

Registered number: 08496781

---

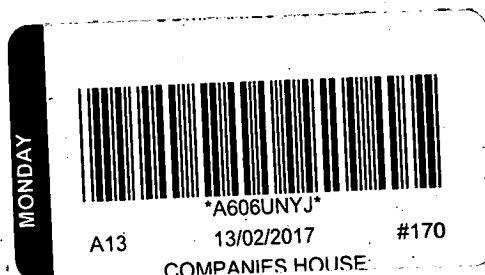
**HONEYBOURNE FIRST SCHOOL ACADEMY**

**(A company limited by guarantee)**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**



---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	1 - 2
<b>Trustees' report</b>	3 - 10
<b>Governance statement</b>	11 - 15
<b>Statement on regularity, propriety and compliance</b>	16
<b>Statement of Trustees' responsibilities</b>	17
<b>Independent auditors' report on the financial statements</b>	18 - 19
<b>Independent auditors' assurance report on regularity</b>	20 - 22
<b>Statement of financial activities incorporating income and expenditure account</b>	23
<b>Balance sheet</b>	24 - 25
<b>Statement of cash flows</b>	26
<b>Notes to the financial statements</b>	27 - 47

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**Members**

Mr T Scorer  
Mr S Medley  
Mr M Poore  
Mrs A Taylor

**Trustees**

Mr M Poore, Parent governor (resigned 16 March 2016)<sup>1,2,3,4</sup>  
Mrs A Taylor, Chair / LA governor<sup>1,2,3</sup>  
Mr S Medley, Chair of finance / co-opted governor<sup>1,2,4</sup>  
Mr T Scorer, Co-opted governor<sup>1,2</sup>  
Mrs E Huntington, Headteacher / staff governor<sup>2</sup>  
Mr J Dale, Staff governor  
Mrs H Elliott, Staff governor (resigned 29 February 2016)  
Mrs L Godwin, Co-opted governor<sup>3</sup>  
Reverend D Forman, Co-opted governor (resigned 11 April 2016)<sup>3</sup>  
Mrs Z Lewis, Parent governor  
Mrs C Kemp, Parent governor<sup>3</sup>

<sup>1</sup> Member

<sup>2</sup> Finance & premises committee

<sup>3</sup> Curriculum committee

<sup>4</sup> Staffing committee

**Company registered number**

08496781

**Company name**

Honeybourne First School

**Principal and registered office**

School Street  
Honeybourne  
Evesham  
Worcestershire  
WR11 7PJ

**Headteacher**

Mrs E Huntington

**Senior management team**

E Huntington, Headteacher  
J Dale, Senior Leader

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**

**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**Advisers (continued)**

**Independent auditors**

Randall & Payne LLP  
Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

**Bankers**

Lloyds Bank Plc  
High Street  
Evesham  
Worcestershire  
WR11 4DQ

**Solicitors**

SAS Daniels  
30 Greek Street  
Stockport  
Cheshire  
SK3 8AD

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Honeybourne First School Academy provides education for pupils aged 4 to 10 years in the main school and operates a private Nursery on site for children aged 2-4 years. From September 2016 the Academy will provide education for pupils aged 5 to 11 years. There is a pupil capacity of 140 and it had 101 pupils on roll as at 1st September 2015.

Since the Academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 is not required.

**Structure, governance and management**

**CONSTITUTION**

The Academy is a company limited by guarantee and an exempt charity.

The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The Trustees of Honeybourne First School Academy are also the directors of the Charitable Company for the purposes of company law.

The Charitable Company is known as Honeybourne First School Academy.

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

**MEMBERS' LIABILITY**

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

**TRUSTEES' INDEMNITIES**

Governor liability and Trustee liability insurance is organised through the RPA agreement with the EFA.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The Members put themselves forward and this was accepted by the previous governing body of the school. The governors of the new Academy were then appointed by the Members. Since opening, one of the Members has resigned and has not been replaced. There are four Members. New Members will be appointed by invitation and election by the Governing Body should it become necessary.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Service level agreements are in place to support Finance, HR, Premises, Staffing and Achievement. Services to support the development of Governors are also purchased and training arranged as necessary to enable governors to fulfil their statutory functions. The Headteacher and existing governors act as mentors for new governors. In addition to the statutory instrument and terms of reference, the following policies are in place to support trustees and governors and they are reviewed regularly with approval by the Governing Body:

- Articles of Association
- Governor visits
- Scheme of Delegation
- Finance Policy
- Pay Policy
- Performance Management Policy
- Expenses Policy
- Health and Safety

**PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The pay and remuneration for key management personell is set out in the pay policy for Honeybourne First School Academy. The Governing Body will review its pay policy each year in order to ensure that the policy continues to comply with the law and promotes good personnel practice and in particular to take account of pay awards, changes in national agreements governing pay, the academy school's development plan and the academy school's budget.

**ORGANISATIONAL STRUCTURE**

The Trustees form part of the Governing Body who act together to set the strategic direction of the school and carry out monitoring duties to ensure the Academy fulfils its purpose and meets legislation in place.

