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

Annual Report and Financial Statements
Year ended 31 August 2014

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COMPANIES HOUSE

Company Registration Number:
07996350 (England and Wales)

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

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Reference and Administrative Details of the Academy Trust for the year ended 31 August 2014

Trustees & Advisers

Mr Perry Huntley (Appointed 19 March 2012)
Mrs Alison Allen (Appointed 19 March 2012)
Mrs Jacqui Burke (Appointed 19 March 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)
resigned November 2013)
Mr Ian Lee (Appointed 1 April 2012)
resigned November 2013)
Mrs Albane Lester (Appointed 10 July 2012)
Mr Alan McCormack (Appointed 1 April 2012)
Mrs Tracey Moynihan (Appointed 18 April 2012)

Miss Jodie Sylvester (Appointed 12 February
2014)
Mr Alan Dorricott (Appointed October 2013)
Mr Bhavin Soneji (Appointed 27 November 2013)
Mr Raymond Payne, Headteacher and
Accounting Officer (Appointed 19 March
2012)
The Archdeacon of Bedford (Appointed 1 April
2012)

Company Secretary

Clerk to the Governing Body

Responsible Officer

Senior Leadership Team

Committee

Premises & Finance Committee
Premises & Finance Committee
Curriculum & Personnel 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 (changed to
Curriculum & Personnel January 2014)
Premises & Finance Committee

Premises & Finance Committee
Premises & Finance Committee

Mrs Annette Bell

Mrs Suzanne Brightwell

Mrs Sue Baker (Appointed March 2014)

Mr Raymond Payne
Mr Glenn Young
Miss Caroline Hinitt
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 Limited Chartered Accountants & Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Lloyds 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 financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

Henlow Church of England Academy is an independent Church of England School sponsored by St Albans Diocese. It caters for children of both genders and of all abilities, from age 9 - 13 years (school years 5 - 8).

The catchment areas for the Academy are the local villages of Clifton, Henlow, Meppershall, RAF Henlow and Langford. We do currently have pupils who attend from out of catchment, such as Arlesey, Biggleswade, Lower Stondon, Shefford, and Stotfold. Our pupils in Year 8 transfer to the Upper Schools of Samuel Whitbread Academy, Stratton Upper School, and occasionally Redborne Community College.

The Headteacher of 17 years, Mr Ray Payne, retired at 31st August 2014, and the Trustees appointed Mrs Caren Earp to the position of Headteacher with effect from 1st September 2014, on a year's secondment from Samuel Whitbread Academy.

The Academy has an admission number of 140 in each year group and had a roll of 522 in the School Census of January 2014.

STRUCTURE OF GOVERNANCE AND MANAGEMENT

CONSTITUTION

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

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METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

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ORGANISATIONAL STRUCTURE

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

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

The Board of Governors operate at a strategic level, leaving the Head Teacher and the SLT responsible and accountable to it for the operational day to day running of the Academy.

The Board of Governors will focus strongly on three core functions:

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

The Board of Directors has established two sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, 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 Academy has an approved Financial Handbook which details the Academy'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.

The Senior Leadership Team is led by the Headteacher and comprises the Headteacher, two Deputy Headteachers, Year Leaders and the Business Manager. These senior leaders lead the Academy at an executive level implementing the policies agreed by the Governors and reporting back to them on progress. The Headteacher and Deputy Headteachers are responsible for the authorisation of spending within agreed budgets and the appointment of most staff.

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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 Academy contributes a nominal agreed financial amount annually, to further the activities of BEST and to assist with promoting these collaborative working partnerships for the benefits of our stakeholders and the wider learning community.

OBJECTIVES AND ACTIVITIES

MISSION STATEMENT “Aiming for Excellence”

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

The main objectives of the Academy during the period ended 31 August 2014 are summarised below:

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

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OBJECTIVES, STRATEGIES AND ACTIVITIES

Each year the Academy produces a School Development Plan. In the summer of 2013 the Senior Leadership Team and all the members of the Governing Body, reviewed progress on the previous year's SDP, and identified areas for moving the Academy forward during the 2013/14 academic year. In making their judgements they considered a range of evidence, including the Academy'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 to continue the focus on the same three priority areas as the previous year, building on the progress already achieved and completing the plans that had been developed. Thus, the three key areas of whole school focus would be:

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

It was also acknowledged that individual members of staff would need to concentrate significant amounts of time on specific projects and activities during the year; and in some cases in preparation for new Government initiatives that would have to be implemented in September 2014. These include building and maintenance projects (including lighting, windows, carpets, decoration, new roof, application to replace the old temporary classrooms and investigation in to the possibility of installing Solar PV panels); new appraisal and staff pay arrangements; and preparation for the new Curriculum, changed assessment procedures and a new SEND Code of Practice.

In addition, the Governors agreed that there was great benefit in producing a 'Governors' Development Plan'; in order that areas for improved governance of the Academy could be identified and addressed in a coherent manner.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*".

The Academy's public benefit is enshrined in its charitable objects, which state:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Academy with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

During the academic year 2013/14 there was considerable progress and success in the focus areas of the School Development Plan. These were most notably:

PERSONALISED LEARNING

- Further 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 (including new SEN approach to Individual Education Plans).
- Data successfully transferred to Management Information System, and teaching staff more effectively monitoring pupil progress and identifying specific needs of individuals and groups of children.
- New and effective method of reporting pupil progress and achievement to parents was implemented across the year.
- Effective intervention strategies identified and implemented as a result of improved system for monitoring pupil progress.
- New approach implemented regarding the use of Teaching Assistants to improve support and intervention for pupils, as appropriate, rather than just for SEN. A much greater emphasis was placed on providing support in both literacy and numeracy across the Academy.
- Training and development opportunities were provided for both teachers and Teaching Assistants, in order to support the aim of improved effectiveness of TAs in the classroom.
- 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 the use of Teaching Assistants.

