds	21		<u>222,036</u>
TOTAL FUNDS			<u>9,544,795</u>

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2013 and are signed on their behalf, by

.....
Mr Perry Huntley
Chair of Governors

The notes on pages 31 to 54 form part of these financial statements

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

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Period 31 August 2013 £
Net cash flow from operating activities	23	223,863
Returns on investments and servicing of finance	24	512
Capital expenditure and financial investment	24	126,555
Cash transferred on conversion to an academy trust	27	237,285
INCREASE IN CASH IN THE PERIOD		588,215

All of the cash flows are derived from acquisitions in the current financial period

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013

	Period 31 August 2013 £
Increase in cash in the period	588,215
MOVEMENT IN NET FUNDS IN THE PERIOD	588,215
NET FUNDS AT 31 AUGUST 2013	588,215

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

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

Long Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 30, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

HENLOW CHURCH OF ENGLAND ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1 ACCOUNTING POLICIES (continued)

1.9 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Henlow VC Middle School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Henlow Church of England Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The value of leasehold land and buildings transferred have been included in these accounts as per the notes to the accounts and depreciated over 50 years. Other assets transferred included a cash balance of £235,275. An LGPS pension deficit of £188,000 was recognised on conversion.

Further details of the transaction are set out in note 27.

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Donations	7,620	-	7,620
School fund income	198,630	-	198,630
Other voluntary income	20,420	-	20,420
	<u>226,670</u>	<u>-</u>	<u>226,670</u>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings income	7,885	-	7,885
Other income	1,883	-	1,883
	<u>9,768</u>	<u>-</u>	<u>9,768</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

4 TRADING ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Fundraising trading expenses			
Cost of lettings	2,433	-	2,433
Fundraising trading expenses - wages and salaries	4,247	-	4,247
	<u>6,680</u>	<u>-</u>	<u>6,680</u>
Net expenditure from trading activities	<u>(6,680)</u>	<u>-</u>	<u>(6,680)</u>

5 INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank account interest	<u>512</u>	<u>-</u>	<u>512</u>

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Funding for the Academy's educational operations	<u>-</u>	<u>3,392,909</u>	<u>3,392,909</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	3,033,835	3,033,835
Start Up Grant	-	25,000	25,000
Pupil Premium	-	70,615	70,615
Other DfE/EFA Revenue grants	-	16,300	16,300
Devolved Formula Capital grant	-	26,394	26,394
Capital Maintenance grant	-	139,500	139,500
	<u>-</u>	<u>3,311,644</u>	<u>3,311,644</u>
Other government grants			
SEN 1-1 Funding	-	78,515	78,515
Other government revenue grants	-	2,750	2,750
	<u>-</u>	<u>81,265</u>	<u>81,265</u>
	<u>-</u>	<u>3,392,909</u>	<u>3,392,909</u>

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Funding for the Academy's educational operations	<u>245,519</u>	<u>3,024,610</u>	<u>3,270,129</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Funding for the Academy's educational operations	<u>2,537,066</u>	<u>49,729</u>	<u>683,334</u>	<u>3,270,129</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

8. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	4,150	4,150
Auditors' non audit costs	-	6,150	6,150
Legal and professional fees	-	24,200	24,200
Personnel fees	-	11,040	11,040
	<u>-</u>	<u>45,540</u>	<u>45,540</u>

9 DIRECT COSTS

	Educational operations £	Total 2013 £
Educational supplies	88,453	88,453
Technology costs	24,304	24,304
Staff Development	10,918	10,918
Educational consultancy	31,142	31,142
Other costs	235,339	235,339
Wages and salaries	1,935,267	1,935,267
National insurance	139,262	139,262
Pension cost	286,441	286,441
Depreciation	48,730	48,730
	<u>2,799,856</u>	<u>2,799,856</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

10 SUPPORT COSTS

	Educational operations £	Total 2013 £
Pension income	9,000	9,000
Technology costs	21,958	21,958
Pupil recruitment and support	9,968	9,968
Maintenance of premises and equipment	67,530	67,530
Cleaning	50,054	50,054
Rent and rates	26,242	26,242
Energy costs	29,750	29,750
Insurance	30,823	30,823
Security	1,358	1,358
Telephone, postage and stationery	10,559	10,559
Catering	15,730	15,730
Other costs	20,206	20,206
Wages and salaries	144,042	144,042
National insurance	8,168	8,168
Pension cost	23,886	23,886
Depreciation	999	999
	<u>470,273</u>	<u>470,273</u>

11 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Fundraising expenses	4,246	-	2,434	6,680
Costs of generating funds	<u>4,246</u>	<u>-</u>	<u>2,434</u>	<u>6,680</u>
Direct costs - Funding for the Academy's educational operations	2,360,970	48,730	390,156	2,799,856
Support costs - Funding for the Academy's educational operations	176,096	999	293,178	470,273
Charitable activities	<u>2,537,066</u>	<u>49,729</u>	<u>683,334</u>	<u>3,270,129</u>
Governance	<u>-</u>	<u>-</u>	<u>45,540</u>	<u>45,540</u>
	<u>2,541,312</u>	<u>49,729</u>	<u>731,308</u>	<u>3,322,349</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Funding for the Academy's educational operations	<u>2,799,856</u>	<u>470,273</u>	<u>3,270,129</u>