The Governing Body is divided into sub-committees for: Finance and Premises, Curriculum and Staffing. Each committee plans to meet at least once between the 5 Full Governing Body meetings during the course of the year. The Finance Committee meets most regularly, at least twice per term and the members receive a monthly update on finances. The school's Finance Secretary attends the finance committee meetings.

The Headteacher is a member of the Governing Body and reports regularly to the Finance and Curriculum Committees and the Full Governing Body. The Governors carry out visits to school from time to time to monitor the school development.

The Governing Body is made up of the following categories of appointment:

The Headteacher is a Governor as 'Principal' , 2 Staff Governors, 4 Parent Governors, 1 Local Authority Governor, 6 Co-opted Governors.

The Governing Body decided not to appoint any member governors at this stage, which is an option to use at their discretion.

The Governing Body has a clerk to minute all meetings.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

Honeybourne First School is a stand alone Academy and buys into:

- Worcestershire County Council (Payroll, HR, Property, Health and Safety, Learning Support)
- School Business Systems – Finance and business support
- Randall & Payne for Audit purposes and advice

The Academy works very closely with the feeder Middle School and the local cluster of 6 First schools. The six other schools and Honeybourne Academy are working towards setting up or joining Multi-Academy Trusts in the near future.

**Objectives and Activities**

**OBJECTS AND AIMS**

The Academy provides education for pupils aged 4 to 10 Years in the main school and operates a private Nursery on site for children aged 2-4 years. From September 2016 the Academy will provide education for pupils aged 5 to 11 years.

Our aims for all pupils are:

- Try something new, have a go and take risks. Accept mistakes as a part of learning.
- Always give our best effort – be responsible for our own success.
- Think about and use what we already know to improve success.
- Be respectful, confident and trustworthy. Take advice so we know how to move on to achieve our goals.
- Enjoy our education by learning together, for life

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The main objectives for our pupils are:

- Enable all pupils to achieve success and close the learning gap between the most and least able.
- Give pupils rich experiences (providing a REAL purpose, develop life skills, give a context and link to the wider world).
- Build self-esteem (give support to the vulnerable pupils value their opinions, support risk taking and trying out new ideas).
- Provide opportunities for pupils to: speak out, develop and give opinions, gain confidence, take risks and rehearse before being given 'the stage' (whether that be a spoken or written activity)
- Be honest with the children and their parents (and staff with each other) – let them know regularly what they have done well, what they are good at and what they need to improve on.
- Personalise learning to suit the children's interests, backgrounds etc and therefore ensure they develop a good attitude to learning, being able to make good choices.
- Having (and communicating) high expectations: model - investigations and enquiry skills in all subjects (not just maths and science) and thinking out loud.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**ACTIVITIES FOR ACHIEVING OBJECTIVES**

The way we achieve our objectives is set out in the strategy part of our annual School Development Plan, agreed by the Governing Body. This includes:

- Raise achievement further across the school
  - Developing leadership in the expanding school
  - Improve maths and writing standards further throughout the school
  - Establish key assessment and progress scheme
  - Further develop the Curriculum to motivate all pupils to give the highest levels of effort and engagement.
- This included a review of the school plans and ensured links across all areas of the curriculum to give a coherent focus on basic skills across all subjects

**PUBLIC BENEFIT**

The Governors of the Academy have met regularly and scrutinised both the academic outcomes for the pupils and management of staff performance. The Finance Committee has met regularly to ensure that the governors are kept up to date with the financial situation and consider the budget, spending and development, in line with current legislation for spending of public funds and accountability to the EFA. The Curriculum Committee meets regularly to scrutinise the performance of the Academy in terms of outcomes for pupils, performance of staff and data analysis. The Academy's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

**Achievements and performance**

**KEY FINANCIAL PERFORMANCE INDICATORS**

- The budget was set in line with EFA requirements.
- The vast majority of pupils and staff were able to meet their targets and performance objectives. This was achieved within budget.
- The building continues to meet Health and Safety requirements through a regular maintenance programme and provides an environment conducive to good learning.
- Pupil numbers in the school rose during the year from 101 to 108 over the course of the year.
- Pupil attendance was 96.8%, which is above the national average of 95%

In Key stage 1, Year Two, pupils' attainment was as follows:

Results of Statutory assessment of pupils in Year 2 (National Figures in brackets) - % for each subject area:

	Beginning	Developing	Secure	Exceeding
Reading	5	42	21	32
Writing	0	37	37	26
Mathematics	5	11	74	11
Science	0	5	95	0



