



HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

Members

S Medley

Trustees

S Medley

E Huntington, Teacher

C Poore, Vice Chair

C Kemp (resigned 29 February 2020)

J Woodfield

A Innes

A Solomon (resigned 30 November 2019)

S Coleman, Chair

Rev S Watts

L Bucknall

Mrs R Evans-Cook

Company registered number

08496781

Company name

Honeybourne First School Academy

Principal and registered office

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

Headteacher

E Huntington

Senior management team

Mrs Elaine Huntington, Headteacher

Mr Jon Dale, Senior Teacher

Mrs Rachel Evans-Cook, Senior Teacher/SENDco

Mrs Wendy Wiggett, Finance Secretary

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REFERENCE AND ADMINISTRATIVE DETAILS
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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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2019 to 31st August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Honeybourne Primary Academy provides education for pupils aged 5 to 11 years in the main school and operates a private nursery on site for children aged 2-4 years. There were 34 pupils registered in the Nursery, and the main school had 161 pupils on roll as at 1st September 2018.

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 Primary Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Honeybourne Primary Academy, but still trades as Honeybourne First School Academy, awaiting official name change documentation.

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 is organised through Worcestershire County Council.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Since the change to academy status, Trustees have appointed the local governing body. 2 of the original Trustees remain. The structure of governance will be reviewed in the new financial year.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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
- Safeguarding Arrangements
- Recruitment and Training
- Whistle blowing
- The Curriculum
- SEND – Special Educational Needs and Disabilities
- Governors Code of Conduct
- Staff code of conduct

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 6 Full Governing Body meetings during the course of the year, except the Staffing committee who meet as necessary to organise and arrange any new appointments or any key changes in legislation. 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.

Following the closure of all schools except for children of key workers and those deemed vulnerable from 20 March 2020 all governor meetings have been held on line. During this exception closure, additional meetings of the governing body were held, on line, using video conferencing software to stay in touch with the leadership group and how the school was being run and pupils' needs met.

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 normally 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 recognises the need to appoint further governors however the appointment process has been impacted by the Covid-19 pandemic. When it is deemed appropriate and safe the governing body will initiate appropriate processes to recruit new governors. The Governing Body has a clerk to minute all meetings.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The pay and remuneration for key management personnel is set out in the pay policy for Honeybourne Primary 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.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

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

- Liberata (Payroll, HR, Health and Safety)
- BabcockPrime (Learning Support, training and governor services)
- Worcester Children First (Taken over from Babcock during the year)
- 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. Honeybourne Academy is working, alongside local first and primary schools, towards setting up a Multi-Academy Trust in the near future.

Objectives and Activities

OBJECTS AND AIMS

The Academy provides education for pupils aged 5 to 11 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

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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 our key priorities which are:

- Improve standards in reading across the school, and increase reading rates/love of reading.
- Leadership at all levels – ensure greater accountability by Senior and Middle leaders for all pupil performance, progress and improving learning attitudes.
- Curriculum Development: Increase cross curricular links and review topic planning; to enable more purposeful contexts to teaching of basic skills in order to make learning more memorable and impact positively on academic outcomes, (especially for vulnerable pupils and previously lower attainers).
- Cultural capital to be re-visited as a school to identify any gaps in our provision given our community, population and area.

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 ESFA. 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.

Please note that from March 2020 all governing body and committee meetings have been held online.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

During 2019-2020 the UK and indeed across almost all countries in the world has experienced the pandemic caused by the virus COVID-19. It particularly impacted on Honeybourne Primary Academy as it did on schools across the country at all levels. This resulted in all schools closing to all but key workers' and vulnerable pupils from March 2020.

Prior to March 2020

- The school continued to be popular with parents and pupil numbers continued to rise. There were 161 on roll in main school and 34 pupils registered in the Nursery
 - Attendance was 97.1% this year up until December 2019, which was a great start to the year
 - 22 pupils were eligible for Free School Meals. Our pupil premium funded pupil figure was slightly higher than the national average at 29 (18%); this figure fluctuates as pupils come on and off the FSM register.
- There were 40 pupils identified as requiring additional support for SEN and 3 pupils have an EHCP. The largest category of need is speech and language, with 15 pupils out of 26 in Reception needing input at the beginning of the year and this number dropped at the end after substantial interventions in school.
- Several members of staff were appointed at the start of the year including a new Financial Secretary and a Key Stage 2 teacher. Both settled in well to their new roles.
 - Successful performance management interviews and observations took place for the teaching staff and for the headteacher.
 - Two members of the Senior Leadership Team have begun courses in the National Professional Quality for Senior Leaders – one has now received a pass and the second is on-going.
 - In January 2020 the school was visited by an Ofsted Inspection team following which the school was rated as Good. The following key aspects from the inspection were identified:-
 - Children in the Nursery and Reception classes are happy, settled and keen to learn. Teachers make sure that learning is interesting
 - Leaders and staff have worked hard to develop the curriculum. In many subjects, including English, mathematics, science and modern foreign languages, learning is planned and ordered to develop pupils' knowledge and skills over time
 - Curriculum leaders have been the driving force behind the development of the curriculum
 - Leaders place reading at the heart of the curriculum. Most pupils read confidently and fluently from an early age.
 - Leaders work hard to improve the school. Those responsible for governance support leaders well.
 - Two areas were identified for the school to work towards and these will be incorporated in to the school's learning plan
 - All stakeholders were very pleased with the outcome of the inspection and it reflected the excellent and hard work undertaken by the headteacher, teaching and non-teaching staff, the governors and all the pupils.

