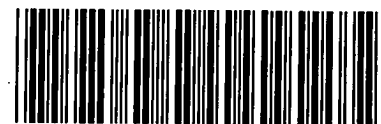

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

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HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Trustees

Mr M Poore, Parent governor (appointed 19 April 2013)^{1,2,3,4}
Mrs A K Taylor, Chair / LA governor (appointed 19 April 2013)^{1,2,3}
Mr S J Medley, Chair of finance / co-opted governor (appointed 19 April 2013)^{1,2,4}
Mr T Scorer, Co-opted governor (appointed 19 April 2013)^{1,2}
Mr D W E Gregg, Governor (appointed 19 April 2013, resigned 8 November 2013)
^{1,2}
Mrs E Huntington, Headteacher / staff governor (appointed 19 April 2013)²
Mr J Dale, Staff governor (appointed 19 April 2013)
Mrs H Elliott, Staff governor (appointed 19 April 2013)
Mrs L Godwin, Co-opted governor (appointed 19 April 2013)³
Reverend D Forman, Co-opted governor (appointed 19 April 2013)³
Mrs L McCaskie, Co-opted governor (appointed 1 March 2014)
Mrs Z Lewis, Parent governor (appointed 19 April 2013)
Mrs C Kemp, Parent governor (appointed 1 March 2014)³
Mrs D Savage (appointed 19 April 2013, resigned 12 March 2014)
Mr M Whittaker (appointed 19 April 2013, resigned 1 July 2013)

- ¹ Member
- ² Finance & premises committee
- ³ Curriculum committee
- ⁴ Staffing committee

Company registered number

08496781

Principal and registered office

School Street, Honeybourne, Evesham, Worcestershire, WR11 7PJ

Senior management team

Mrs E Huntington, Headteacher
Mr J Dale, Senior Leader

Independent auditors

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

Bankers

Lloyds Bank Plc, High Street, Evesham, Worcestershire, WR11 4DQ

Solicitors

D Johnson (Partner), Kippax Beaumont Lewis, 28 Mawdsley Street, Bolton, BL1 1LF

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Honeybourne First School (the Academy) for the period ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Honeybourne First School Academy is a school for children aged 5 to 10 years with a Nursery on site, also run by the school, accommodating children from 2-4 years. The school is over 250 years old and has seen many changes over the years, including various additions during the 1970s, 1990s and 2000s. The school has also grown recently in terms of pupil numbers and the number on roll is now 106. Four of the six year groups are now up to the PAN (Pupil admission number). The school has 6 teachers (including the teaching Head), 6 teaching assistants and four Nursery staff, including a Nursery Manager. The children are taught in one class in the Nursery (divided into appropriately aged groups) and four classes of mixed years in the main school. The grounds of the school include three structured play areas with safety surfacing, a field area, forest school corner and a tarmac playground. The school is situated within a conservation area of a well-established village.

Structure, governance and management

a. 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 Company was incorporated on 19 April 2013 and commenced operating as an Academy from 1 June 2013.

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 throughout the year except as noted are included in the Reference and Administrative Details on page 1

b. 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 £1, for the debts and liabilities contracted before they ceased to be a member.

c. 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 currently four Members. New Members will be appointed by invitation and election by the Governing Body should it become necessary. The Members may appoint up to two Governors, Parents will elect a minimum of two parent Governors and the Headteacher will be a Governor. Governors may also be co-opted as required.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

d. 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:

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

e. 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.

f. 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, Insurance, Learning Support)
- School Business Systems – Finance and business support
- Randall & Payne for Audit purposes and advice

The Academy works very closely with the local cluster of First schools (6 other schools) and the feeder Middle School.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

g. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

h. TRUSTEES' INDEMNITIES

Governor liability and Trustee liability is organised through Worcester Local Authority.

Objectives and Activities

a. OBJECTS AND AIMS

The Academy provides education for pupils aged 5 to 10 Years in the main school and operates a private Nursery on site for children aged 2-4 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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for our pupils are:

1. Enable all pupils to achieve success and close the learning gap between the most and least able.
2. Give pupils rich experiences (providing a REAL purpose, develop life skills, give a context and link to the wider world).
3. Build self-esteem (give support to the vulnerable pupils value their opinions, support risk taking and trying out new ideas).
4. 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)
5. 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.
6. 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.
7. Having (and communicating) high expectations: model - investigations and enquiry skills in all subjects (not just maths and science) and thinking out loud.

