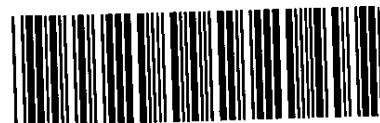


HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

THURSDAY



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HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

CONTENTS

	<i>Page</i>
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 23
Independent reporting accountant's assurance report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29 - 51

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Mr T Scorer
Mr S Medley
Mr M Poore (resigned 31 August 2018)
Mrs A Taylor

Trustees

Mrs E Huntington, Headteacher^{1,2,3}
Mrs A Taylor^{1,2}
Mr S Medley, Chair^{1,3}
Mr T Scorer^{1,3}
Mr J Dale, Staff governor³
Mrs Z Lewis, Parent governor
Mrs C Kemp, Parent governor²
Ms A Innes²
Miss A Solomon²
Mrs C Poore²
Mrs J Woodfield (appointed 1 December 2017)
Mr S Coleman (appointed 7 December 2017)²

¹ Finance & premises committee

² Curriculum committee

³ Staffing committee

Company registered number

08496781

Company name

Honeybourne First School Academy

Principal and registered office

School Street
Honeybourne
Evesham
Worcestershire
WR11 7PJ

Headteacher

Mrs E Huntington

Senior management team

E Huntington, Headteacher
J Dale, Senior Teacher
D Price, Finance Manager
R Evans-Cook, Senior Teacher/SENDco

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditors

Randall & Payne LLP
Chartered Accountants & Statutory Auditors
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds Bank Plc
High Street
Evesham
Worcestershire
WR11 4DQ

Solicitors

SAS Daniels
30 Greek Street
Stockport
Cheshire
SK3 8AD

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Honeybourne First School Academy provides education for pupils aged 5 to 11 years in the main school and operates a private Nursery on site for children aged 2-4 years. There were 40 pupils registered in the Nursery, and with a pupil capacity of 140 and the main school had 150 pupils on roll as at 1st September 2017.

Structure, governance and management

CONSTITUTION

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

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

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

The Charitable Company is known as Honeybourne Primary Academy, but still trades as Honeybourne First School Academy, awaiting official name change documentation.

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

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Governor liability and Trustee liability is organised through the Risk Protection (RPA) provided for academies by the government and paid for by the school.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Members put themselves forward and this was accepted by the previous governing body. The governors of the new Academy were then appointed by the Members. All Governors are Trustees of the school and form the school's governing body. Since opening, two of the Members have resigned and have not been replaced; there are now three Members. New Members will be appointed by invitation and election by the Governing Body should it become necessary. New Trustees (governors) will be approved by the current governing body and members.

There should be a minimum of 3 governors but no maximum, with up to 2 Governors appointed by the members, a minimum of 2 parent Governors, the Principal, staff Governors to be appointed by the members up to 1/3rd of the total number of Governors, and existing Governors can appoint Co-opted Governors up to 1/3rd of total Governors

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

Service level agreements are in place to support Finance, HR, Premises, Staffing and Learning & 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

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.

The headteacher's performance is evaluated and monitored by two governors, one of whom is also a member, with advice being taken by an external advisor qualified to assist this process. Other staff are managed by the Headteacher and senior staff and follow guidance set out for teaching and non-teaching personnel. Objectives set, support the strategic direction of the school and are reported to the governors in the Headteacher's report.

TRADE UNION FACILITY TIME

The academy has less than 49 full-time equivalent staff members and claims exemption on that basis from disclosing trade union facility time in the financial statements.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 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, and the members receive a monthly update on finances. The school's Finance Secretary attends the finance committee meetings.

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

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

The Headteacher is a Governor as 'Principal' , 2 Staff Governors, 4 Parent Governors, 1 Local Authority Governor, 6 Co-opted Governors. There is currently a vacancy for a Staff Governor and a Co-Opted Governor.

All of the serving members of the academy are also appointed governors. The academy has considered the governance risk to the academy and is satisfied that it is not significant.

The Governing Body has a clerk to minute all meetings.

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
- Babcock Prime - Learning Support, training and governor services
- School Business Systems - Finance and business support
- Randall & Payne for preparation of the annual accounts, 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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

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.

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 aims to:

- Continue to increase the number of pupils in every year group that meet age related expectations in English and Maths, through high quality teaching and learning and a nurturing approach.
- Secure accelerated progress for any child who has not met age related expectations in previous years, through targeted, effective interventions.
- Further develop the Curriculum to promote creative learning across all areas (to include mental health, 'World ready' skills, roles and responsibilities)
- Establish new policies to support outstanding mental health and well-being for all pupils and staff in our community.
- Attend to environmental issues and building plans to ensure our school has safe, fit for purpose accommodation for 21st Century teaching and learning.
- Focus on pupil leadership to ensure greater levels of independence and wider understanding in learning across the board – pupils should be confident to learn, understand their learning and be able to apply their learning to a variety of contexts (inc. Play leaders, peer mediation).
- Increase levels of involvement for parents and families in school activities and in adult learning. (ie parents in school, visits to class, general coffee morning sessions)