---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**REVIEW OF ACTIVITIES**

- The Ofsted inspection (June 2016) recognised that the school continues to be good
- The transition to Academy Status was smooth and effective and did not disrupt the working of the school. The Governors are confident that the leadership and management structure and systems in place, will enable a successful transition to full Primary School Status in the Autumn of 2016.
- Over the last three years pupil numbers have increased. As the school's reputation has improved children from surrounding areas have joined the school. The building of around 300 new houses in Honeybourne on three separate sites is also likely to increase the numbers of children attending the school. School numbers increased from 101 in September 2015 to 108 in July 2016. The school is projected to have 123 pupils on roll in September 2016.
- The Nursery continues to flourish. The quality of management and provision has significantly improved. In addition there has been a much more effective transition to the Reception Class.
- Pupil progress is good overall but the school is aware that there are groups of vulnerable children whose slower progress needs to be addressed. In particular, children's use of language and writing needs to be improved and consistently brought up to age related expectations. A wide range of intervention programmes have been used to try to address any identified barriers to learning.
- A new system of monitoring pupil performance was implemented. Ofsted recognised that the school has a clear view on pupil progress.
- The Governing Body and its Committees have received monitoring and evaluation reports from the Head and staff which have kept them informed. Furthermore, Governors and the Committees are now actively involved in the process of School Self Evaluation and regularly contribute to the monitoring programme and development of strategic objectives for the school. Governors are taking 'learning walks' through the school with teachers.
- The Staffing structure has been reviewed and new structure implemented. Teaching Assistant's in particular have been given a more targeted role with lower attaining pupils to raise standards of achievement. A Year 6 teacher was also appointed for September 2016.
- Staff are leading writing developments in key areas across the schools.
- A new assessment policy has been implemented across the school with new recording and target setting processes established to support the policy implementation.
- Creation of a 3 year plan for premises and school development alongside projected pupil numbers and building plans for the village.

**Financial review**

**GOING CONCERN**

After making appropriate enquiries, the board of trustees 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.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**RESERVES POLICY**

The purpose of the reserve policy for Honeybourne First School Academy is to ensure the stability of the Academy's organisational operations; to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

**Restricted Reserves:** Restricted reserves are represented by the main income for the Academy which is General Annual Grant (GAG), other grant contributions or donations that are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements or donors instructions. There is a percentage carry forward of GAG restricted funds which is calculated at the year end and can be used for future years mainly for capital and a small percentage for operational purpose.

The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be determined by governors annually and can fluctuate depending on operational needs but the Governors have determined that the Academy should aim to have a minimum of £150,000 held in reserves. 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. All reserves are reported and reviewed regularly at management meetings and expenditure from reserves approved by the Governors at the Finance and Premises Committee.

**Unrestricted Funds:** These are made up of the academy's activities for generating funds, investment income and other donations which are expendable at the discretion of the Governors in furtherance to achieve the objectives of the Academy. The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity, it continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability. These funds will be reviewed regularly by the Governors and finance committee and are obtained through one off donations and are generally built up over time from fund generating activities and investments.

**Designated Funds:** These are unrestricted funds that have been allocated by the Governors for a particular purpose. These funds are reviewed regularly and approved by the Governors and Finance and Premises committee; they are obtained by designated funds from the unrestricted funds.

The academy Trust's reserves as at 31 August were Unrestricted Reserves of £33,330, Restricted Reserves of £40,870, Restricted Fixed Asset Reserves of £1,227,946 and a Pension Deficit Reserve of (£279,000).

As well as contributions being made through the payroll for employee and employer contributions, the Academy is also making lump sum payments to reduce the historic deficit in accordance with the requirements from the Actuaries employed by Worcestershire County Council on the scheme.

**Use of reserves:**

1. Identification of appropriate use of reserve funds: The Governors and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserve as described in this policy. This step requires analysis of the reason for any shortfall, the availability of any other sources of funds before using reserves and evaluation of the time period that the funds will be required and replenished.
2. Authorisation of use of reserves: Authorisation to use reserves of any kind will be made by the Chair of the Finance and Premises Committee. At the next available meeting the approval should be noted in the minutes. The authorisation will be reported to the full Governing Body at the next available meeting.
3. Reporting and monitoring: The Governors are responsible for ensuring that the funds are maintained and used only as described in this policy. Upon approval for the use of these funds, the Academy will maintain a record of the use of the funds. The Finance and Premises Committee will regularly monitor the progress of the reserves.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**INVESTMENT POLICY**

1. Introduction: At Honeybourne First School Academy, we are careful with the public money we are entrusted with. We carefully invest any money that is not required to cover anticipated expenditure and take steps to manage the risk associated with financial investments.
2. Objectives and targets: The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.
3. Action plan: Adequate cash balances must be maintained to ensure that there are always sufficient funds in the school's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested. Funds should be invested in tranches of up to £10,000 and after agreement from the finance committee. It may be beneficial to invest each tranche with a different financial institution. Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.
4. Monitoring and evaluation: The Finance and Premises committee will compare alternative investment opportunities every six months to ensure that the school's funds achieve the best interest rates. The headteacher and Finance Officer are responsible for ensuring that this policy is adhered to.
5. Reviewing: The headteacher and Finance and Premises committee will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The risks are set out in the School Risk Register. Primary risks are:

- Failure to ensure that the financial systems of the school are secure. The processes are reviewed regularly with external audit challenge. The Finance and Premises committee also regularly reviews, at a detailed level, budgets across all areas of the school.
- Failure to meet needs of additional Year 6 and become a full primary school. Policies have been reviewed and implemented to ensure the appropriate curriculum is in place. A year 6 classroom has been created and a year 6 specialist teacher has been employed.
- The number on roll determines the budget therefore the Governors mitigate the risk by maintaining an up to date knowledge of future numbers.
- The age of the building is also a continuing consideration when setting the budget. Sufficient funds are made available to ensure the building and services remain in a good condition.
- There is a substantial building programme in the village at present with up to 300 new houses having been built. The governors will maintain an awareness of how this will impact on pupil numbers and are planning how an increased population will be accommodated in school.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**Plans for future periods**