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

c. 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.

Full Governing Body meetings:

Finance and Premises committee meetings:

Curriculum Meetings:

Governors make monitoring visits:

Achievements and performance

a. 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.

b. 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 the budget set.

The building continues to meet Health and Safety requirements through a regular maintenance programme and provides an environment conducive to good learning.

Pupil numbers rose during the year from 89 to 102 over the course of the year.

Pupil attendance was 95.6%, which is slightly above the national average of 95%

c. REVIEW OF ACTIVITIES

1. 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, enabled a successful Academy transition.
2. Pupil numbers have increased as the school's reputation has improved and children from surrounding areas have joined the school.
3. The takeover of the Nursery was achieved without disruption and the quality of management and provision have improved. In addition there has been a more effective transition to the Reception Class.
4. Pupil progress is good overall but the school is aware that there are groups of vulnerable children whose slower progress needs to be addressed. A wide range of intervention programmes have been used to try to address any identified barriers to learning.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

5. 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.

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

Results of Statutory assessment of pupils in Year 2- % at each level

	READING	WRITING	MATHEMATICS	SCIENCE
W	0	0	10	10
Level 1	20	10	0	0
Level 2C	0	10	20	30
Level 2B	30	30	30	30
Level 2A	30	30	20	10
Level 3	20	20	20	20
% at age expected levels	80	80	70	60

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic
- financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes 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 role of Responsible Officer has been considered and will be externally appointed in the next financial period. This role will provide further checks that appropriate systems are in place and ensure the scheme of delegation is operated correctly.

The Board of Trustees has considered the need for a specific internal audit function and employed the auditing accountant to carry out an interim audit so that we could be well prepared for the end of year audit and presentation of final accounts.

Finance policies, Scheme of Delegation and Expenses Policies are reviewed annually. Alongside these policies, risk management is addressed through the Emergency Planning Policy and Procedure.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the organisation is linked to pupil numbers. The number on roll determines the budget therefore the Governors mitigate the risk by maintaining an up to date knowledge of future numbers likely.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

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, creating up to 200 new houses. The governors need to maintain an awareness of how this will impact on pupil numbers and are planning how an increased population will be accommodated in school.

c. RESERVES POLICY

In this financial period, due to tight budget allocations, the Governors maintained a small reserve as a contingency for unexpected eventualities. At the end of the year, due to some staff movement, additional grants and prudent management, the carry forward was greater than the initial budget plan. This has enabled the governors to set aside further funding for the next academic year to enhance the ICT provision at the school. An amount has also been set aside so that, should the pupil numbers continue to rise, a further teacher could be employed to create a new class.

Plans for future periods

a. FUTURE DEVELOPMENTS

Appoint a responsible officer external to the school staff and Governors.

Put in place a 3 year plan for premises and school development alongside projected pupil numbers and building plans for the village.

Plan and manage a consultation with stakeholders on future provision at the school.

Review structures and policies in the light of experience of the first full year as an academy.

Carry out a review of all teaching assistant provision and interventions to further improve pupil progress and standards to increase achievement for lower attaining pupils.

Implement the school's new curriculum in the light of the publication of the new National Curriculum

Consider the school's assessment systems and establish a robust system of tracking and assessing pupil progress and attainment for the new Curriculum.

Consider and plan for the rebuilding of temporary classrooms.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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.

HONEYBOURNE FIRST SCHOOL ACADEMY
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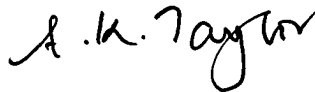
TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITORS

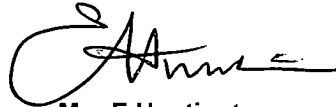
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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.

This report was approved by order of the board of trustees on 5 December 2014 and signed on the board's behalf by:



Mrs A K Taylor
Chair of Trustees



Mrs E Huntington
Accounting Officer

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 Trustees' responsibilities statement. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

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

Governance reviews:

The trust intends to conduct its next review of governance within the next 12 months, following the first period of Academy operation.