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

PUBLIC BENEFIT

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

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

ACHIEVEMENTS AND PERFORMANCE

- Following initial success in key stage 2 SAT's in 2017, which was recognised at a national level we achieved further success in 2018. 80% of pupils meet the standard in all three areas of Reading, Writing and Maths. This exceeds national results of 64% and Worcestershire results of 61%.
- Over the last five years pupil numbers have increased. A burgeoning reputation, the building of around 300 new houses in Honeybourne and an addition of a year 6 has seen school numbers increase from 101 in September 2015 to 145 in July 2018.
- The Nursery continues to flourish with 43 children registered in July 2018. The quality of management and provision has continued to improve. In addition there has been a much more effective transition to the Reception Class.
- During 2017-18 school attendance was 95%.
- Initial Teacher Training / PGSE training was supported by the School. 4 students from the University of Worcester and 1 from Gloucester University were able to gain valuable experience. The opportunity for teacher training will continue during 2018/19.
- Pupil progress is good overall but the school is aware that there are groups of vulnerable children whose slower progress needs to be addressed. In particular, a small number of children's use of language and writing needs to be improved and consistently brought up to age related expectations. A wide range of intervention programmes have been used to try to address any identified barriers to learning.
- The headteacher was invited to be part of a review of Social Mobility in the area as Wychavon is ranked in 312 place out of 324 wards nationally for key stage 2 results. The school is committed to share our learning and approach and where ever possible support initiatives that will improve results further at Key Stage 2 across Wychavon. The results achieved in our school far exceed the averages for Wychavon.
- The Governing Body and its Committees have received monitoring and evaluation reports from the Head and staff which have kept them informed. Furthermore, Governors and the Committees are now actively involved in the process of School Self Evaluation and regularly contribute to the monitoring programme and development of strategic objectives for the school. Governors are taking 'learning walks' through the school with teachers and take an active role in the committees.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

KEY PERFORMANCE INDICATORS

Target	Outcome
Set budget to ensure that reserves would be built up to an acceptable level after the lagged funding situation depleted any reserves in the previous period	The reserves are built up to acceptable level, with in excess of £30,000 now held The budget was set in line with EFA guidance
Set a maintenance budget to ensure health and safety requirements can be met	The building continues to meet Health and Safety requirements through a regular maintenance programme and provides an environment conducive to good learning.
Set budget to enable the Academy's students to meet their potential	The vast majority of pupils and staff were able to meet their targets and performance objectives. This was achieved within an increasingly tight budget.
Aim to maintain pupil numbers to ensure the future of the Academy through a healthy budget forecast.	Pupil numbers in the school fell slightly during the year from 150 to 145 over the course of the year due to house moves.
Aim for 97% attendance, building on the good attendance achieved last year	Pupil attendance was 95%, which was in line with national expectation however will be a target for next year.

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

Results of Statutory assessment of pupils in Year 2 - % for each subject area:

	Honeybourne	Worcestershire	National
Reading	53	65	65
Writing	53	65	65
Mathematics	74	65	65

In key stage 2, the SATS results were:

Area	Reading	SPAG	Writing	Maths
% meeting the standard	87%	87%	80%	80%

80% met the standard in Reading, Writing and Maths. This is compared to a national average of 64% and a Worcestershire average of 61%.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 donations 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.

Due to more funds coming in this year, minor improvements were able to be carried out such as the addition of a new cloakroom to alleviate overcrowding in a small classroom. Some light fittings have now been replaced with more modern, energy efficient fittings. Resources have been topped up, such as expendables, which had been reduced substantially over the year.

After another year of funding at the correct level for our pupils, now that the lagged funding situation no longer applies, the Academy can consider further improvements and has planned redecoration throughout, improved security and signage.

At the end of year, our reserves were in excess of £30,000 – further detail is shown in the actual accounts.

During 2018-19 it is anticipated that:

- We will achieve a CIF bid and be able to re-build our mobile classrooms
- Redecoration inside and out will take place
- Further ICT equipment will be replaced and additional mobile units will be purchased
- Some ground improvements will take place
- The building will be improved as minor items are now dealt with from various electrical and building surveys
- Class sizes will continue to be an important factor and staff will be appointed where classes exceed an acceptable number, should additional pupils move into the area where there is vast amounts of house building currently being completed

GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

INVESTMENT POLICY

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

RESERVES POLICY

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

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

The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be determined by governors annually and can fluctuate depending on operational needs but the Governors have determined that the Academy should aim to have a minimum of £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. The academy holds

During the financial period 2017-18 the reserves held were built up gradually through the year and easily met the critical operating level.

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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The trust raises funds by:

- donations from parents
- sale of uniform
- events such as cake sales, fayres and book sales, coffee mornings

Charitable organisations are supported by fundraising events, such as Walk for Water, Macmillan, Children in Need, Poppy Appeal etc by specific events involving the pupils. All charitable events follow the recognised standards for fundraising, so that no-one feels under undue pressure to donate or take part.