**FUTURE DEVELOPMENTS**

The key plans for future periods are:

- To implement the next steps for the school as identified by Ofsted, these are:
  - Refinement of the assessment tracking system
  - Further promote fundamental British value
  - The sharing of good practice and comparative performance information by governors
- Start work to replace the classroom mobiles with brick built buildings
- Move the nursery into new built accommodation and ensure greater linkages to the wider school
- Build a covered courtyard to replace the library room which was converted to the year 6 classroom
- Make additional space for football/tennis/netball court.
- Further review of structures and policies in the light of experience of the third full year as an academy.
- Further embed the school's new curriculum in the light of the publication of the new National Curriculum
- Consider the school's assessment systems and further refine a robust system of tracking and assessing pupil progress and attainment for the new Curriculum
- Identification, development and implementation of a Multi Academy trust by working alongside other local schools

**FUNDS HELD AS CUSTODIAN**

The funds available to the school from the EFA and through fund raising are managed through the public bank account and are therefore subject to a full audit.

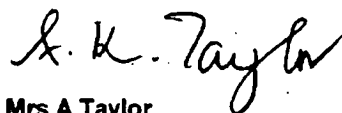
The school administers a small, separate fund set up to reward achievement in the Arts. Each year, a prize is given to a pupil who also receives a gift worth £20 and a trophy to the value of £5. Funds are taken out once a year, only for this purpose

**DISCLOSURE OF INFORMATION TO AUDITORS**

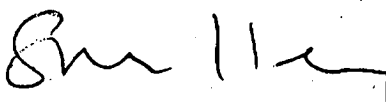
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.
- Randall and Payne have been re-appointed as the Auditor for Honeybourne First School Academy.

This report was approved by order of the board of trustees as the company directors, on 12 December 2016 and signed on its behalf by:



**Mrs A Taylor**  
Chair of Governors, Local Authority Governor



**Mr S Medley**  
Chair of Finance, Co-opted Governor

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the 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 Honeybourne First School Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Poore, Parent governor	0	2
Mrs A Taylor, Chair / LA governor	6	6
Mr S Medley, Chair of finance / co-opted governor	5	6
Mr T Scorer, Co-opted governor	6	6
Mrs E Huntington, Headteacher / staff governor	6	6
Mr J Dale, Staff governor	5	6
Mrs H Elliott, Staff governor	1	2
Mrs L Godwin, Co-opted governor	4	6
Reverend D Forman, Co-opted governor	3	3
Mrs Z Lewis, Parent governor	4	6
Mrs C Kemp, Parent governor	4	6

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

The finance and property committee is a sub-committee of the main board of trustees. Its purpose is to:

- To recommend staff numbers and staffing structure, in consultation with the HT
- Develop and follow appointment procedures.
- Monitor and review the Performance Management policy including job descriptions
- Consider staff development and training
- Adhere to relevant employment legislation
- To assist in preparation, review and progress of the School Development Plan
- To ensure that the financial regulations set by the EFA (Education Funding Agency) are adhered to and practice regularly reviewed.
- Prepare the school for the annual audit and any other assessments of financial nature.
- To monitor the school budget and receive and analyse regular reports.
- To plan finances so that school activities may take place as planned.
- To ensure the building is in good state of repair and decoration and meets legislation.
- To complete an annual Health and Safety audit and take necessary action.
- To prepare, monitor and appraise a three year plan for repair and maintenance.
- To ensure that the environment provided for children is conducive to good learning.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Huntington	5	5
Mrs A Taylor	5	5
Mr S Medley	5	5
Mr T Scorer	5	5

The Curriculum committee is also a sub-committee of the main board of trustees. Its purpose is to:

- To review the whole school curriculum to ensure that it meets the needs of all learners.
- To ensure that the results of the Standard Assessment Tasks taken at the end of Key Stage 1 and 2 are presented to the parents, governors and the LA, and to analyse these results.
- To have responsibility for the delivery of the Curriculum and to review the curriculum policies on a rolling programme over three years.
- To ensure that the school is offering value for money with regard to the curriculum.
- To ensure that the children's pastoral care is adequately provided for.
- To monitor cross-curricular subjects: PSHCE (Personal, Social, Health and Citizenship Education) and SMSC (Spiritual, Moral, Social and Cultural).
- To prepare, review and progress the School Development Plan for this area
- To ensure that the code of practice for S.E.N.D children is being implemented

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Huntington	4	4
Mrs A Taylor	4	4
Mr S Medley	0	1
Mrs L Godwin	3	4
Mrs C Kemp	2	4
Reverend D Forman	3	3
Mr M Poore	0	2