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DEVELOPMENT OF ICT

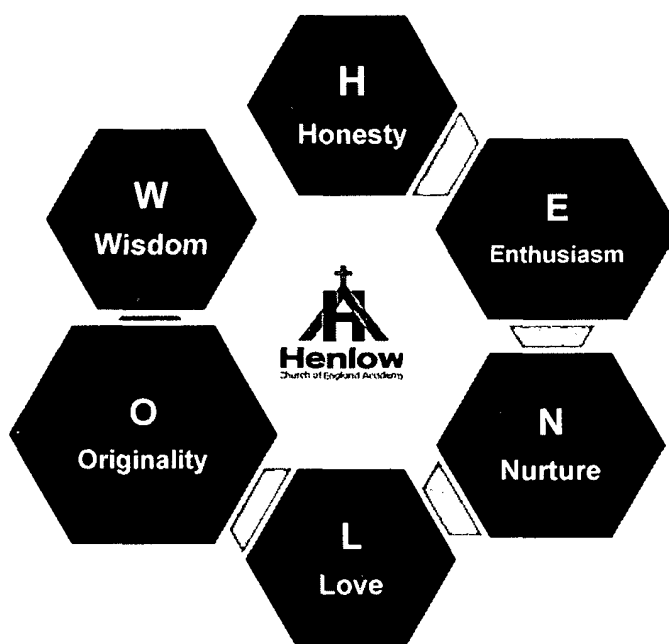
- Updated audit of ICT hardware, infrastructure and staffing undertaken to inform action/development priorities at both curriculum and business levels.
- Replacement of outdated wireless network system to improve internet connectivity across the Academy.
- Replacement of large numbers of ageing laptops for use by both children and staff.
- Purchase of new laptops for use in SEN, and PCs for use in the Design area and additional laptop trolleys.
- Pilot project on the use of iPads to explore options for improving teaching and learning.
- Continuation of a programme of support and training to improve staff capabilities and raise overall standards of ICT competency.
- Development of the virtual learning environment (VLE) as a teaching and learning tool, and to further enhance and improve parental engagement. Parents provided with log-in details in order to access the VLE.
- Governors' section of the VLE developed in order to improve communication.
- Subject Leaders conducted a review and explored ideas for developing the use of ICT across the Curriculum.
- Further development in the use of ICT to engage parents has been achieved by the introduction of an electronic communication system, on-line payments facility and improvements in the website. Focussed emphasis continued to be given to the local media coverage in order 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 were fully understanding of their role and area of accountability.

IMPROVED DISTINCTIVE CHRISTIAN ETHOS

- Staff Prayer Group, established last year, continued to meet on a weekly basis.
 - Establishment of a Christian Union group within the Academy, with a visiting speaker to facilitate activities. This has proved successful and on-going monitoring is being undertaken to review effectiveness and impact.
 - Hosting a Diocesan Gifted and Talented R.E. day workshop for children, including pupils from several local schools.
-
- Identifying an area at the front of the Academy for a "remembrance garden".

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- At the start of the year all staff - teaching and non-teaching - attended a values inset day and agreed a set of values that the Academy would focus on throughout the year. These Gospel Values are linked to the collective worship already undertaken which encompasses daily reflection. The Henlow Values are:



- Implementation of a whole new Collective Worship programme, with resources, based on Values, and within half-termly blocks relating to the six Henlow Values listed in the previous point.
- Exploring opportunities to further enhance and raise awareness on issues, e.g. at Easter having the seven stations of the cross in different areas around the Academy, so that children could visit them.

ARTS WEEK

This is a very exciting and innovative project which takes place over one week during the Autumn Term. Pupils are organised into a vertical system, in their Houses, and spend the week discovering and learning through engagement with Art, Dance, Drama, Music and Film. This has proved extremely popular amongst the pupils, and evaluation of the project has identified a great learning experience where pupils fully engage, and develop in confidence and creativity.

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EXTRA CURRICULAR ACTIVITIES

Staff organise numerous activities at lunchtime and after school, which give children opportunities to follow a variety of interests, some sporting, some intellectual, some social in nature. All pupils are encouraged to take full advantage of the extensive range of extra-curricular activities. There are over 50 lunchtime and afterschool extra-curricular activities and clubs available throughout the year for our pupils to participate in. Activities in the academic year included: Sports Clubs: netball, football, rugby, basketball, hockey, athletics, gymnastics; Animation Club; Choir; Orchestra; Drama; Art; Chess Club; Eco Gardeners; Homework Club.

Throughout the year we had two successful Academy performances with the annual Christmas concert and Key Stage 2 Drama Production, 'A Pudding for the Chimney Sweep', and our Key Stage 3 Spring production, 'Olivia'. Both events had fantastic support from parents, pupils, and Governors.

SCHOOL COUNCIL

Henlow Church of England Academy benefits from a very proactive School Council, with members elected annually to represent every year group. They meet weekly to discuss ways of improving the facilities, and giving every pupil the opportunity to contribute and have a voice. The School Council members enjoyed and benefited from the opportunity to make a very valuable contribution to the process of recruiting a Headteacher for the forthcoming academic year.

As well as contributing to Academy improvement they actively raise money for charitable organisations. They focussed on raising funds for a partner school, Casuarina House in Utange, Kenya, to assist in improving ways of providing a regular, clean supply of water. School Council members enjoyed a Skype session with the children in Utange and it was so interesting to make this connection with them and we want to keep the link going in the future.

SPORTING SUCCESS

Pupils enjoy a wide range of sporting opportunities delivered by specialist PE practitioners. Of particular mention is the success of teams and individuals who represented the Academy in the Schools' Eastern Region Gymnastics Competition. Medals were once again secured, to add to successes in previous years. Gymnastics continues to flourish at the Academy, with boys and girls participating across different disciplines.

Sports Premium Funding has been put to good use, and strategies introduced have resulted in a marked increase in uptake of both Boys' and Girls' Football, the development of Sports Leaders and the introduction of Cricket to girls. Success was enjoyed by the Girls' Cricket Team in a local indoor tournament. Football teams were entered into County Competitions and finals were reached.

Much work has been done to involve pupils in sport who would not normally choose to participate. The Sainsbury's Sportability activities have proved invaluable for pupils who normally struggle with sport, or who suffer low self-esteem and would not choose to get involved. The Academy invested in specific resources to encourage participation and prepare pupils for competition. Additional extra-curricular resources were purchased to promote opportunities to "have-a-go", eg. goal ball and New Age Kurling. The Academy also introduced Sportability Sports Colours to present to pupils who have taken part and represented the Academy at local and county competitions. This has proved extremely successful in achieving the goal of inclusion, and will be continued.