Minutes of many additional meetings of the full governing body will show discussions and time lines for key actions and changes to life as we knew it before the pandemic. Numerous DfE bulletins and updates from Worcester Children First supported the actions of the governing body and leadership team.

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TRUSTEES' REPORT (continued)
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Following 20th March:

Closure of all schools in England (Wales, Scotland and N. Ireland all at a similar time) to all but key workers' children and vulnerable pupils.

- Unprecedented measures were imposed on everyone to support; staying at home, only travelling if absolutely necessary and only going out for food/essential supplies or exercise, no contact with anyone outside your own household and families not allowed to stay over in another house/hotel/guesthouse. All sporting and non-essential work was stopped or moved to a 'work from home' situation. (Further details on measures can be found in DfE publications).
- Staff allocated to one or two groups of mixed age pupils on a week on, two weeks off basis. Most staff were timetabled to 2 days per week.
- Home learning was established in a remarkably short space of time; all teaching plans, overview, detailed day to day learning plan and timetables were posted on the school's new website for parents to access. All staff contributed to these plans and daily contact was made with those pupils who staff felt needed it to keep going.
- Vulnerable pupils list established and regular (every few days, at least once a week) contact made by phone or doorstep visits. No physical contact was allowed nor made.
- Zoom video conferencing took place in all classes, mainly for social contact, and all formal meetings were conducted via this method.
- From 1st June; Schools opened to Nursery, Reception, Year 1 and Year 6 pupils, in smaller groups of no more than 15. These new 'bubbles' were established alongside provision being managed and planned for key workers' children and those still learning from home.
- End of June: Further bubble created for KS2 pupils, mainly Y6 and vulnerable pupils.
- Not all pupils eligible for these reduced class places took up their space.
- Parents all asked to sign to agree to measures in place.
- Extensive risk assessments were established to minimise the risks given the information being gathered about how the virus is transmitted.
- Many staff were shielding due to vulnerable health issues and therefore did not come into school.
- 19th July – School and Nursery closed for the summer break to give all staff a much needed, welcome rest.
- 1st September: School and Nursery re-opened its doors to all pupils with measures still in place.
- The new building extension, to replace temporary classrooms, was started in the summer term and is progressing well. It is hoped that it will be completed by April 2021. Staffing has been put in place to ensure that each year group is taught separately so that from April 2021 there will be no interruption to children's progress when they move into their new classrooms.

KEY PERFORMANCE INDICATORS

- The budget was set in line with ESFA requirements.
 - From March 2020, extensive risk assessments were established to minimise the risks given the information being gathered about how the COVID-19 virus was transmitted.
 - The pandemic forced all schools to review their teaching methods and communications with parents and children and this was successfully achieved by staff at Honeybourne Primary Academy.
 - The Local Authority has asked the Academy to increase its PAN to meet basic need in future years, from 20 to 30. A funding agreement was put in place during the summer 2020 and it is hoped that the school will provide 30 pupil places per year from September 2021, subject to agreement by the funding agency.
- The building work for the new extension began in the summer term and is progressing well.
- The building continues to meet Health and Safety requirements through a regular maintenance programme and provides an environment conducive to good learning.
 - There was a small increase in pupil numbers from the previous year from 159 to 161.

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TRUSTEES' REPORT (continued)
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In Key Stage 1, Year 2, pupils' Teacher Assessments were as follows:
Year 2 results (July 2020) number of pupils

Subject	Working towards the standard (WTS)	Meeting the expected standard (EXS)	Working in the standard at a greater depth (GDS)
Reading	7	16	5
Writing	11	14	3
Maths	7	18	3
GPS	N/A	N/A	N/A
Science		24	4

In Key Stage 2, Year 6, pupils' attainment was as follows:

Year 6 teacher assessments (number of pupils)

	Teacher Assessments		
	Reading	Writing	Maths
WTS	4	6	6
EXS	8	7	6
GDS	12	11	12

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Almost all income for the Academy is obtained from the EFSA via grants based on the number of pupils attending the school. A small amount of additional income is generated by parent contributions towards trips, meals, uniform, music tuition and various fund raising activities.