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

**REVIEW OF VALUE FOR MONEY**

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

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

- Obtaining quotes for large orders and not relying on a sole provider
- Developing a business relationship with providers, local school and academies to ensure that, where possible, economies of scale can be appreciated
- Holding staff to account for their performances and linking this to the pay structure
- Reviewing how the intervention programme in school works so that pupil outcomes can be more directly linked to expenditure, ie with teaching assistants

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 Coketown Academy Trust for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy 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 2016 to 31 August 2016 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 Principal provides leadership on the risk management process;
- Staff are trained or equipped to manage risk in a way appropriate to their authority and duties.
- Guidance is taken from regular visits from a leading financial advisor, from School Business Systems.
- Staff also attend update seminars held by Randall & Payne, accountants.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

---

**GOVERNANCE STATEMENT (continued)**

---

**THE RISK AND CONTROL FRAMEWORK**

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

- The accounts are audited by Randall & Payne, accountants which includes regular visits and telephone support for further advice. The scheme of delegation is followed rigidly and any items identified in any audit preparation are dealt with immediately and reported to the finance committee.
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Randall & Payne LLP, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems and invoice processing
- testing of control account/ bank reconciliations

The reviewer reports to the board of trustees, through the Finance and premises committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.



---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT (continued)**

---

**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 reviewer
- the work of the external auditor
- the work of the Finance and Premises committee within the academy trust who have responsibility for the development and maintenance of the internal control framework
- Advice from our independent financial advisor, through School Business Systems representative

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

Approved by order of the members of the board of trustees on 12 December 2016 and signed on their behalf, by:

  
Mrs A Taylor  
Chair of Trustees

  
Mrs E Huntington  
Accounting Officer

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

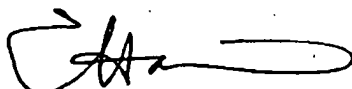
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Honeybourne First School Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees 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 2015.

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



Accounting Officer

12 December 2016.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

The Trustees (who act as governors of Honeybourne First School 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 12 December 2016 and signed on its behalf by:

  
Chair of Trustees

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HONEYBOURNE FIRST SCHOOL ACADEMY**

---

We have audited the financial statements of Honeybourne First School Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HONEYBOURNE FIRST SCHOOL ACADEMY**

---

**OPINION ON FINANCIAL STATEMENTS**

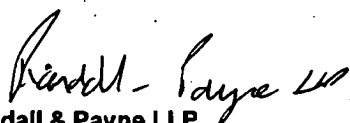
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the Academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

  
**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA  
14 December 2016

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO HONEYBOURNE  
FIRST SCHOOL ACADEMY AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 6 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Honeybourne First School Academy during the year 1 September 2015 to 31 August 2016 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 Honeybourne First School Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Honeybourne First School Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Honeybourne First School Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HONEYBOURNE FIRST SCHOOL ACADEMY'S ACCOUNTING  
OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Honeybourne First School Academy's funding agreement with the Secretary of State for Education dated 19 December 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

---

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO HONEYBOURNE  
FIRST SCHOOL ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

---

The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- Discussions with and representations from the Accounting Officer and other Key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO HONEYBOURNE  
FIRST SCHOOL 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

14 December 2016



**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	5,264	-	5,260	10,524	6,272
Charitable activities	3	-	602,277	-	602,277	593,600
Other trading activities	4	1,062	65,224	-	66,286	51,211
Investments	5	135	-	-	135	105
<b>TOTAL INCOME</b>		<b>6,461</b>	<b>667,501</b>	<b>5,260</b>	<b>679,222</b>	<b>651,188</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	88,928	-	88,928	43,040
Charitable activities		-	589,208	51,920	641,128	577,289
<b>TOTAL EXPENDITURE</b>	8	<b>-</b>	<b>678,136</b>	<b>51,920</b>	<b>730,056</b>	<b>620,329</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	6,461	(10,635)	(46,660)	(50,834)	30,859
		-	(31,642)	31,642	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		6,461	(42,277)	(15,018)	(50,834)	30,859
Actuarial losses on defined benefit pension schemes	25	-	(129,000)	-	(129,000)	(5,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>6,461</b>	<b>(171,277)</b>	<b>(15,018)</b>	<b>(179,834)</b>	<b>25,859</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		26,869	(66,853)	1,242,964	1,202,980	1,177,121
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>33,330</b>	<b>(238,130)</b>	<b>1,227,946</b>	<b>1,023,146</b>	<b>1,202,980</b>

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08496781**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	16		1,227,947		1,242,964
<b>CURRENT ASSETS</b>					
Debtors	17	39,364		14,807	
Cash at bank and in hand		79,501		129,276	
		<u>118,865</u>		<u>144,083</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(44,666)</u>		<u>(44,067)</u>	
<b>NET CURRENT ASSETS</b>			<u>74,199</u>		<u>100,016</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,302,146</u>		<u>1,342,980</u>
Defined benefit pension scheme liability	25		<u>(279,000)</u>		<u>(140,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>1,023,146</u></u>		<u><u>1,202,980</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	19	40,870		73,147	
Restricted fixed asset funds	19	1,227,946		1,242,964	
Restricted income funds excluding pension liability		<u>1,268,816</u>		<u>1,316,111</u>	
Pension reserve		<u>(279,000)</u>		<u>(140,000)</u>	
Total restricted income funds			<u>989,816</u>		<u>1,176,111</u>
Unrestricted income funds	19		<u>33,330</u>		<u>26,869</u>
<b>TOTAL FUNDS</b>			<u><u>1,023,146</u></u>		<u><u>1,202,980</u></u>

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2016**

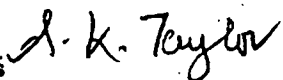
---

The Trustees consider that the Academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:

Mrs A Taylor  
Chair of Trustees



Mrs E Huntington  
Accounting Officer

The notes on pages 27 to 47 form part of these financial statements.