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SCIENCE CREST AWARDS

It has been a busy year with visits to Cambridge University Cavendish Laboratories; a Science Museum Y7 trip, a Year 8 masterclass visiting GlaxoSmithKline (GSK) Stevenage, and the KS2/3 Big Bang Eastern Science Fair at Duxford, all of which have been fun, inspiring and exciting. However, the climax to this year is having 22 KS3 pupils participating in the national CREST showcasing award scheme and a KS2 project based on their science club investigations. The Bronze Crest Award in Science involves pupils selecting their own investigations and spending at least ten hours completing them. All pupils taking part in this nationally recognized challenge this year, showed a great deal of motivation, commitment and bags of enthusiasm. All KS3 pupils achieved the Bronze Award for 11-14 year olds. To celebrate the pupils' success they were invited to take part and display 5 science investigations in 'The Big Bang' Eastern STEM Fair at Duxford Imperial War Museum (STEM: Science, Technology, Engineering and Maths).

Congratulations to Jessica Hill (Y7) who won the Royal Society for Chemistry (RSC) prize of £200 for her investigation into the sugar levels of different ice cream and how much insulin a diabetic would need to inject as a result.

UK JUNIOR MATHS CHALLENGE

Twenty-eight of our gifted mathematicians in Year 8 took part in the UKMT Junior maths challenge. This is a national competition with over 3500 different schools taking part and over 250,000 pupils. The challenge encourages mathematical reasoning and the ability to use learnt mathematical techniques to solve practical problems. The competition is graded in a way that incorrect answers mean you lose marks. Certificates are awarded as in the Olympics: gold, silver and bronze, with the top 6% gaining a gold certificate. Our pupils did very well and achieved four gold certificates, eleven silver certificates and six bronze certificates.

SUPER LEARNING DAY

A Super Learning Day focussing on "Kenya" was held in the Spring Term. The aim of the day was to raise the profile of our links with Casuarina House, a school in a village called Utange. The pupils spent the day learning about Kenya, and understanding more about cultural differences. We were fortunate to receive funding from the British Council Connecting Classrooms Project, through the hard work of Mrs Caroline Coster, and an agreed financial contribution from the Academy, made this visit possible. We will continue to develop and strengthen our international links with Casuarina House in the next academic year.

DONATIONS TO CHARITIES

Throughout the academic year our staff and pupils have raised in the region of £4,000 for a variety of charities (including Jeans for Genes, Children in Need, Sports Relief, The Samaritans Purse (Operation Christmas Child), and the Royal British Legion). These funds were raised through many sponsored events, which included events such as cake sales, a whole school talent show and numerous MUFTI days.

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EDUCATIONAL VISITS

The Academy 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 Mary's Church, Henlow; Young Voices Concert at the O2 Arena; France; E2BN Conference, Wyboston; the Lake District; the Houses of Parliament; Pizza Express, Biggleswade; Boyd Scout Field, Henlow; Mountfitchet Castle, Stansted; Whipsnade Zoo; Stevenage (Bowling and Cinema).

In addition, a number of activities were arranged where visitors were invited to speak and work with children at the Academy. These include a Year 8 Self Esteem activity; an R.E. Gifted and Talented workshop which included local schools; and special performances of "Prison Me No Way", "Arson About" and "Shaking up Shakespeare".

KEY PERFORMANCE INDICATORS

PUPIL PERFORMANCE

Key Stage 2 SATs Results for 2014 (Year 6 pupils)

	<u>READING</u>	<u>WRITING</u>	<u>MATHEMATICS</u>
<u>LEVEL 4+</u>	<u>90%</u>	<u>93%</u>	<u>88%</u>
<u>LEVEL 5+</u>	<u>54%</u>	<u>32%</u>	<u>48%</u>
<u>LEVEL 6</u>			<u>6.3%</u>

AREA OF FOCUS Measured against LA / National results					
	Overall 2014	Boys 2014	Girls 2014	SEN 2014	Ever 6 2014
% of pupils who achieve Level 4+ in Reading / Writing / Maths	83%	82%	84%	43% SA 40% SA+ 100% S	58%

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% of pupils who achieve 2 levels progress in Reading	84%	82%	86%	71% SA 60% SA+ 100% S	59% (LA 78%)
% of pupils who achieve 2 levels progress in Writing	93%	96%	90%	86% SA 90% SA+ 100% S	88%
% of pupils who achieve 2 levels progress in Maths	87%	85%	90%	64% SA 60% SA+ 100% S	71%

ACADEMY ATTENDANCE

Attendance of pupils continues to be above the national average at 94.8% (National Average - 94%)

FACILITIES IMPROVEMENTS

The last 12 months have seen a huge transformation in the buildings at Henlow. Having a modernised, energy efficient and accessible Academy is very important in creating the right environment for learning. Two of the biggest projects this year have been to complete the programme of window replacement in the Academy and to completely re-roof the main Academy buildings. This has only been possible due to the hard work and commitment from the whole team but particular thanks go to Mrs Bell for securing the funding from the Academies Capital Maintenance Fund programme which has allowed us to do this.

Towards the end of the Summer Term, the Governors agreed to the proposal to install an array of Solar PV Panels on a large area of the roof. This work commenced early August and the whole project was completed and commissioned early September. We now look forward to playing our part in creating a sustainable environment, continuing to raise awareness of our pupils to the importance of global issues and our carbon footprint, and to saving money!

MEET THE GOVERNING BODY

The Board of Governors for the period ended 31 August 2014:

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. He is also Director of two group pension funds. 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.

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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. Ray tendered his resignation and will be retiring at 31st August 2014.

Mr Alan Dorricott

Alan has served as a Foundation Governor since October 2013 and sits of the Premises and Finance Committee. Alan is a retired Police Superintendent in the Metropolitan Police. Alan and his wife moved to Henlow Village in 2003 and have been involved in various Village groups and activities since then. Alan has served as the Treasurer for Henlow Parochial Church Council since 2006.

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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 a 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 Academy. 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 Mangement Group for the Academy.

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 Academy. Albane is committed to seeing Christian values upheld in business. Albane also has experience of teaching, as a volunteer in Academy and at Church.

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 Academy, and his brother was one of the first students to attend Henlow.