Staff and salaries remain as the largest % of the budget expenditure and this is in line with benchmarking activities carried out. As a small school we continue to offer good value for money, given the pupil outcomes and the small % left in the budget for educational supplies and activities.

Following the allocation of additional funding from the Local Authority a two floor extension to cater for an additional year group was started in the summer term and is progressing well. This will enable the temporary classrooms in the playground to be demolished and create increased playground space to cater for the additional pupils. It is proposed to move all children into single year groups from September 2020 (and used the hall as a classroom) to avoid disruption during the following year when the extension is finished.

The school has received around £3,500 for additional expenditure during school closures, a grant set up by the government to reimburse schools for unforeseen costs relating to the COVID-19 pandemic. These include additional cleaning and administration staff time, sanitiser stations, outside sinks and other items.

The school has been allocated £12,000 from the government's £650m Catch-up Fund to allow schools to help children catch up after a long period of absence. The additional grant has allowed the school to support the new staffing structure from September 2020.

During the 2020-2021 it is anticipated that

- As many of the children did not attend school for a long period of time during 2019-2020, a recovery curriculum with due care and attention paid to the well-being of all concerned will be established to ensure over time all pupils reach the educational levels they would have been at had they been attending school as normal.
- The school is prepared for changes in teaching arrangements should there be any changes impacted by the COVID-19 virus
- The building extension will be completed by April 2021 and all pupils will have moved into their new teaching areas.
- The temporary classrooms in the playground will have been demolished and the playground area resurfaced and ready to be used by the pupils.
- Decoration of the building both inside and out will be coordinated with the proposed building work.
- A PAN of 30 will be in place from September 2021

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

RESERVES POLICY

The purpose of the reserve policy for Honeybourne Primary 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.

Funds (per note 17)	31 August 2020	31 August 2019	Movement in year
Unrestricted funds	8,013	4,595	3,418
Restricted general funds	27,322	34,000	(6,678)
Total "operating" reserves	35,335	38,595	(3,260)
Restricted fixed asset funds	2,244,327	1,210,091	1,034,236
Local government pension fund	(604,000)	(456,000)	(148,000)

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 £70,000 held in reserves, although this is an ambitious target which has yet to be reached, with a critical operating level of between £5,000 and £10,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. 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.

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.

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TRUSTEES' REPORT (continued)
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INVESTMENT POLICY

1. Introduction: At Honeybourne Primary 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.
- Impact of possible initiatives the school may have to undertake due to the COVID-19 virus
- 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 potential for a significant building programme in the village with up to 300 new houses being proposed. 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.

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TRUSTEES' REPORT (continued)
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Plans for future periods

The key plans for future periods are:

- To address the two key issues identified for improvement in the Ofsted report from January 2020
- To continue to monitor the building works of the new extension currently being built both from a physical aspect of the site and the financial aspect that covers the overall costs.
- To ensure that other areas of the school are not affected by the focus on the new build.
- To continue the identification, development and implementation of a Multi Academy trust by working alongside other local schools.
- Further review of structures and policies in the light of experience moving into a Multi Academy Trust and continuing to function as a primary school moving to become a one form entry Primary with increased Pupil Admission Numbers (PAN) from 20 to 30 from September 2021.
- To implement the schools Recovery Programme/Curriculum for all pupils following their return to school in September 2020
- To review different ways to develop and enhance links to the community and families to offer support and reduce loneliness and continue with a newly formed community group.
- Identify opportunities for staff to develop their skills and knowledge through achieving external qualifications
- Develop and extend pupil leadership
- To support all staff on their return to teaching from September 2020 during the continuing pandemic and consistently monitor and review its impact on home and school life.

FUNDS HELD AS A CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The funds available to the school from the ESFA 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.