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	(23,732)	94,776
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		135	105
Purchase of tangible fixed assets		(31,436)	(22,230)
Capital grants from DfE/EFA		5,260	5,136
<b>Net cash used in investing activities</b>		(26,041)	(16,989)
<b>Change in cash and cash equivalents in the year</b>		(49,773)	77,787
Cash and cash equivalents brought forward		129,276	51,489
<b>Cash and cash equivalents carried forward</b>	22	79,503	129,276

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Honeybourne First School Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

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

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

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

**1.4 Expenditure**

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

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

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1. ACCOUNTING POLICIES (continued)**

**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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	30 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

**1.7 Interest receivable**

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

**1.8 Operating leases**

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

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1. ACCOUNTING POLICIES (continued)**

**1.9 Debtors**

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

**1.10 Cash at Bank and in hand**

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

**1.11 Liabilities and provisions**

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

**1.12 Financial instruments**

Enter text here - user input

**1.13 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.

**1.14 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 quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.



---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	5,264	-	-	5,264	1,136
Capital Grants	-	-	5,260	5,260	5,136
	<u>5,264</u>	<u>-</u>	<u>5,260</u>	<u>10,524</u>	<u>6,272</u>
Total donations and capital grants	5,264	-	5,260	10,524	6,272

In 2015, of the total income from donations and capital grants, £1,136 was to unrestricted funds and £5,136 was to restricted funds

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Educational Operations Income</b>				
General Annual Grant	-	458,498	458,498	418,241
Other DfE/EFA Grants	-	65,717	65,717	102,307
Other Grants	-	20,053	20,053	20,600
Local Authority Nursery Grants	-	58,009	58,009	52,452
	<u>-</u>	<u>602,277</u>	<u>602,277</u>	<u>593,600</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £593,600 was to restricted funds.

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering Income	-	7,623	7,623	8,049
Rental Income	1,062	-	1,062	859
Parental Contributions	-	27,186	27,186	22,132
Other Income	-	12,318	12,318	8,677
Pupil Trips	-	12,953	12,953	10,423
Music Tuition	-	564	564	580
Training Income	-	4,580	4,580	491
	<u>1,062</u>	<u>65,224</u>	<u>66,286</u>	<u>51,211</u>

In 2015, of the total income from other trading activities, £ 859 was to unrestricted funds and £50,352 was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	135	-	135	105

In 2015, of the total investment income, £ 105 was to unrestricted funds and £ NIL was to restricted funds.

**6. DIRECT COSTS**

	Educational Operatio £	Total 2016 £	Total 2015 £
Pension income	5,000	5,000	4,000
Educational Supplies	13,426	13,426	16,862
Staff Development	14,572	14,572	3,567
Educational Trips	14,422	14,422	15,122
Insurance	3,437	3,437	2,772
Wages and salaries	304,619	304,619	260,317
National insurance	23,072	23,072	14,469
Pension cost	46,367	46,367	32,327
	<u>424,915</u>	<u>424,915</u>	<u>349,436</u>

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**6. DIRECT COSTS (continued)**

In 2015, the Academy incurred the following Direct costs:

£334,314 in respect of Educational Operations Direct

£15,122 in respect of Activities for Generating Funds

**7. SUPPORT COSTS**

	Educational Operatio £	Total 2016 £	Total 2015 £
Technology Costs	9,842	9,842	8,782
Premises and Maintenance	9,336	9,336	6,060
Cleaning	2,369	2,369	2,329
Energy Costs	5,893	5,893	5,907
Rent and Rates	3,037	3,037	2,893
Insurance	949	949	863
Audit and accounts fees	8,242	8,242	8,720
Other support costs	37,431	37,431	64,218
Catering	27,967	27,967	30,480
Wages and salaries	23,432	23,432	30,473
National insurance	1,345	1,345	992
Pension cost	39,917	39,917	27,513
Depreciation	46,453	46,453	38,623
	<u>216,213</u>	<u>216,213</u>	<u>227,853</u>

During the year ended 31 August 2016, the Academy incurred the following Governance costs:

£8,242 (2015 - £8,720) included within the table above in respect of Governance.

In 2015, the Academy incurred the following Support costs:

£219,133 in respect of Educational Operations Direct

£8,720 in respect of Governance

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**8. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	88,928	88,928	43,040
Educational Operatio:					
Direct costs	379,058	-	45,857	424,915	387,059
Support costs	135,036	20,635	60,542	216,213	188,230
	<u>514,094</u>	<u>20,635</u>	<u>195,327</u>	<u>730,056</u>	<u>618,329</u>

In 2016, of the total expenditure, £NIL (2015 - £939) was to unrestricted funds and £NIL (2015 - £617,390) was was to restricted funds.