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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 Academy 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 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.

Mr Bhavin Soneji

Bhavin has been a Community Governor since November 2013, and sits on the Premises & Finance Committee. Bhavin has extensive auditing experience, both in the public and private sectors. This ranges from regulatory reviews to assessing operational efficiencies. Currently Bhavin works for a FTSE 100 retailer. Bhavin sees his role as providing healthy challenge on the operation of the School.

Miss Jodie Sylvester

Jodie completed her Key Stage 2/3 PGCE specialising in Mathematics in 2008 having been inspired by her parents that had teaching careers. Jodie teaches Mathematics across all the year groups at the school and works closely with the Deputy Head on the tracking of Vulnerable groups within the school. She has served as a Staff Governor since 2014 and sits on the Premises and Finance Committee.

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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 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.

GOVERNANCE REVIEW

During the year the Board of Trustees undertook a Governors' individual audit to identify key skills and better understand how to distribute more effectively personnel across the Committees. Additionally, a lead Governor undertook an Academy Governance audit to examine the different areas of the roles and responsibilities of Academy Governors, Governance Structures and their link with the effectiveness of the school's overall leadership and management strategies. The impact of this audit fed into the School Development Plan action, and was identified as "Governance Development Plan".

It was further agreed that a Vision Day would be planned at which all members of staff, senior leaders and the Governors would meet to discuss and agree the vision for the future development of the school. This date was to be agreed with the new Headteacher following appointment in September 2014.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

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FINANCIAL REVIEW

Most of the School's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School also receives other grants from the EFA such as Pupil Premium and Year 7 Catch Up Funding. Funding is received from the Local Authority to meet the needs of pupils with Special Educational Needs Statements.

During the year, the School received total funding of £2,875,106 compared to total resources expended of £2,925,400 to give a deficit for the year of £50,294.

Taking into account the surplus brought forwards from last year and the actuarial movement, the Academy has £9,405,501 in accumulated reserves carried forward.

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 2014 is considered to be in line with that objective.

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 Trustees' discretion in furtherance of any of the School's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure, which is approximately £290,000,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves is £137,617.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £425,181.

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

▪ Building Improvement work	£15,000
▪ Facilities Development	£32,000
▪ ICT Development	£15,000
▪ Staff Development / Recruitment	£20,000

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The school will continually strive to provide resources which contribute to an effective learning environment where staff and pupils can successfully achieve. ICT is a development priority and will continue to be a focus for the next academic year.

The school was unsuccessful in a bid to the Academies Capital Maintenance Fund for the replacement of two temporary mobile units. This is also a priority for the School as it is very clear that the learning environment does not successfully meet the needs of its pupils. Funding is therefore being set aside to try and maintain these units until the funding required for their replacement can be sought.

INVESTMENT POLICY

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

PRINCIPAL RISKS AND UNCERTAINTIES

The 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 annual risk 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 academy, and the challenges which may arise as a result of local and national uncertainties.

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

The academy's approach to risk management is supported by a risk management training programme which raises awareness of risk throughout the academy. In addition, Heads of Department and Head Teachers incorporate risk management in their self assessment reports and quality improvement plans.

Outlined below is a description of the principal risk factors that may affect the 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 Academy's balance sheet in line with the requirements of FRS 17.

The School takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable. The current deficit, as reported by Hyman Robinson, Actuarial Assessors, stands at £ 338,000.

3. Pupil Strategy

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

- ensuring the school delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes; and
- investing in the 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 focuses on its Christian ethos.

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

PLANS FOR FUTURE PERIODS

The following question was posed by Ofsted in 2012: "What does the school need to do to improve further?"

- Increase the proportion of outstanding teaching and learning to accelerate pupils' progress and raise attainment. In late November 2014 I will be evaluating progress in this area through a classroom observation programme. Senior Leaders and external consultants will be joining me to see each teacher at least once. This process will give us percentage of outstanding, good and requires improvement lessons. Book monitoring will also provide evidence for our observation process.

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- Henlow's priorities include a strong awareness of the national change agenda. Interpreting, teaching and assessing the New National Curriculum is one of our developmental priorities.
- In order to meet the needs of ALL pupils and strive towards the outstanding referred to by Ofsted in 2012, we need to ensure that we differentiate in the classroom in order to bring levels of appropriate challenge and support to everyone.
- An explicit focus on literacy to ensure every pupil can access the curriculum in its widest interpretation.
- Feedback - in order for each pupil to take their next steps are we structuring our feedback in ways which support and stretch?

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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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 Limited, in succession to Duncan & Toplis, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 10th December 2014 and signed on its behalf by:


.....
P M Huntley
Chair of the Governing Body

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Governance Statement

SCOPE OF RESPONSIBILITY

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

The 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 year. Attendance during the year 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	5	5
Mrs A Allen - Founding Member	5	5
Rev P Critchley - Foundation Governor	5	5
Rev S Groom - Foundation Governor	3	5
Mr A Dorricott - Foundation Governor	3	5
Mrs B Howe - Parent Governor	5	5
Ms B Kenny - Parent Governor	0	1
Mrs A Lester - Parent Governor	4	5
Mrs T Moynihan - Community Governor	4	5
Mr B Soneji - Community Governor	4	4
Mrs S Jones - Staff Governor	5	5
Mr I Lee - Staff Governor	0	1
Mr A McCormack - Staff Governor	4	5
Miss J Sylvester - Staff Governor	3	3
Mr R Payne - Headteacher	5	5
Archdeacon Hughes, Diocese of St Albans	1	1

There was one vacancy for the role of Community Governor during the year which the Board were successful in filling. Mr Bhavin Soneji was appointed to the Board on 27th November 2013 and the skills and expertise which he brings meant that he took up a position on the Premises and Finance Committee.

Ms Bernie Kenny, Parent Governor, resigned from her position from the Board of Governors and the Curriculum and Personnel Committee in November 2013. Parent Governor Elections were held in

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the Spring of 2014. No applications were received and the Board took the decision to refrain from another election process, but to consider other options.

Mr Ian Lee, Staff Governor, resigned from his position from the Board of Governors and the Premises & Finance Committee in December 2013. Miss Jodie Sylvester was appointed as his replacement following Staff Governor Elections and joined the Board in February 2014. She also sits on the Premises & Finance Committee.