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- Randall and Payne have been re-appointed as the Auditor for Honeybourne Primary Academy

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on the Board's behalf by:


Mr Steven Medley
Co-opted Governor and Trustee


Mr Steven Coleman
Co-opted Chair of Governors

HONEYBOURNE FIRST SCHOOL ACADEMY
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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, either in person or online, 15 times during the year. The Governing Body aims to meet at least 6 times a year. When meetings have not taken place, email communication as well as telephone calls are used to inform all Governors and ensure that key actions are agreed by the whole Governing Body.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Huntington	15	15
Mr S Medley	4	15
Mrs R Evans-Cook, Teacher	14	14
Mrs C Kemp	2	2
Mrs C Poore (V Chair)	12	15
Mrs A Solomon	1	1
Mrs A Innes, Chair	13	15
Mr S Coleman (Chair)	15	15
Mrs J Woodfield	11	15
Rev S Watts	10	15
Mrs L Bucknall	15	15

There has been several changes in membership of the governing body. New replacements have been found but there is always a lead in period as new governors become more familiar with their roles and responsibilities. Further appointments to the governing body will be pursued.

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GOVERNANCE STATEMENT (continued)

The Finance and Property Committee is a Sub-Committee of the main board of Trustees. Its purpose is 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 ESFA (Education Skills 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	2	2
Mr S Medley (C)	2	2
Mrs J Woodfield	2	2
Mr S Coleman	1	2

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	1	1
Mrs A Innes	1	1
Mrs C Poore (C)	1	1

Between curriculum meetings governors normally undertake formal visits to the school usually with a specific focus linked to the School Development Plan. However under the restrictions by the pandemic formal visits to school have not been allowed.

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 trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust 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 schools 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, i.e. 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 Honeybourne Primary Academy for the period 1st September 2019 to 31 August 2020 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 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 ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 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 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:

- 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 a member of Randall and Payne to carry out a programme of internal scrutiny.

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

- testing of payroll systems;
- testing of purchase systems 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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

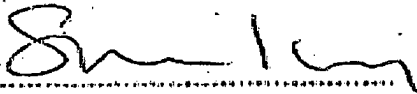
GOVERNANCE STATEMENT (continued)

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 our School Business Systems representative.

Approved by order of the members of the board of Trustees on 10 December 2020 and signed on their behalf, by:



Mr S Modley
Chair of Trustees



Mrs E Huntington
Accounting Officer

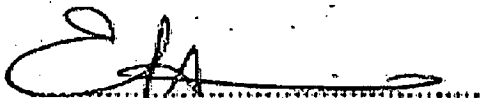
HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2018.

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 ESFA.



Mrs E Huntington
Accounting Officer

Date: 10 December 2020

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who act as Governors of Honeybourne Primary Academy 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

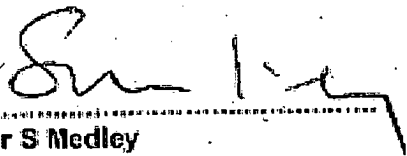
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



Mr S Medley
Chair of Trustees

Date: 10 December 2020

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

We have audited the financial statements of Honeybourne First School Academy (the 'Academy') for the year ended 31 August 2020 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

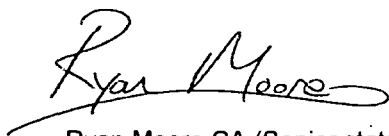
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

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



Ryan Moore CA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 19 January 2021

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 12 February 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Honeybourne First School Academy and the ESFA, 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

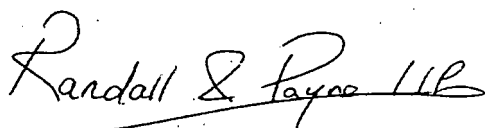
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HONEYBOURNE FIRST SCHOOL ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**
(continued)

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.

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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Ryan Moore CA

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 19 January 2021

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

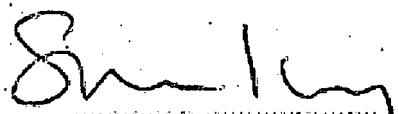
	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	2	3,374	-	1,072,586	1,075,960	14,847
Charitable activities	3	-	843,211	-	843,211	820,124
Other trading activities	4	-	46,550	-	46,550	48,890
Investments	5	44	-	-	44	56
TOTAL INCOME		3,418	889,761	1,072,586	1,965,765	883,917
EXPENDITURE ON:						
Raising funds		-	103,834	-	103,834	114,876
Charitable activities		-	849,605	38,350	887,955	824,853
TOTAL EXPENDITURE	6	-	953,439	38,350	991,789	939,729
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		3,418	(63,678)	1,034,236	973,976	(55,812)
Actuarial losses on defined benefit pension schemes	22	-	(91,000)	-	(91,000)	(145,000)
NET MOVEMENT IN FUNDS		3,418	(154,678)	1,034,236	882,976	(200,812)
RECONCILIATION OF FUNDS:						
Total funds brought forward		4,595	(422,000)	1,210,091	792,686	993,498
TOTAL FUNDS CARRIED FORWARD		8,013	(576,678)	2,244,327	1,675,662	792,686