13. NET INCOMING RESOURCES

This is stated after charging

	Period 31 August 2013 £
Depreciation of tangible fixed assets - owned by the Academy	49,729
Auditors' remuneration	4,150
Auditors' remuneration - non audit fees	<u>6,150</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

14 STAFF COSTS

Staff costs were as follows

	Period 31 August 2013 £
Wages and salaries	2,062,140
Social security costs	147,430
Other pension costs (Note 30)	310,327
	<u>2,519,897</u>
Supply teacher costs	21,415
	<u><u>2,541,312</u></u>

The average number of persons (including the senior management team) employed by the Academy during the period expressed as full time equivalents was as follows

	Period 31 August 2013 No
Teachers	31
Management	1
Administration and support staff	18
	<u>50</u>

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

	Period 31 August 2013 No
In the band £70,001 - £80,000	<u>1</u>

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for the members of staff amounted to £14,715

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

15 TRUSTEES' REMUNERATION AND EXPENSES

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

	Period 31 August 2013 £'000
Mr R G Payne, Head teacher	100-105
Mr I Lee, Staff Governor	55-60
Mrs S Jones, Staff Governor	20-25
Mr A McCormack, Staff Governor	40-45

During the period, no Trustees received any benefits in kind

During the period ended 31 August 2013, expenses totalling £144 were reimbursed to 2 Trustees

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £574

The cost of this insurance is included in the total insurance cost

17. OTHER FINANCE INCOME

	Period 31 August 2013 £
Expected return on pension scheme assets	25,000
Interest on pension scheme liabilities	(34,000)
	<hr/> (9,000) <hr/>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

18. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 19 March 2012	-	-	-	-
Additions	9,259,000	10,688	28,651	9,298,339
At 31 August 2013	9,259,000	10,688	28,651	9,298,339
Depreciation				
At 19 March 2012	-	-	-	-
Charge for the period	44,275	1,468	3,986	49,729
At 31 August 2013	44,275	1,468	3,986	49,729
Net book value				
At 31 August 2013	9,214,725	9,220	24,665	9,248,610

Included in land and buildings is freehold land at valuation of £3,946,000 which is not depreciated

19 DEBTORS

	2013 £
Trade debtors	998
Other debtors	18,139
Prepayments and accrued income	20,826
	<u>39,963</u>

20 CREDITORS
Amounts falling due within one year

	2013 £
Trade creditors	25,578
Other taxation and social security	33,122
Accruals and deferred income	26,293
	<u>84,993</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

20 CREDITORS

Amounts falling due within one year (continued)

Deferred income relates to the proportion of grant income relating to the year ending 31 August 2014

Deferred income

Resources deferred during the year £

13,694

21 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	-	474,235	(252,199)	-	-	222,036
Restricted funds						
General Annual Grant (GAG)	-	3,033,835	(2,838,824)	(11,374)	-	183,637
Start up Grant	-	25,000	(17,731)	(7,269)	-	-
Other DfE/EFA grants	-	86,915	(93,915)	7,000	-	-
Government grants	-	81,265	(81,951)	686	-	-
Pension reserve	-	(188,000)	12,000	-	(71,000)	(247,000)
	-	3,039,015	(3,020,421)	(10,957)	(71,000)	(63,363)
Restricted fixed asset funds						
DfE/EFA capital grants	-	165,894	(588)	(7,000)	-	158,306
Capital expenditure from GAG	-	-	(1,078)	10,688	-	9,610
Capital expenditure from other income	-	9,259,000	(48,063)	7,269	-	9,218,206
	-	9,424,894	(49,729)	10,957	-	9,386,122
Total restricted funds	-	12,463,909	(3,070,150)	-	(71,000)	9,322,759
Total of funds	-	12,938,144	(3,322,349)	-	(71,000)	9,544,795

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

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

21 STATEMENT OF FUNDS (continued)

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

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

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 £12,000. 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 £71,000 actuarial reduction/increase in the net pension fund deficit.

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	474,235	(252,199)	-	-	222,036
Restricted funds	-	3,039,015	(3,020,421)	(10,957)	(71,000)	(63,363)
Restricted fixed asset funds	-	9,424,894	(49,729)	10,957	-	9,386,122
	-	12,938,144	(3,322,349)	-	(71,000)	9,544,795

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	9,248,610	9,248,610
Current assets	222,036	268,630	137,512	628,178
Creditors due within one year	-	(84,993)	-	(84,993)
Provisions for liabilities and charges	-	(247,000)	-	(247,000)
	<u>222,036</u>	<u>(63,363)</u>	<u>9,386,122</u>	<u>9,544,795</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	Period 31 August 2013 Total £
Net incoming resources before revaluations	9,615,795	-	9,615,795
Returns on investments and servicing of finance	(512)	-	(512)
Transfer from predecessor school	(9,308,285)	-	(9,308,285)
Depreciation of tangible fixed assets	49,729	-	49,729
Capital grants from DfE	(165,894)	-	(165,894)
Increase in debtors	(39,963)	-	(39,963)
Increase in creditors	84,993	-	84,993
FRS 17 adjustments	(12,000)	-	(12,000)
Net cash inflow from operations			<u>223,863</u>