The Board's greatest challenge during the year was the successful recruitment of a Headteacher for the forthcoming academic year. The current Headteacher, Mr Ray Payne, tendered his resignation in the Autumn Term and was retiring on 31st August 2014. This early notification of retirement to the Board was to ensure adequate opportunities to recruit a successor. The Governors successfully appointed Mrs Caren Earp BA (Hons) PGCE MEd NPQH to take up the Headship commencing 1st September 2014. This appointment was made on a one year fixed term secondment from Samuel Whitbread Academy.

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

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

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

Trustee	Meetings attended	Out of a possible
Mrs A Allen - Founding Member (Chair)	3	4
Mr P Huntley - Founding Member	3	4
Mr A Dorricott - Foundation Governor	3	4
Mrs A Lester - Parent Governor	3	4
Mr B Soneji - Community Governor	3	4
Mrs T Moynihan	1	1
Mr I Lee - Staff Governor	1	1
Mrs J Sylvester - Staff Governor	2	2
Mr R Payne - Headteacher	4	4

The Curriculum & Personnel Committee is also a sub-committee of the main Governing Body. Its purpose is to monitor, evaluate and review policy and performance in relation to curriculum delivery and personnel management, comply with regulatory requirement and receive management reports from the Headteacher and Deputy Headteachers in relation to pupil performance, safeguarding and human resource management. The Committee also has responsibility for agreeing staffing levels and curriculum policies for the School. Ensuring compliance with all of the regulations relating Safer recruitment practices and the safeguarding of pupils is also a responsibility of this Committee.

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

Trustee	Meetings attended	Out of a possible
Mrs J Burke - Founding Member (Chair)	4	4
Rev S Groom - Foundation Governor	1	4
Rev P Critchley - Foundation Governor	4	4
Mrs B Howe - Parent Governor	4	4
Mrs T Moynihan - Community Governor	2	3
Mrs S Jones - Staff Governor	2	4
Mr A McCormack - Staff Governor	3	4
Miss C Hinitt - Deputy Head (Observer)	3	4
Mr G Young - Deputy Head (Observer)	2	4

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 year ended 31 August 2014 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISKS

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2013 to 31 August 2014 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the board of trustees.

The Board considers that 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.

THE RISK AND 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;

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- 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 Susan Baker 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.

REVIEW OF EFFECTIVENESS

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

- The work of the Responsible Officer;
- The work of the external Auditor;
- 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 & 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 10th December 2014 and signed on its behalf by:


.....
P.M. Huntley
Chair of the Governing Body


.....
Mrs C Earp
Accounting Officer

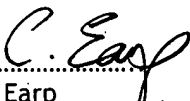
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Henlow Church of England Academy I have considered my responsibility to notify the Academy Trust 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. If any instances are identified after the date of this statement, these will be notified to the governing body and EFA.


.....
Mrs C Earp
Accounting Officer

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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:

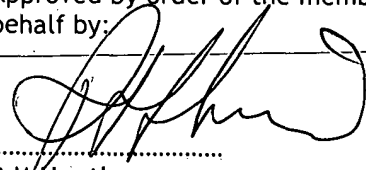
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 10th December 2014 and signed on its behalf by:



.....
P M Huntley
Chair of the Governing Body

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF HENLOW CHURCH OF ENGLAND ACADEMY

We have audited the financial statements of Henlow Church of England Academy for the year ended 31 August 2014 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 to 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 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, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

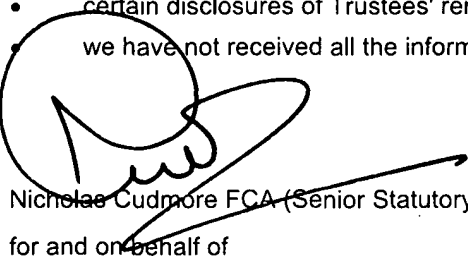
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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF HENLOW CHURCH OF
ENGLAND ACADEMY**

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.



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ
10 December 2014

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

**INDEPENDENT REPORTING ACCOUNTANTS' 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 1 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Henlow Church of England Academy during the year 1 September 2013 to 31 August 2014 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 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 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 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 ACCOUNTANT**

The accounting officer is responsible, under the requirements of Henlow Church of England Academy's funding agreement with the Secretary of State for Education dated 19 March 2012, and the Academies Financial Handbook extant from 1 September 2013, 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 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 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 to 2014 issued by 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.

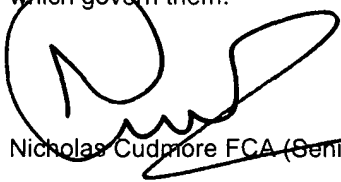
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA (Senior Statutory Auditor)

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 10th December 2014

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 YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	27,701	142,449	-	170,150	203,616
Transfer from predecessor school		-	-	-	-	9,308,285
Activities for generating funds	3	15,984	20,304	-	36,288	31,593
Investment income	5	705	92	-	797	1,741
Incoming resources from charitable activities:	6					
Funding for Academy's educational operations		-	2,329,309	338,562	2,667,871	3,392,909
TOTAL INCOMING RESOURCES		44,390	2,492,154	338,562	2,875,106	12,938,144
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	7	-	5,511	-	5,511	9,569
Fundraising expenses and other costs	4	16,271	15,113	-	31,384	43,037
Funding for Academy's educational operations		13,061	2,724,266	134,392	2,871,719	3,224,203
Governance costs	9	-	16,786	-	16,786	45,540
TOTAL RESOURCES EXPENDED	12	29,332	2,761,676	134,392	2,925,400	3,322,349
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		15,058	(269,522)	204,170	(50,294)	9,615,795

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

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	22	(99,477)	509,066	(409,589)	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(84,419)	239,544	(205,419)	(50,294)	9,615,795
Actuarial gains and losses on defined benefit pension schemes		-	(89,000)	-	(89,000)	(71,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(84,419)	150,544	(205,419)	(139,294)	9,544,795
<i>Total funds at 1 September 2013</i>		<i>222,036</i>	<i>(63,363)</i>	<i>9,386,122</i>	<i>9,544,795</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		137,617	87,181	9,180,703	9,405,501	9,544,795

All activities relate to continuing operations.