The Finance and Premises Committee is a sub-committee of the main board of trustees.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Huntington, Headteacher / staff governor	6	6
Mrs A K Taylor, Chair / LA governor	6	6
Mr S J Medley, Chair of finance / co-opted governor	6	6
Mr M Whittaker	1	1
Mr T Scorer, Co-opted governor	4	4
Mr D W E Gregg, Governor	2	2

HONEYBOURNE FIRST SCHOOL ACADEMY
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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Honeybourne First School Academy for the period 19 April 2013 to 31 August 2014 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 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 19 April 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

- The Headteacher provides leadership of 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.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of 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 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

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 Michael Poore, a Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

HONEYBOURNE FIRST SCHOOL ACADEMY
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GOVERNANCE STATEMENT (continued)

The RO has visited the school in November 2014 to assess the systems for procurement, processing of orders and invoices and the procedures and authorities for payment runs. He has prepared a report to the Finance Committee. Further work is planned in consultation with the governors. Other Governors have also attended during the period to review the systems and financial procedures to get an understanding of how the Academy operates under their delegated powers. For the new Academic year an external party has been appointed to undertake the role.

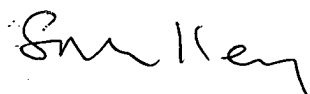
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 5 December 2014 and signed on its behalf, by:



Mr S J Medley
Chair of Finance



Mrs E Huntington
Accounting Officer

HONEYBOURNE FIRST SCHOOL ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Honeybourne First School Academy I have considered my responsibility to notify the Academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012).

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.



Mrs E Huntington, Headteacher
Accounting Officer

Date: 5 December 2014

HONEYBOURNE FIRST SCHOOL ACADEMY
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 5 December 2014 and signed on its behalf by:


Mrs A K Taylor
Chair of Trustees

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF HONEYBOURNE FIRST
SCHOOL ACADEMY**

We have audited the financial statements of Honeybourne First School Academy for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF HONEYBOURNE FIRST
SCHOOL ACADEMY**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Robert Stokes FCCA (Senior Statutory Auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date: 16 December 2014

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' 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 2013 to 2014, 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 period 19 April 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Honeybourne First School Academy and 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 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 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 ACCOUNTANT

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 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 19 April 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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;

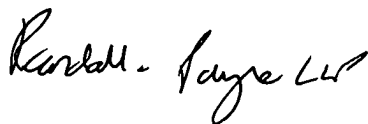
HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

- 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.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 19 April 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date: 16 December 2014

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income- transfer from local authority on conversion	2	19,670	(118,000)	1,288,782	1,190,452
Other voluntary income	2	5,229	-	-	5,229
Activities for generating funds	3,4	952	82,812	-	83,764
Investment income	5	69	-	-	69
Incoming resources from charitable activities	6	-	562,118	14,956	577,074
Other incoming resources	7	-	3,060	-	3,060
TOTAL INCOMING RESOURCES		25,920	529,990	1,303,738	1,859,648
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs	4	-	47,257	-	47,257
Charitable activities		-	559,646	38,085	597,731
Governance costs	9	-	26,539	-	26,539
TOTAL RESOURCES EXPENDED	12	-	633,442	38,085	671,527
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		25,920	(103,452)	1,265,653	1,188,121
Actuarial gains and losses on defined benefit pension schemes		-	(11,000)	-	(11,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		25,920	(114,452)	1,265,653	1,177,121
<i>Total funds at 19 April 2013</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2014		25,920	(114,452)	1,265,653	1,177,121

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

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

The notes on pages 21 to 42 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	19		1,259,358
CURRENT ASSETS			
Debtors	20	33,010	
Cash at bank and in hand		51,488	
		<u>84,498</u>	
CREDITORS: amounts falling due within one year	21	<u>(36,735)</u>	
NET CURRENT ASSETS			<u>47,763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,307,121</u>
Defined benefit pension scheme liability	28		<u>(130,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>1,177,121</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	22	15,548	
Restricted fixed asset funds	22	1,265,653	
		<u>1,281,201</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(130,000)</u>	
Total restricted funds			1,151,201
Unrestricted funds	22		<u>25,920</u>
TOTAL FUNDS			<u><u>1,177,121</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2014 and are signed on their behalf, by:


Mrs A K Taylor
Chair of Trustees


Mrs E Huntington
Accounting officer

The notes on pages 21 to 42 form part of these financial statements.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	16 months ended 31 August 2014 £
Net cash flow from operating activities	24	35,454
Returns on investments and servicing of finance	25	69
Capital expenditure and financial investment	25	(17,998)
Cash transferred on conversion to an academy trust	27	33,963
INCREASE IN CASH IN THE PERIOD		51,488