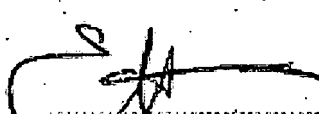
HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08496781

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	2019 £
FIXED ASSETS				
Tangible assets	14		1,298,917	1,208,843
CURRENT ASSETS				
Debtors	15	1,016,720		16,833
Cash at bank and in hand		77,944		86,875
		<u>1,094,664</u>		<u>103,708</u>
CREDITORS: amounts falling due within one year	16	(113,919)		(63,865)
NET CURRENT ASSETS			<u>980,745</u>	<u>39,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,279,662</u>	<u>1,248,686</u>
Defined benefit pension scheme liability	22	(604,000)		(456,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,675,662</u>	<u>792,686</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	27,322		34,000
Restricted fixed asset funds	17	2,244,327		1,210,091
Restricted income funds excluding pension liability		2,271,649		1,244,091
Pension reserve		(604,000)		(456,000)
Total restricted income funds			<u>1,667,649</u>	<u>788,091</u>
Unrestricted income funds	17		<u>8,013</u>	<u>4,595</u>
TOTAL FUNDS			<u>1,675,662</u>	<u>792,686</u>

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue, on 10 December 2020 and are signed on their behalf, by:


Mr S Medley
Chair of Trustees


Mrs E Huntington
Accounting Officer

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(953,093)	19,626
Cash flows from investing activities:			
Purchase of tangible fixed assets		(128,424)	(14,601)
Capital grants from DfE Group		1,072,586	13,074
Net cash provided by/(used in) investing activities		944,162	(1,527)
Change in cash and cash equivalents in the year		(8,931)	18,099
Cash and cash equivalents brought forward		86,875	68,776
Cash and cash equivalents carried forward	20	77,944	86,875

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, 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 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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

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

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

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

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:

Leasehold property	-	30 years straight line
Furniture and fixtures	-	5 years straight line
Computer equipment	-	3 years straight line

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

1.6 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.

1.7 Operating leases

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

1.8 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 Liabilities and provisions

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

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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.

1.14 Fund accounting

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	3,374	-	-	3,374	1,773
Capital Grants	-	-	1,072,586	1,072,586	13,074
	<u>3,374</u>	<u>-</u>	<u>1,072,586</u>	<u>1,075,960</u>	<u>14,847</u>
Total 2019	<u>1,773</u>	<u>-</u>	<u>13,074</u>	<u>14,847</u>	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Operations Income				
General Annual Grant	-	608,573	608,573	612,804
Rates Reclaim	-	864	864	3,206
Pupil Premium and Service Premium	-	38,826	38,826	39,200
Universal Infant Free School Meals (UIFSM)	-	24,691	24,691	21,413
Other DfE and ESFA	-	42,636	42,636	22,418
Other Government Revenue Grants	-	28,577	28,577	19,167
Other Income *	-	99,044	99,044	101,916
	-	843,211	843,211	820,124
<i>Total 2019</i>	-	820,125	820,125	

Included within Other Income above is £6,504 of funding claimed and received by the academy in respect of the Coronavirus Job Retention Scheme (2019: Nil)

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering Income	-	3,481	3,481	6,633
Rental Income	-	109	109	319
Parental Contributions	-	18,714	18,714	19,037
Other Income	-	9,067	9,067	6,990
Pupil Trips	-	14,551	14,551	15,061
Music Tuition	-	628	628	850
	-	46,550	46,550	48,890
<i>Total 2019</i>	-	48,890	48,890	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	44	-	44	56
<i>Total 2019</i>	56	-	56	

6. EXPENDITURE

	Staff costs 2020 £	Premises 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading					
Direct costs	100,802	-	3,032	103,834	114,876
Support costs	-	-	-	-	-
Educational Operations Di:					
Direct costs	547,576	-	73,299	620,875	576,363
Support costs	123,387	22,606	121,087	267,080	278,489
	771,765	22,606	197,418	991,789	969,728
<i>Total 2019</i>	696,795	25,597	247,336	969,728	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Educational Operations	620,875	267,080	887,955	824,852
<i>Total 2019</i>	576,363	248,489	824,852	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Educational Operations Direct £	Total 2020 £	Total 2019 £
Pension income	-	-	7,000
Staff Expenses	8,241	8,241	5,985
Educational Supplies	6,398	6,398	8,302
Educational Consultancy	6,930	6,930	6,081
Insurance	9,072	9,072	7,599
Technology Costs	21,539	21,539	10,851
Other	15,015	15,015	23,575
Wages and salaries	422,521	422,521	405,540
National insurance	34,975	34,975	33,192
Pension cost	90,080	90,080	62,134
Depreciation	6,104	6,104	6,104
	<u>620,875</u>	<u>620,875</u>	<u>576,363</u>
<i>At 31 August 2019</i>	<u>576,363</u>	<u>576,363</u>	