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

The notes on pages 38 to 62 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 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	19		9,180,703		9,248,610
CURRENT ASSETS					
Debtors	20	81,163		39,963	
Cash at bank and in hand		596,221		588,215	
		<u>677,384</u>		<u>628,178</u>	
CREDITORS: amounts falling due within one year	21	(114,586)		(84,993)	
NET CURRENT ASSETS			<u>562,798</u>		<u>543,185</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,743,501</u>		<u>9,791,795</u>
Defined benefit pension scheme liability	30		<u>(338,000)</u>		<u>(247,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>9,405,501</u></u>		<u><u>9,544,795</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	22	425,181		183,637	
Restricted fixed asset funds	22	9,180,703		9,386,122	
Restricted funds excluding pension liability		<u>9,605,884</u>		<u>9,569,759</u>	
Pension reserve		<u>(338,000)</u>		<u>(247,000)</u>	
Total restricted funds			<u>9,267,884</u>		<u>9,322,759</u>
Unrestricted funds	22		<u>137,617</u>		<u>222,036</u>
TOTAL FUNDS			<u><u>9,405,501</u></u>		<u><u>9,544,795</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:

.....
Mr Perry Hunley
Chair of Governors

The notes on pages 38 to 62 form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	Year ended 31 August 2014 £	Period 31 August 2013 £
Net cash flow from operating activities	24	(264,868)	223,863
Returns on investments and servicing of finance	25	797	512
Capital expenditure and financial investment	25	272,077	126,555
Cash transferred on conversion to an academy trust		-	237,285
INCREASE IN CASH IN THE YEAR		8,006	588,215

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	Year ended 31 August 2014 £	Period 31 August 2013 £
Increase in cash in the year	8,006	588,215
MOVEMENT IN NET FUNDS IN THE YEAR	8,006	588,215
Net funds at 1 September 2013	588,215	-
NET FUNDS AT 31 AUGUST 2014	596,221	588,215

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 to 2014 issued by 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 funders 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 YEAR ENDED 31 AUGUST 2014

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 YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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:

L/Term Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Educational Equipment	-	33% straight line
Computer equipment	-	33% straight line

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.9 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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	27,701	3,913	31,614	10,313
Other voluntary income	-	138,536	138,536	193,303
	<u>27,701</u>	<u>142,449</u>	<u>170,150</u>	<u>203,616</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings income	5,006	-	5,006	7,885
Sale of goods	-	7,493	7,493	9,555
Other income	10,978	12,811	23,789	14,153
	<u>15,984</u>	<u>20,304</u>	<u>36,288</u>	<u>31,593</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Fundraising trading expenses				
Cost of lettings	375	-	375	2,433
Goods for resale	-	5,520	5,520	6,168
Other expenses	-	9,593	9,593	30,189
Fundraising trading expenses - wages and salaries	15,896	-	15,896	4,247
	<u>16,271</u>	<u>15,113</u>	<u>31,384</u>	<u>43,037</u>
Net expenditure from trading activities	<u>(16,271)</u>	<u>(15,113)</u>	<u>(31,384)</u>	<u>(43,037)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank account interest	705	92	797	1,741
	<u>705</u>	<u>92</u>	<u>797</u>	<u>1,741</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	-	2,667,871	2,667,871	3,392,909
	<u>-</u>	<u>2,667,871</u>	<u>2,667,871</u>	<u>3,392,909</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,168,558	2,168,558	3,033,835
Start Up Grant	-	-	-	25,000
Pupil Premium	-	82,592	82,592	70,615
Other DfE/EFA Revenue grants	-	20,815	20,815	16,300
Devolved Formula Capital grant	-	13,062	13,062	26,394
Capital Maintenance grant	-	325,500	325,500	139,500
	<u>-</u>	<u>2,610,527</u>	<u>2,610,527</u>	<u>3,311,644</u>
Other government grants				
SEN 1-1 Funding	-	51,444	51,444	78,515
Other government revenue grants	-	5,900	5,900	2,750
	<u>-</u>	<u>57,344</u>	<u>57,344</u>	<u>81,265</u>
	<u>-</u>	<u>2,667,871</u>	<u>2,667,871</u>	<u>3,392,909</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Fundraising costs	-	4,413	4,413	8,406
Other expenses	-	1,098	1,098	1,163
	<u>-</u>	<u>5,511</u>	<u>5,511</u>	<u>9,569</u>

8. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	<u>13,061</u>	<u>2,858,658</u>	<u>2,871,719</u>	<u>3,224,203</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	<u>1,836,147</u>	<u>134,392</u>	<u>901,180</u>	<u>2,871,719</u>	<u>3,224,203</u>

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	4,500	4,500	4,150
Auditors' non audit costs	-	4,396	4,396	6,150
Legal and professional fees	-	900	900	24,200
Personnel fees	-	6,990	6,990	11,040
	<u>-</u>	<u>16,786</u>	<u>16,786</u>	<u>45,540</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. DIRECT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Educational supplies	197,848	197,848	247,140
Technology costs	18,593	18,593	24,304
Staff Development	5,170	5,170	10,918
Educational consultancy	29,552	29,552	31,142
Other costs	11,223	11,223	27,571
Wages and salaries	1,386,343	1,386,343	1,935,267
National insurance	94,824	94,824	139,262
Pension cost	213,674	213,674	286,441
Depreciation	134,392	134,392	49,729
	<u>2,091,619</u>	<u>2,091,619</u>	<u>2,751,774</u>

11. SUPPORT COSTS

	Educational operations £	Total 2014 £	Total 2013 £
Pension income	5,000	5,000	9,000
Technology costs	17,052	17,052	21,958
Pupil recruitment and support	-	-	9,968
Maintenance of premises and equipment	478,792	478,792	67,530
Cleaning	31,802	31,802	50,054
Rent and rates	19,324	19,324	26,242
Energy costs	19,605	19,605	29,750
Insurance	19,998	19,998	30,823
Security	-	-	1,358
Telephone, postage and stationery	5,734	5,734	10,559
Catering	14,282	14,282	15,730
Other costs	25,910	25,910	22,291
Bank interest and charges	104	104	1,070
Operating leases - other	1,191	1,191	-
Wages and salaries	111,348	111,348	144,042
National insurance	6,132	6,132	8,168
Pension cost	23,826	23,826	23,886
	<u>780,100</u>	<u>780,100</u>	<u>472,429</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2014	2014	2014	2014	2013
	£	£	£	£	£
Costs of generating voluntary income	-	-	5,511	5,511	-
Fundraising expenses	15,896	375	15,113	31,384	43,037
Costs of generating funds	15,896	375	20,624	36,895	43,037
Direct costs - Funding for the Academy's educational operations	1,694,841	106,260	290,518	2,091,619	2,751,774
Support costs - Funding for the Academy's educational operations	141,306	549,523	89,271	780,100	463,429
Charitable activities	1,836,147	655,783	379,789	2,871,719	3,215,203
Governance	-	-	16,786	16,786	45,540
	1,852,043	656,158	417,199	2,925,400	3,303,780