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

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

	16 months ended 31 August 2014 £
Increase in cash in the period	51,488
MOVEMENT IN NET FUNDS IN THE PERIOD	51,488
NET FUNDS AT 31 AUGUST 2014	51,488

The notes on pages 21 to 42 form part of these financial statements.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

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

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.7 Operating leases

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

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Conversion to an academy trust

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

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

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Voluntary income- transfer from local authority on conversion	19,670	1,170,782	1,190,452
Donations	5,229	-	5,229
Voluntary income	24,899	1,170,782	1,195,681

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Catering Income	-	10,620	10,620
Rental Income	952	-	952
Parental Contributions	-	4,426	4,426
Other Income	-	1,505	1,505
Pupil Trips	-	7,466	7,466
Music Tuition	-	751	751
Local Authority Nursery Funding	-	35,127	35,127
Nursery - Parental Contributions	-	19,924	19,924
Training income	-	2,993	2,993
	<u>952</u>	<u>82,812</u>	<u>83,764</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Fundraising trading expenses			
Nursery running costs	-	7,916	7,916
Uniforms	-	3,001	3,001
Nursery - Wages and salaries	-	32,695	32,695
Nursery - NI	-	923	923
Nursery - Pensions	-	2,722	2,722
	<u>-</u>	<u>47,257</u>	<u>47,257</u>
	<u>-</u>	<u>(47,257)</u>	<u>(47,257)</u>

5. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Investment income	<u>69</u>	<u>-</u>	<u>69</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Educational Operations Direct	-	577,074	577,074

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General Annual Grant	-	477,783	477,783
Other DfE/EFA Grants	-	73,711	73,711
Devolved Formula Capital	-	4,956	4,956
	-	556,450	556,450
Other government grants			
Local Authority Grants	-	10,624	10,624
	-	10,624	10,624
Other funding			
Lottery Grant	-	10,000	10,000
	-	10,000	10,000
	-	577,074	577,074

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Staff Absence Insurance	-	3,060	3,060

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

8. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Educational Operations Direct	-	597,731	597,731

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £
Educational Operations Direct	417,800	38,085	141,846	597,731

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Governance Auditors' remuneration	-	5,000	5,000
Governance Auditors' non audit costs	-	2,500	2,500
Conversion costs	-	18,750	18,750
Governors resources	-	289	289
	-	26,539	26,539

10. DIRECT COSTS

	Educational Operations Direct £	Total 2014 £
Pension income	5,000	5,000
Educational Supplies	15,137	15,137
Staff Development	5,614	5,614
Educational Trips	11,147	11,147
Insurance	2,640	2,640
Wages and salaries	289,167	289,167
National insurance	19,237	19,237
Pension cost	39,826	39,826
Depreciation	38,085	38,085
	425,853	425,853

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

11. SUPPORT COSTS

	Educational Operations Direct £	Total 2014 £
Technology Costs	11,232	11,232
Premises and Maintenance	14,943	14,943
Cleaning	2,150	2,150
Energy Costs	7,109	7,109
Rent and Rates	2,837	2,837
Insurance	17,614	17,614
Other support and admin expenses	26,988	26,988
Catering	19,435	19,435
Wages and salaries	58,560	58,560
National insurance	1,287	1,287
Pension cost	9,723	9,723
	<u>171,878</u>	<u>171,878</u>

12. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £
Fundraising expenses	36,341	1,878	9,038	47,257
Costs of generating funds	<u>36,341</u>	<u>1,878</u>	<u>9,038</u>	<u>47,257</u>
Educational Operations Direct	348,230	-	77,623	425,853
Support costs - Educational Operations Direct	69,570	27,040	75,268	171,878
Charitable activities	<u>417,800</u>	<u>27,040</u>	<u>152,891</u>	<u>597,731</u>
Governance	<u>-</u>	<u>-</u>	<u>26,539</u>	<u>26,539</u>
	<u>454,141</u>	<u>28,918</u>	<u>188,468</u>	<u>671,527</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £
Educational Operations Direct	425,853	171,878	597,731

14. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	16 months ended 31 August 2014 £
Depreciation of tangible fixed assets: - owned by the charity	38,085
Auditors' remuneration	5,000
Operating lease rentals	1,120

15. STAFF

a. Staff costs

Staff costs were as follows:

	16 months ended 31 August 2014 £
Wages and salaries	380,421
Social security costs	21,448
Other pension costs (Note 28)	52,271
	454,140
Supply teacher costs	2,472
	456,612

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

15. STAFF (continued)

b. Staff numbers

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

	16 months ended 31 August 2014 No.
Teachers	4
Administration and support	9
Management	1
	<hr/>
	14
	<hr/>

c. Higher paid staff

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

	16 months ended 31 August 2014 No.
In the band £70,001 - £80,000	1
	<hr/>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 employer's pension contributions for this member of staff amounted to £9,648.

16. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 4 Trustees in respect of defined benefit pension schemes.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

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

	16 months ended 31 August 2014 £
Elaine Huntington	75,000-80,000
Jon Dale	50,000-55,000
Helen Elliott	10,000-15,000
Lisa McCaskie	5,000-10,000

During the period ended 31 August 2014, expenses totalling £69 were reimbursed to one Trustee as part of their role as staff.

17. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the period ended 31 August 2014 was £1,250. The cost of this insurance is included in the total insurance cost.

18. OTHER FINANCE INCOME

	16 months ended 31 August 2014 £
Expected return on pension scheme assets	5,000
Interest on pension scheme liabilities	(10,000)
	(5,000)

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

19. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	1,276,605	7,600	13,238	1,297,443
At 31 August 2014	1,276,605	7,600	13,238	1,297,443
Depreciation				
Charge for the period	31,895	1,570	4,620	38,085
At 31 August 2014	31,895	1,570	4,620	38,085
Net book value				
At 31 August 2014	1,244,710	6,030	8,618	1,259,358

Included in land and buildings is leasehold land at valuation of £510,000 which is not depreciated.

20. DEBTORS

	2014 £
Other debtors	6,409
Prepayments and accrued income	26,601
	<u>33,010</u>

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

	2014 £
Trade creditors	121
Other taxation and social security	5,606
Other creditors	4,980
Accruals and deferred income	26,028
	<u>36,735</u>
	£
Deferred income	
Resources deferred during the year	<u>13,558</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. CREDITORS:
Amounts falling due within one year (continued)

The deferred income represents the grant for UIFSM for 1 September 2014.

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	25,920	-	-	-	25,920
Restricted funds						
General Annual Grant (GAG)	-	477,783	(479,281)	6,250	-	4,752
Start-up grant	-	25,000	(18,750)	(6,250)	-	-
Other DfE/EFA grants	-	48,711	(48,711)	-	-	-
LA grants	-	10,624	(10,624)	-	-	-
Nursery	-	55,051	(44,255)	-	-	10,796
Other restricted funds	-	30,821	(30,821)	-	-	-
Pension reserve	-	(118,000)	(1,000)	-	(11,000)	(130,000)
	-	529,990	(633,442)	-	(11,000)	(114,452)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	-	1,274,489	(38,085)	22,954	-	1,259,358
Surplus capital fund on conversion	-	14,293	-	(7,998)	-	6,295
Devolved Formula Capital Grant	-	4,956	-	(4,956)	-	-
Lottery Grant for Play Space	-	10,000	-	(10,000)	-	-
	-	1,303,738	(38,085)	-	-	1,265,653
Total restricted funds	-	1,833,728	(671,527)	-	(11,000)	1,151,201
Total of funds	-	1,859,648	(671,527)	-	(11,000)	1,177,121

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (continued)

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

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 2014.