Analysis of support costs

	Educational Operations Support £	Total 2020 £	Total 2019 £
Pension income	7,000	7,000	-
Staff costs	123,387	123,387	95,357
Depreciation	32,246	32,246	32,656
Other Staff Costs	-	-	3,811
Insurance	-	-	514
Technology Costs	-	-	140
Other	38,479	38,479	50,901
Maintenance of Premises	11,062	11,062	7,624
Cleaning and Caretaking	3,228	3,228	2,333
Rates	3,046	3,046	3,787
Energy	5,269	5,269	7,305
Catering	28,158	28,158	30,436
Other Premises Costs	5,850	5,850	4,406
Auditor Costs	9,355	9,355	9,219
	<u>267,080</u>	<u>267,080</u>	<u>248,489</u>
<i>At 31 August 2019</i>	<u>248,489</u>	<u>248,489</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

During the year ended 31 August 2020, the Academy incurred the following Governance costs:

£9,355 (2019 - £9,240) included within the table above in respect of Governance .

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	38,350	38,760
Auditors' remuneration - audit	6,050	5,950
Auditors' remuneration - other services	3,095	3,290
Operating lease rentals	909	1,834
	<u> </u>	<u> </u>

9. AUDITORS' REMUNERATION

The Auditors remuneration amounts to an Audit fee of £6,050 (2019 - £5,950) and non-audit costs of £3,095 (2019 - £3,290).

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	568,627	540,464
Social security costs	41,222	38,953
Operating costs of defined benefit pension schemes	161,756	110,238
	<u>771,605</u>	<u>689,655</u>
Agency staff costs	160	7,140
	<u>771,765</u>	<u>696,795</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	7	7
Administration and support	20	21
Management	4	4
	<u>31</u>	<u>32</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £192,978 (2019: £188,060).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2020 £	2019 £
Mrs E Huntington, Headteacher	Remuneration	60,000-65,000	55,000-60,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mr J Dale, Staff governor	Remuneration		35,000-40,000
	Pension contributions paid		5,000-10,000
Mrs R Evans-Cook	Remuneration	20,000-25,000	
	Pension contributions paid	5,000-10,000	

During the year ended 31 August 2020, expenses totalling £377 (2019 - £563) were reimbursed to 2 Trustees (2019 - 2).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim (2019: unlimited) and the cost for the year ended 31 August 2020 was included in the RPA agreement, the cost of which is not separable from the total insurance cost in the year (2019 - not separable).

13. OTHER FINANCE INCOME

	2020 £	2019 £
Interest income on pension scheme assets	6,000	7,000
Interest on pension scheme liabilities	(13,000)	(14,000)
	<u>(7,000)</u>	<u>(7,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2019	1,358,853	29,406	64,859	-	1,453,118
Additions	-	-	-	128,424	128,424
At 31 August 2020	1,358,853	29,406	64,859	128,424	1,581,542
Depreciation					
At 1 September 2019	165,322	24,582	54,371	-	244,275
Charge for the year	28,295	3,951	6,104	-	38,350
At 31 August 2020	193,617	28,533	60,475	-	282,625
Net book value					
At 31 August 2020	1,165,236	873	4,384	128,424	1,298,917
At 31 August 2019	1,193,531	4,824	10,488	-	1,208,843

The land and buildings in the financial statements represents the school premises which is occupied under a 125 year lease from the Worcestershire County Council with effect from 31 May 2013.

Included in land and buildings is leasehold land at valuation of £510,000 (2019: £510,000) which is not depreciated.

15. DEBTORS

	2020 £	2019 £
Trade debtors	49,600	-
Other debtors	10,741	2,582
Prepayments and accrued income	956,379	14,251
	1,016,720	16,833

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	60,023	8,931
Other creditors	23,821	21,352
Accruals and deferred income	30,075	33,582
	<u>113,919</u>	<u>63,865</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	12,715	11,344
Resources deferred during the year	15,863	12,715
Amounts released from previous years	(12,715)	(11,344)
Deferred income at 31 August 2020	<u>15,863</u>	<u>12,715</u>