13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Funding for the Academy's educational operations	2,091,619	780,100	2,871,719	3,224,203

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	Year ended 31 August 2014 £	Period 31 August 2013 £
Depreciation of tangible fixed assets:		
- owned by the Academy	134,392	49,729
Auditors' remuneration	4,500	4,150
Operating lease rentals:		
- plant and machinery	1,191	-
Auditors' remuneration - non audit fees	4,396	6,150
	<u> </u>	<u> </u>

15. STAFF

a. Staff costs

Staff costs were as follows:

	Year ended 31 August 2014 £	Period 31 August 2013 £
Wages and salaries	1,507,360	2,062,140
Social security costs	100,956	147,430
Other pension costs (Note 30)	237,500	310,327
	<u> </u>	<u> </u>
	1,845,816	2,519,897
Supply teacher costs	6,227	21,415
	<u> </u>	<u> </u>
	1,852,043	2,541,312
	<u> </u>	<u> </u>

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	Year ended 31 August 2014 No.	Period 31 August 2013 No.
Teachers	30	31
Management	1	1
Administration, support and other staff	20	18
	<u> </u>	<u> </u>
	51	50
	<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. STAFF (continued)

c. Higher paid staff

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

	Year ended 31 August 2014 No.	<i>Period 31 August 2013 No.</i>
In the band £70,001 - £80,000	<u>1</u>	<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 2014, pension contributions for the members of staff amounted to £10,773.

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FOR THE YEAR ENDED 31 AUGUST 2014**

16. 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:

	Year ended 31 August 2014 £'000	Period 31 August 2013 £'000
Mr R G Payne, Head teacher	75-80	100-105
Mr I Lee, Staff Governor		55-60
Mrs S Jones, Staff Governor	10-15	20-25
Mr A McCormack, Staff Governor	35-40	40-45
Miss J Sylvester, Staff Governor	20-25	

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2013 - £144).

17. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £591 (2013 - £574). The cost of this insurance is included in the total insurance cost.

18. OTHER FINANCE INCOME

	Year ended 31 August 2014 £	Period 31 August 2013 £
Expected return on pension scheme assets	27,000	25,000
Interest on pension scheme liabilities	(32,000)	(34,000)
	<u>(5,000)</u>	<u>(9,000)</u>

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19. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost				
At 1 September 2013	9,259,000	10,688	-	28,651
Additions	-	23,990	8,250	34,245
At 31 August 2014	<u>9,259,000</u>	<u>34,678</u>	<u>8,250</u>	<u>62,896</u>
Depreciation				
At 1 September 2013	44,275	1,468	-	3,986
Charge for the year	106,260	8,117	1,913	18,102
At 31 August 2014	<u>150,535</u>	<u>9,585</u>	<u>1,913</u>	<u>22,088</u>
Net book value				
At 31 August 2014	<u>9,108,465</u>	<u>25,093</u>	<u>6,337</u>	<u>40,808</u>
At 31 August 2013	<u>9,214,725</u>	<u>9,220</u>	<u>-</u>	<u>24,665</u>

	Total £
Cost	
At 1 September 2013	9,298,339
Additions	66,485
At 31 August 2014	<u>9,364,824</u>
Depreciation	
At 1 September 2013	49,729
Charge for the year	134,392
At 31 August 2014	<u>184,121</u>
Net book value	
At 31 August 2014	<u>9,180,703</u>
At 31 August 2013	<u>9,248,610</u>

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

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20. DEBTORS

	2014 £	2013 £
Trade debtors	180	998
Other debtors	26,625	18,139
Prepayments and accrued income	41,457	20,826
Grants Receivable	12,901	-
	<u>81,163</u>	<u>39,963</u>

**21. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	36,323	25,578
Other taxation and social security	62,472	33,122
Accruals and deferred income	15,791	26,293
	<u>114,586</u>	<u>84,993</u>

Deferred income

	£
Deferred income at 1 September 2013	13,694
Resources deferred during the year	4,915
Amounts released from previous years	<u>(13,694)</u>
Deferred income at 31 August 2014	<u>4,915</u>

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

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22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	222,036	44,390	(29,332)	(99,477)	-	137,617
Restricted funds						
General Annual Grant (GAG)	183,637	2,168,558	(2,454,423)	421,909	-	319,681
Other DfE/EFA grants	-	103,407	(87,696)	-	-	15,711
Government grants	-	57,344	(52,044)	(5,300)	-	-
School Fund	-	136,612	(139,280)	92,457	-	89,789
Other income restricted	-	26,233	(26,233)	-	-	-
Pension reserve	(247,000)	-	(2,000)	-	(89,000)	(338,000)
	(63,363)	2,492,154	(2,761,676)	509,066	(89,000)	87,181
Restricted fixed asset funds						
DfE/EFA capital grants	158,306	338,562	(9,187)	(441,829)	-	45,852
Capital expenditure from GAG	9,610	-	(18,945)	19,920	-	10,585
Capital expenditure from other income	9,218,206	-	(106,260)	12,320	-	9,124,266
	9,386,122	338,562	(134,392)	(409,589)	-	9,180,703
Total restricted funds	9,322,759	2,830,716	(2,896,068)	99,477	(89,000)	9,267,884
Total of funds	9,544,795	2,875,106	(2,925,400)	-	(89,000)	9,405,501

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

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

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

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22. STATEMENT OF FUNDS (continued)

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

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

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £2,000. 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 £89,000 actuarial increase in the net pension fund deficit.