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period 31 August 2013 £
Returns on investments and servicing of finance	
Interest received	<u>512</u>

HENLOW CHURCH OF ENGLAND ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

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

	Period 31 August 2013 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(39,339)
Capital grants from DfE	165,894
	<u>126,555</u>
Net cash inflow capital expenditure	<u>126,555</u>

25 ANALYSIS OF CHANGES IN NET FUNDS

	19 March 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	588,215	-	588,215
Net funds	<u>-</u>	<u>588,215</u>	<u>-</u>	<u>588,215</u>

26 MAJOR NON-CASH TRANSACTIONS

Included in the notes to the cash flow is £9,259,000 which relates to the gift of leasehold land and buildings from the Local Authority upon conversion to the Academy. This did not include the transfer of cash.

27. CONVERSION TO AN ACADEMY TRUST

On 30 March 2012 Henlow VC Middle School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Henlow Church of England Academy from Central Bedfordshire Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

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**NOTES TO THE FINANCIAL STATEMENTS
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	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,529,000	2,529,000
Budget surplus/(deficit) on LA funds	126,349	-	-	126,349
Budget surplus/(deficit) on other school funds	110,936	-	-	110,936
LGPS pension surplus/(deficit)	-	(188,000)	-	(188,000)
Net assets/(liabilities)	<u>237,285</u>	<u>(188,000)</u>	<u>2,529,000</u>	<u>2,578,285</u>

The above net assets include £126,349 that were transferred as cash

The Academy's land and buildings are held by Central Bedfordshire Council who have agreed to grant a long term lease to the Academy. There is currently a tenancy at will in place where a peppercorn rent is paid by the Academy. These land and buildings have been valued and are included in the financial statements both within fixed assets and as a gift in kind.

28. 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.

29 CAPITAL COMMITMENTS

At 31 August 2013 the Academy had capital commitments as follows

	2013 £
Contracted for but not provided in these financial statements	<u>14,225</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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30. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts First, a standard contribution rate (SCR) was determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The Government

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NOTES TO THE FINANCIAL STATEMENTS
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30 PENSION COMMITMENTS (continued)

Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

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30 PENSION COMMITMENTS (continued)

The total contribution made for the period ended 31 August 2013 was £123,000, of which employer's contributions totalled £99,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 19.7% for employers and varied rates 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.

As described in note 27 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	287,000
Bonds	4.00	78,000
Property	4.70	33,000
Cash	3.60	12,000
Total market value of assets		410,000
Present value of scheme liabilities		(657,000)
(Deficit)/surplus in the scheme		(247,000)

The amounts recognised in the Balance sheet are as follows

	Period 31 August 2013 £
Present value of funded obligations	(657,000)
Fair value of scheme assets	410,000
Net liability	(247,000)

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30. PENSION COMMITMENTS (continued)

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

	Period 31 August 2013 £
Current service cost	(78,000)
Interest on obligation	(34,000)
Expected return on scheme assets	25,000
Total	<u>(87,000)</u>
Actual return on scheme assets	<u>34,000</u>

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

	Period 31 August 2013 £
Opening defined benefit obligation	442,000
Current service cost	78,000
Interest cost	34,000
Contributions by employees	24,000
Actuarial Losses	79,000
Closing defined benefit obligation	<u>657,000</u>

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

	Period 31 August 2013 £
Opening fair value of scheme assets	254,000
Expected return on assets	25,000
Actuarial gains and (losses)	8,000
Contributions by employer	99,000
Contributions by employees	24,000
	<u>410,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £71,000

The Academy expects to contribute £71,000 to its Defined benefit pension scheme in 2014

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30. PENSION COMMITMENTS (continued)

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

	2013
Equities	70.00 %
Bonds	19.00 %
Property	8.00 %
Cash	3.00 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.90 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	2013
Retiring today	
Males	21.6
Females	23.2
Retiring in 20 years	
Males	23.6
Females	25.6

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(657,000)
Scheme assets	410,000
Deficit	(247,000)
Experience adjustments on scheme liabilities	(79,000)
Experience adjustments on scheme assets	8,000

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Sensitivity Analysis

	Approx. % increase in employer liability %	Approx monetary amount £
0.5% decrease in Real Discount Rate	14	93,000
1 year increase in member life expectancy	3	20,000
0.5% increase in the Salary Increase Rate	8	50,000
0.5% increase in the Pension Increase Rate	6	40,000

31. OPERATING LEASE COMMITMENTS

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	Other 2013 £
Expiry date		
Between 2 and 5 years	-	6,260

32. RELATED PARTY TRANSACTIONS

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

During the year there were no such transactions.

33. CONTROLLING PARTY

The trustee's have ultimate control of the Academy.