At the year end, resources were deferred for Universal Infant Free School Meals grant income in relation to the 2019/20 financial year and rates relief.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	4,595	3,418	-	-	-	8,013
Restricted funds						
Academy - Restricted	34,000	803,167	(809,845)	-	-	27,322
Nursery	-	86,594	(86,594)	-	-	-
Pension reserve	(456,000)	-	(57,000)	-	(91,000)	(604,000)
	<u>(422,000)</u>	<u>889,761</u>	<u>(953,439)</u>	<u>-</u>	<u>(91,000)</u>	<u>(576,678)</u>
Restricted fixed asset funds						
Restricted Fixed Asset						
Funds - all funds	1,208,843	-	(38,350)	128,424	-	1,298,917
Devolved Formula Capital	1,248	5,665	-	-	-	6,913
Local authority	-	1,066,921	-	(128,424)	-	938,497
	<u>1,210,091</u>	<u>1,072,586</u>	<u>(38,350)</u>	<u>-</u>	<u>-</u>	<u>2,244,327</u>
Total restricted funds	<u>788,091</u>	<u>1,962,347</u>	<u>(991,789)</u>	<u>-</u>	<u>(91,000)</u>	<u>1,667,649</u>
Total of funds	<u>792,686</u>	<u>1,965,765</u>	<u>(991,789)</u>	<u>-</u>	<u>(91,000)</u>	<u>1,675,662</u>

The specific purposes for which the funds are to be applied are as follows:
Academy - Restricted includes the following funds:

- GAG Fund - This fund represents grants received for the Academy's operational activities and development.
- Pupil Premium - Funding from the ESFA to support disadvantaged pupils of all abilities to perform and close the gap between them and their peers.
- UIFSM - Grant income received to cover the provision of school meals for eligible children.
- PE & Sports Grant - funding towards the provision of physical education.
- Rates Relief - Government funding towards rates costs incurred.
- Employment Allowance - Government funding towards national insurance contributions.
- Local Authority Early Years - Grants received from the Local Authority to contribute towards the academy's early years provision.
- Catering, lettings, trip income - funds raised from the provision of the aforementioned activities.
- Supply Reimbursement - monies received from the insurance provider for staff absence.

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
General funds						
General Funds - all funds	2,766	1,829	-	-	-	4,595
Restricted funds						
Academy - Restricted	28,955	772,456	(767,411)	-	-	34,000
Nursery	-	96,599	(96,599)	-	-	-
Pension reserve	(274,000)	-	(37,000)	-	(145,000)	(456,000)
	<u>(245,045)</u>	<u>869,055</u>	<u>(901,010)</u>	<u>-</u>	<u>(145,000)</u>	<u>(422,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset						
Funds - all funds	1,233,002	-	(38,760)	14,601	-	1,208,843
Devolved Formula Capital	2,775	13,074	-	(14,601)	-	1,248
Total restricted funds	<u>990,732</u>	<u>882,129</u>	<u>(939,770)</u>	<u>-</u>	<u>(145,000)</u>	<u>788,091</u>
Total of funds	<u><u>993,498</u></u>	<u><u>883,958</u></u>	<u><u>(939,770)</u></u>	<u><u>-</u></u>	<u><u>(145,000)</u></u>	<u><u>792,686</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	2,766	5,247	-	-	-	8,013
Restricted funds						
Academy - Restricted	28,955	1,575,623	(1,577,256)	-	-	27,322
Nursery	-	183,193	(183,193)	-	-	-
Pension reserve	(274,000)	-	(94,000)	-	(236,000)	(604,000)
	<u>(245,045)</u>	<u>1,758,816</u>	<u>(1,854,449)</u>	<u>-</u>	<u>(236,000)</u>	<u>(576,678)</u>
Restricted fixed asset funds						
Restricted Fixed Asset						
Funds - all funds	1,233,002	-	(77,110)	143,025	-	1,298,917
Devolved Formula Capital	2,775	18,739	-	(14,601)	-	6,913
Local authority	-	1,066,921	-	(128,424)	-	938,497
	<u>1,235,777</u>	<u>1,085,660</u>	<u>(77,110)</u>	<u>-</u>	<u>-</u>	<u>2,244,327</u>
	<u>990,732</u>	<u>2,844,476</u>	<u>(1,931,559)</u>	<u>-</u>	<u>(236,000)</u>	<u>1,667,649</u>
Total of funds	<u>993,498</u>	<u>2,849,723</u>	<u>(1,931,559)</u>	<u>-</u>	<u>(236,000)</u>	<u>1,675,662</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	1,298,917	1,298,917
Current assets	8,013	141,239	945,410	1,094,662
Creditors due within one year	-	(113,917)	-	(113,917)
Provisions for liabilities and charges	-	(604,000)	-	(604,000)
	<u>8,013</u>	<u>(576,678)</u>	<u>2,244,327</u>	<u>1,675,662</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2019	2019	2019	2019
	£	£	£	£
Tangible fixed assets	-	-	1,208,843	1,208,843
Current assets	4,597	97,864	1,248	103,709
Creditors due within one year	-	(63,864)	-	(63,864)
Provisions for liabilities and charges	-	(456,000)	-	(456,000)
	<u>4,597</u>	<u>(422,000)</u>	<u>1,210,091</u>	<u>792,686</u>