**9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES**

**10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	<u>46,453</u>	<u>38,623</u>

**11. AUDITORS' REMUNERATION**

The Auditors remuneration amounts to an Audit fee of £5,000 (2015 - £5,000) and non-audit costs of £3,100 (2015 - £3,575).

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**12. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	391,677	321,406
Social security costs	25,968	16,597
Operating costs of defined benefit pension schemes	96,449	63,052
	<u>514,094</u>	<u>401,055</u>

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

	2016 No.	2015 No.
Teachers	5	4
Administration and support	10	10
Management	1	1
	<u>16</u>	<u>15</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2016, employers pension contributions for this member of staff amounted to £9,221 (2015: £7,811).

The key management personnel of the academy comprise the trustees, business manager and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £173,466.

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 4 Trustees (2015 - 4) in respect of defined benefit pension schemes.

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

		2016 £	2015 £
Mrs E Huntington, Headteacher / Staff Governor	Remuneration	55,000-60,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr J Dale, Staff Governor	Remuneration	35,000-40,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs H Elliott, Staff Governor	Remuneration	10,000-15,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000
Mrs L McCaskie, Co-opted Governor	Remuneration	0-5,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000

During the year ended 31 August 2016, expenses totalling £548 (2015 - £113) were reimbursed to 3 Trustees (2015 - 3), £256 of which related to reimbursements of expenditure on behalf of the school in their roles as staff members (2015: £Nil).

**14. 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 unlimited cover on any one claim (2015: £3million) and the cost for the year ended 31 August 2016 was included in the RPA agreement, the cost of which is not separable from the total insurance cost in the year. (2015 - £1,250).

**15. OTHER FINANCE INCOME**

	2016 £	2015 £
Interest income on pension scheme assets	5,000	4,000
Interest on pension scheme liabilities	(10,000)	(8,000)
	<u>(5,000)</u>	<u>(4,000)</u>

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**16. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	1,276,605	9,647	33,420	1,319,672
Additions	-	18,310	13,126	31,436
At 31 August 2016	1,276,605	27,957	46,546	1,351,108
<b>Depreciation</b>				
At 1 September 2015	57,449	3,499	15,760	76,708
Charge for the year	25,554	5,591	15,308	46,453
At 31 August 2016	83,003	9,090	31,068	123,161
<b>Net book value</b>				
At 31 August 2016	1,193,602	18,867	15,478	1,227,947
At 31 August 2015	1,219,156	6,148	17,660	1,242,964

Included in land and buildings is leasehold land at valuation of £510,000 (2015: £510,000), cost £nil (2015: £nil), which is not depreciated.

The long term leasehold property is held under a 125 year lease from Worcestershire County Council, active from 1 June 2013.

**17. DEBTORS**

	2016 £	2015 £
Other debtors	5,737	3,253
Prepayments and accrued income	33,627	11,554
	<u>39,364</u>	<u>14,807</u>



**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016 £	2015 £
Trade creditors	11,418	9,594
Other taxation and social security	7,823	5,265
Other creditors	8,199	5,817
Accruals and deferred income	17,226	23,391
	<u>44,666</u>	<u>44,067</u>
	2016 £	2015 £
<b>Deferred Income</b>		
Deferred income at 1 September 2015	14,312	13,558
Resources deferred during the year	9,815	14,312
Amounts released from previous years	(14,312)	(13,558)
Deferred income at 31 August 2016	<u>9,815</u>	<u>14,312</u>

At the year end, resources were deferred for Infant Free School Meals grant income in relation to the 2016/17 financial year.

**19. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	26,869	6,461	-	-	-	33,330
<b>Restricted funds</b>						
General Annual Grant (GAG)	54,339	519,605	(527,570)	(31,642)	-	14,732
Nursery	18,808	82,672	(75,342)	-	-	26,138
Other restricted funds	-	65,224	(65,224)	-	-	-
Pension reserve	(140,000)	-	(10,000)	-	(129,000)	(279,000)
	<u>(66,853)</u>	<u>667,501</u>	<u>(678,136)</u>	<u>(31,642)</u>	<u>(129,000)</u>	<u>(238,130)</u>

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**19. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Restricted Fixed Asset Funds - all funds	1,242,964	5,260	(51,920)	31,642	-	1,227,946
Total restricted funds	1,176,111	672,761	(730,056)	-	(129,000)	989,816
Total of funds	1,202,980	679,222	(730,056)	-	(129,000)	1,023,146

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

Restricted GAG Fund, Other DfE/EFA grants and LA grants - these funds represent grants received for the Academy's operational activities and development.

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**19. STATEMENT OF FUNDS (continued)**

The Nursery fund represents LA nursery funding and parental contributions restricted to the running of the nursery.

Other restricted funds include parental contributions for trips, catering and uniforms.

The Lottery grant was awarded for the construction of the outdoor play space, The other capital grants are restricted to capital expenditure and in the period of account have been used to pay for school IT equipment.