SUMMARY OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
General funds	-	25,920	-	-	-	25,920
Restricted funds	-	529,990	(633,442)	-	(11,000)	(114,452)
Restricted fixed asset funds	-	1,303,738	(38,085)	-	-	1,265,653
	<u>-</u>	<u>1,859,648</u>	<u>(671,527)</u>	<u>-</u>	<u>(11,000)</u>	<u>1,177,121</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2014	2014	2014	2014
	£	£	£	£
Tangible fixed assets	-	-	1,259,358	1,259,358
Current assets	25,920	52,283	6,295	84,498
Creditors due within one year	-	(36,735)	-	(36,735)
Provisions for liabilities and charges	-	(130,000)	-	(130,000)
	<u>25,920</u>	<u>(114,452)</u>	<u>1,265,653</u>	<u>1,177,121</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing	Discontinued	16 months ended 31 August 2014 Total £
	£	£	£
Net incoming resources before revaluations	1,188,121	-	1,188,121
Returns on investments and servicing of finance	(69)	-	(69)
Cash transferred on conversion	(33,963)	-	(33,963)
Assets transferred on conversion	(1,274,489)	-	(1,274,489)
Depreciation of tangible fixed assets	38,085	-	38,085
Capital grants from DfE	(4,956)	-	(4,956)
Increase in debtors	(33,010)	-	(33,010)
Increase in creditors	36,735	-	36,735
Pension deficit transfer on conversion	118,000	-	118,000
FRS 17 adjustments	1,000	-	1,000
Net cash inflow from operations			35,454

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

	16 months ended 31 August 2014 £
Returns on investments and servicing of finance	
Interest received	69
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(1,297,443)
Capital grants from DfE	4,956
Assets transferred on conversion	1,274,489
Net cash outflow capital expenditure	(17,998)

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26. ANALYSIS OF CHANGES IN NET FUNDS

	19 April 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	51,488	-	51,488
Net funds	-	51,488	-	51,488

27. CONVERSION TO AN ACADEMY TRUST

On 1 June 2013 Honeybourne First School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Honeybourne First School Academy from Worcestershire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,271,000	1,271,000
- Other tangible fixed assets	-	-	3,489	3,489
Budget surplus/(deficit) on LA funds	19,670	-	14,293	33,963
LGPS pension surplus/(deficit)	-	(118,000)	-	(118,000)
Net assets/(liabilities)	19,670	(118,000)	1,288,782	1,190,452

The above net assets include £33,963 that were transferred as cash.

The property was transferred on a 125 year lease from Worcestershire County Council.

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NOTES TO THE FINANCIAL STATEMENTS
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28. 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 defined benefit schemes.

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

Contributions amounting to £4,963 were payable to the schemes at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £25,443, of which employer's contributions totalled £21,030 and employees' contributions totalled £4,413. 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.

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

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

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	7.00	78,000
Bonds	3.80	5,000
Cash	0.50	1,000
Total market value of assets		84,000
Present value of scheme liabilities		(214,000)
(Deficit)/surplus in the scheme		(130,000)

The amounts recognised in the Balance sheet are as follows:

	16 months ended 31 August 2014 £
Present value of funded obligations	(214,000)
Fair value of scheme assets	84,000
Net liability	(130,000)

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

	16 months ended 31 August 2014 £
Current service cost	(20,000)
Interest on obligation	(10,000)
Expected return on scheme assets	5,000
Total	(25,000)
Actual return on scheme assets	6,000

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28. PENSION COMMITMENTS (continued)

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

	16 months ended 31 August 2014 £
Current service cost	20,000
Interest cost	10,000
Contributions by scheme participants	5,000
Actuarial Losses	16,000
Liabilities assumed in a business combination	163,000
	<hr/>
Closing defined benefit obligation	214,000
	<hr/> <hr/>

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

	16 months ended 31 August 2014 £
Expected return on assets	5,000
Actuarial gains and (losses)	5,000
Contributions by employer	24,000
Contributions by employees	5,000
Assets acquired in a business combination	45,000
	<hr/>
	84,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £11,000 loss.

The Academy expects to contribute £18,000 to its Defined benefit pension scheme in 2015.

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

	2014
Equities	92.30 %
Other bonds	6.50 %
Cash/Liquidity	1.20 %

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

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

	2014
Discount rate for scheme liabilities	4.00 %
Expected return on scheme assets at 31 August	6.42 %
Rate of increase in salaries	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %
Inflation assumption (CPI)	2.20 %
Commutation of pensions to lump sums	50.00 %

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

	2014
Retiring today	
Males	22.5
Females	23.3
Retiring in 20 years	
Males	24.3
Females	25.5

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(214,000)
Scheme assets	84,000
Deficit	(130,000)
Experience adjustments on scheme liabilities	(16,000)
Experience adjustments on scheme assets	5,000

29. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2014 £	Other 2014 £
Expiry date:		
Between 2 and 5 years	-	940

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NOTES TO THE FINANCIAL STATEMENTS
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30. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. No related party transactions took place in the period of account.