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

	2020 £	2019 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	973,976	(55,812)
Adjustment for:		
Depreciation charges	38,350	38,760
(Increase)/decrease in debtors	(999,887)	823
Increase in creditors	50,054	11,929
Capital grants from DfE and other capital income	(1,072,586)	(13,074)
FRS102 Adjustments	57,000	37,000
Net cash (used in)/provided by operating activities	<u>(953,093)</u>	<u>19,626</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	77,944	86,875
Total	<u>77,944</u>	<u>86,875</u>

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21. CAPITAL COMMITMENTS

At 31 August 2020 the Academy had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>938,497</u>	<u>-</u>

The capital commitment that existed at the year ended 31 August 2020 is in relation to the building project for the expansion of the school premises.

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £6,092 were payable to the schemes at 31 August 2020 (2019 - 6,632) 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.

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22. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The employer's pension costs paid to TPS in the period amounted to £73,894 (2019 - £49,378).

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).

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

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 2020 was £62,000 (2019 - £52,000), of which employer's contributions totalled £48,000 (2019 - £40,000) and employees' contributions totalled £14,000 (2019 - £12,000). The agreed contribution rates for future years are 22% for employers and 5.5 - 7.5% for employees.

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

Principal actuarial assumptions:

	2020	2019
Discount rate for scheme liabilities	1.80 %	1.80 %
Rate of increase in salaries	3.80 %	3.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.30 %	2.00 %

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22. PENSION COMMITMENTS (continued)

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

	2020	2019
Retiring today		
Males	22.6	22.8
Females	25	25.8
Retiring in 20 years		
Males	24.2	24.9
Females	27	28.0

	At 31 August 2020 £	At 31 August 2019 £
Sensitivity analysis		
Discount rate +0.1%	(25,000)	(19,000)
Mortality assumption - 1 year increase	28,000	13,000
CPI rate +0.1%	24,000	18,000

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	273,000	199,000
Bonds	50,000	35,000
Property	22,000	17,000
Cash and other liquid assets	17,000	8,000
Other	52,000	22,000
Total market value of assets	414,000	281,000

The actual return on scheme assets was £5,000 (2019 - £11,000).

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22. PENSION COMMITMENTS (continued)

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

	2020 £	2019 £
Current service cost	(97,000)	(65,000)
Past service cost	-	(4,000)
Interest income	6,000	7,000
Interest cost	(13,000)	(14,000)
Admin expenses	(1,000)	(1,000)
	<u>(105,000)</u>	<u>(77,000)</u>
Total	<u>(105,000)</u>	<u>(77,000)</u>
Actual return on scheme assets	<u>5,000</u>	<u>11,000</u>

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

	2020 £	2019 £
Opening defined benefit obligation	737,000	494,000
Current service cost	97,000	65,000
Interest cost	13,000	14,000
Employee contributions	14,000	12,000
Actuarial losses	157,000	148,000
Benefits paid	-	4,000
	<u>1,018,000</u>	<u>737,000</u>
Closing defined benefit obligation	<u>1,018,000</u>	<u>737,000</u>

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

	2020 £	2019 £
Opening fair value of scheme assets	281,000	220,000
Interest income	6,000	7,000
Actuarial losses	66,000	3,000
Employer contributions	48,000	40,000
Employee contributions	14,000	12,000
Administration expenses	(1,000)	(1,000)
	<u>414,000</u>	<u>281,000</u>
Closing fair value of scheme assets	<u>414,000</u>	<u>281,000</u>

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23. OPERATING LEASE COMMITMENTS

At 31 August 2020 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts payable:		
Within 1 year	<u>1,568</u>	<u>909</u>

24. MEMBERS' LIABILITY

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

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

A Huntington, relative of E Huntington, a trustee, is employed by the academy as a classroom assistant. A Huntington's appointment was made in open competition and E Huntington was not involved in the decision-making process regarding appointment. A Huntington is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a trustee.

26. POST BALANCE SHEET EVENTS

the academy is currently involved in a legal case regarding a personal injury claim made against the entity, the outcome and financial impact of which are not yet possible to determine. The academy is adequately insured in the event of an unfavourable judgement.