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 2016.

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,227,946	1,227,946	1,242,963
Current assets	33,330	85,535	-	118,865	144,084
Creditors due within one year	-	(44,665)	-	(44,665)	(44,067)
Provisions for liabilities and charges	-	(279,000)	-	(279,000)	(140,000)
	<u>33,330</u>	<u>(238,130)</u>	<u>1,227,946</u>	<u>1,023,146</u>	<u>1,202,980</u>

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(50,834)	30,859
<b>Adjustment for:</b>		
Depreciation charges	46,453	38,623
Dividends, interest and rents from investments	(135)	(105)
(Increase)/decrease in debtors	(24,557)	18,200
Increase in creditors	601	7,334
Capital grants from DfE and other capital income	(5,260)	(5,135)
FRS102 Adjustments	10,000	5,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(23,732)</u>	<u>94,776</u>

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	79,503	129,276
Total	<u>79,503</u>	<u>129,276</u>

**23. CONTINGENT LIABILITIES**

There is an ongoing legal case at the year-end, the financial impact of which can not be quantified.

Currently costs are being met by membership of the RPA.

**24. CAPITAL COMMITMENTS**

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	72,120	10,984

The capital commitment that existed at the year ended 31 August 2016 was in relation to the building extension, to be completed post year end (31 August 2015: outdoor equipment, installed in October 2015).

**25. 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 Worcestershire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £8,199 were payable to the schemes at 31 August 2016 (2015 - £5,799) 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.

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**25. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £40,962 (2015 - £27,610).

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

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

**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 2016 was £36,000 (2015 - £24,849), of which employer's contributions totalled £28,000 (2015 - £19,921) and employees' contributions totalled £8,000 (2015 - £4,928). The agreed contribution rates for future years are 16.1% for employers and 5.4% for employees.

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

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**25. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Expected return on scheme assets at 31 August	6.42 %	5.97 %
Rate of increase in salaries	3.40 %	3.70 %
Rate of increase for pensions in payment / Inflation	2.00 %	2.20 %
Inflation assumption (CPI)	1.90 %	2.20 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	23.5	23.4
Females	25.9	25.8
Retiring in 20 years		
Males	25.8	25.6
Females	28.2	28.1

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	141,000	96,000
Bonds	11,000	7,000
Property	8,000	-
Other	6,000	4,000
Cash	4,000	1,000
<b>Total market value of assets</b>	<b>170,000</b>	<b>108,000</b>

The actual return on scheme assets was £25,000 (2015 - £nil).

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**25. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(32,000)	(21,000)
Net interest cost	(5,000)	(4,000)
Administration expenses	(1,000)	-
<b>Total</b>	<b>(38,000)</b>	<b>(25,000)</b>
 Actual return on scheme assets	 <b>25,000</b>	 <b>-</b>

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

	2016 £	2015 £
Opening defined benefit obligation	248,000	214,000
Current service cost	32,000	21,000
Interest cost	10,000	8,000
Contributions by employees	8,000	5,000
Actuarial losses	150,000	-
Benefits paid	1,000	-
<b>Closing defined benefit obligation</b>	<b>449,000</b>	<b>248,000</b>

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

	2016 £	2015 £
Opening fair value of scheme assets	108,000	84,000
Return on plan assets (excluding net interest on the net defined pension liability)	5,000	4,000
Actuarial gains and (losses)	21,000	(5,000)
Contributions by employer	28,000	20,000
Contributions by employees	8,000	5,000
Benefits paid	1,000	-
Administration expenses	(1,000)	-
<b>Closing fair value of scheme assets</b>	<b>170,000</b>	<b>108,000</b>

---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	1,295	948
Between 1 and 5 years	1,991	1,520
<b>Total</b>	<b>3,286</b>	<b>2,468</b>

**27. MEMBERS' LIABILITY**

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

**28. 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 the trust 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.

Transactions were undertaken in the year with Evesham Mechanical Services Ltd, a company in which Helen Elliot had an interest until February 2016 when she resigned, to the value of £333. There was no balance outstanding at the year end.



---

**HONEYBOURNE FIRST SCHOOL ACADEMY**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

**29. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

However, adjustments have been made to comparative disclosures for the Local Government Pension Scheme in note 25. The closing balance of the pension provision has not changed, but the movement within the year has been altered from the following:

Change in benefit obligation to 31 August 2015	
Benefit obligation at beginning of period	214,000
Current service costs	20,000
Interest on pension liabilities	9,000
Member contributions	5,000
Actuarial losses on liabilities	-
Benefits paid	-
Benefit obligation at end of period	248,000
Change in plan assets to 31 August 2015	
Fair value of plan assets at beginning of period	84,000
Expected return on plan assets	6,000
Actuarial losses on assets	(7,000)
Employer contributions	20,000
Member contributions	5,000
Fair value of plan assets at end of period	108,000

The net book value of land and buildings disclosed in the accounts are not considered to be materially different from their fair value, as required to be disclosed per the accounting standards under FRS102, and as such no revaluation has been required in these accounts. This is based on depreciated replacement cost remaining appropriate for the fair value.