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	222,036	44,390	(29,332)	(99,477)	-	137,617
Restricted funds	(63,363)	2,492,154	(2,761,676)	509,066	(89,000)	87,181
Restricted fixed asset funds	9,386,122	338,562	(134,392)	(409,589)	-	9,180,703
	<u>9,544,795</u>	<u>2,875,106</u>	<u>(2,925,400)</u>	<u>-</u>	<u>(89,000)</u>	<u>9,405,501</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	9,180,703	9,180,703	9,248,610
Current assets	137,617	539,767	-	677,384	628,179
Creditors due within one year	-	(114,586)	-	(114,586)	(84,993)
Provisions for liabilities and charges	-	(338,000)	-	(338,000)	(247,000)
	<u>137,617</u>	<u>87,181</u>	<u>9,180,703</u>	<u>9,405,501</u>	<u>9,544,795</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	Year ended 31 August 2014 Total £	Period 31 August 2013 £
Net incoming resources before revaluations	(50,294)	-	(50,294)	9,615,795
Returns on investments and servicing of finance	(797)	-	(797)	(512)
Transfer from predecessor school	-	-	-	(9,308,285)
Depreciation of tangible fixed assets	134,392	-	134,392	49,729
Capital grants from DfE	(338,562)	-	(338,562)	(165,894)
Increase in debtors	(41,200)	-	(41,200)	(39,963)
Increase in creditors	29,593	-	29,593	84,993
FRS 17 adjustments	2,000	-	2,000	(12,000)
Net cash (outflow)/inflow from operations			<u>(264,868)</u>	<u>223,863</u>

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

	Year ended 31 August 2014 £	Period 31 August 2013 £
Returns on investments and servicing of finance		
Interest received	<u>797</u>	<u>512</u>

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

	Year ended 31 August 2014 £	Period 31 August 2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(66,485)	(39,339)
Capital grants from DfE	338,562	165,894
Net cash inflow capital expenditure	<u>272,077</u>	<u>126,555</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	588,215	8,006	-	596,221
Net funds	<u>588,215</u>	<u>8,006</u>	<u>-</u>	<u>596,221</u>

27. MAJOR NON-CASH TRANSACTIONS

Included in the notes to the cash flow for 2013 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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 2014 the Academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	-	14,225

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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.

Contributions amounting to £30,452 were payable to the scheme at 31 August 2014 (2013 - Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual 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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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NOTES TO THE FINANCIAL STATEMENTS
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30. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

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. ~~The total contribution made for the year ended 31 August 2014 was £101,000, of which employer's contributions totalled £81,000 and employees' contributions totalled £20,000. The agreed contribution rates for future years are 21% for employers.~~

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

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30. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	423,000	6.60	287,000
Bonds	3.30	116,000	4.00	78,000
Property	4.50	55,000	4.70	33,000
Cash	3.30	18,000	3.60	12,000
Total market value of assets		<u>612,000</u>		<u>410,000</u>
Present value of scheme liabilities		<u>(950,000)</u>		<u>(657,000)</u>
(Deficit)/surplus in the scheme		<u><u>(338,000)</u></u>		<u><u>(247,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	Year ended 31 August 2014 £	Period 31 August 2013 £
Present value of funded obligations	(950,000)	(657,000)
Fair value of scheme assets	<u>612,000</u>	<u>410,000</u>
Net liability	<u><u>(338,000)</u></u>	<u><u>(247,000)</u></u>

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

	Year ended 31 August 2014 £	Period 31 August 2013 £
Current service cost	(78,000)	(78,000)
Interest on obligation	(32,000)	(34,000)
Expected return on scheme assets	<u>27,000</u>	<u>25,000</u>
Total	<u><u>(83,000)</u></u>	<u><u>(87,000)</u></u>
Actual return on scheme assets	<u><u>52,000</u></u>	<u><u>34,000</u></u>

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30. PENSION COMMITMENTS (continued)

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

	Year ended 31 August 2014 £	Period 31 August 2013 £
Opening defined benefit obligation	657,000	442,000
Current service cost	78,000	78,000
Interest cost	32,000	34,000
Contributions by employees	20,000	24,000
Actuarial Losses	164,000	79,000
Benefits paid	(1,000)	-
	<u>950,000</u>	<u>657,000</u>

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

	Year ended 31 August 2014 £	Period 31 August 2013 £
Opening fair value of scheme assets	410,000	254,000
Expected return on assets	27,000	25,000
Actuarial gains and (losses)	75,000	8,000
Contributions by employer	81,000	99,000
Contributions by employees	20,000	24,000
Benefits paid	(1,000)	-
	<u>612,000</u>	<u>410,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(160,000) (2013 - £(71,000)).

The Academy expects to contribute £70,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	69.00 %	70.00 %
Bonds	19.00 %	19.00 %
Property	9.00 %	8.00 %
Cash	3.00 %	3.00 %

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**NOTES TO THE FINANCIAL STATEMENTS
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30. PENSION COMMITMENTS (continued)

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	3.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.4	21.6
Females	24.3	23.2
Retiring in 20 years		
Males	24.4	23.6
Females	26.8	25.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(950,000)	(657,000)
Scheme assets	612,000	410,000
Deficit	(338,000)	(247,000)
Experience adjustments on scheme liabilities	(164,000)	(79,000)
Experience adjustments on scheme assets	75,000	8,000

Sensitivity Analysis

	Approx. % increase in employer liability %	Approx. monetary amount £
0.5% decrease in Real Discount Rate	14	132,000
1 year increase in member life expectancy	3	29,000
0.5% increase in the Salary Increase Rate	7	63,000
0.5% increase in the Pension Increase Rate	7	65,000

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31. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	6,260	-
Between 2 and 5 years	-	-	10,503	6,260
After more than 5 years	-	-	11,223	-
	<u>-</u>	<u>-</u>	<u>21,986</u>	<u>6,260</u>

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, the Academy received £5,300 grant from Bedfordshire East Schools Trust (BEST) of which the Academy is an associate member. £5,120 was also paid to BEST for a membership fee.

During the previous year there were no such transactions.

33. CONTROLLING PARTY

The trustee's have ultimate control of the Academy.

34. COMPARATIVE PERIOD

The comparative figures relate to the period 1 April 2012 to 31 August 2013.