Generally, we carry out fundraising for specific projects. We have a supportive group of parents who organise events for both fund raising and social events alongside activities carried out by school staff to promote enterprise, (ie The Christmas Fayre) ,involve the community (ie Breakfast morning or grounds days), and all events are inclusive. If pupils or families do not wish to donate, they are still able to take part and are encouraged to do so.

Plans for future periods

FUTURE DEVELOPMENTS

The school currently trades as Honeybourne First School Academy but as our year 6 is now firmly established we will formally be changing our name to Honeybourne Primary Academy over the course of the next year.

The key plans for future periods are:

- To continue the drive to increase the number of pupils achieving or exceeding the age related standard
- To review and update all policies to ensure that good mental health and well-being is fully embedded into all practice
- 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 with growing numbers of students.
- Further refine a robust system of tracking and assessing pupil progress and attainment linked to teacher's planning through an online portal system.
- Identification, development and implementation of a Multi Academy trust by working alongside other local schools
- Start work to replace the classroom mobiles with brick built buildings. This is dependent on the Condition Improvement Fund bid being successful. The bid in 2016 resulted in a score of 68% with a threshold being 74%.
- Implementation of improved CCTV and lighting in and around the school premises
- Move the nursery into new built accommodation and enable improved proression to the reception class and starting school.
- Make additional space for football/tennis/netball court.

FUNDS HELD AS CUSTODIAN

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

DISCLOSURE OF INFORMATION TO AUDITORS

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on its behalf by:


.....
Mr S Medley
Chair of Trustees


.....
Mrs E Huntington
Accounting Officer

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Honeybourne First School Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Huntington, Headteacher	4	4
Mrs A Taylor	4	4
Mr S Medley, Chair	3	4
Mr T Scorer	4	4
Mr J Dale, Staff governor	2	4
Mrs Z Lewis, Parent governor	2	4
Mrs C Kemp, Parent governor	4	4
Ms A Innes	4	4
Miss A Solomon	4	4
Mrs C Poore	3	4
Mrs J Woodfield	3	3
Mr S Coleman	4	4

There have been no key changes in the composition of the board of trustees over the period. However, we have carried a staff vacancy over the period. Generally, parents will come forward to fill vacancies however, some of these parent governors have now become co-opted governors.

Whilst we aim for 5 meetings per year, one had to be cancelled and so the business items were dealt with over email and phonecalls and some passed to the next meeting. Governors communicate well by email and conduct regular school visits.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to:

- To recommend staff numbers and staffing structure, in consultation with the HT.
- Develop and follow appointment procedures.
- Monitor and review the Performance Management policy including job descriptions.
- Consider staff development and training.
- Adhere to relevant employment legislation.
- To assist in preparation, review and progress of the School Development Plan.
- To ensure that the financial regulations set by the ESFA 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	4	4
Mrs A Taylor	4	4
Mr S Medley	4	4
Mr T Scorer	2	4

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	3	3
Mrs A Taylor	3	3
Mrs C Kemp	1	3
Mrs C Poore	3	3
Miss A Solomon	1	3
Ms A Innes	1	2
Mr S Coleman	3	3

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

GOVERNANCE REVIEW

Governor training is offered and a subscription is paid annually to support governors with advice and a range of publications. The Governors have adopted the national governors' Code of Conduct and this is being used to assess and evaluate performance, as well as to steer future Governing Body targets.

REVIEW OF VALUE FOR MONEY

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

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

- Obtaining quotes for large orders and not relying on a sole provider
- Developing a business relationship with providers, local school and academies to ensure that, where possible, economies of scale can be appreciated
- Holding staff to account for their performances and linking this to the pay structure
- Reviewing how the intervention programme in school works so that pupil outcomes can be more directly linked to expenditure, 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Honeybourne First School Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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.

THE RISK AND CONTROL FRAMEWORK

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

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

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

On an annual basis, the external auditors report to the board of trustees through the finance and premises committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- Advice from our independent financial advisor, through our School Business Systems representative.

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:


.....
Mr S Medley
Chair of Trustees


.....
Mrs E Huntington
Accounting Officer

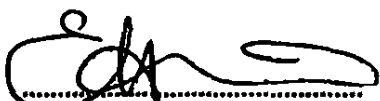
HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT 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 2017.

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 2017.

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: 12 December 2018

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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: 12 December 2018

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 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 including the Strategic 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.



Robert Stokes ACCA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA
14 December 2018

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 6 November 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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)

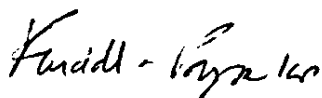
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HONEYBOURNE FIRST SCHOOL ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**
(continued)

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 14 December 2018.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	2,675	-	8,543	11,218	86,666
Charitable activities	3	-	744,530	-	744,530	607,069
Other trading activities	4	-	68,434	-	68,434	105,021
Investments	5	43	-	-	43	53
TOTAL INCOME		2,718	812,964	8,543	824,225	798,809
EXPENDITURE ON:						
Raising funds		-	95,405	-	95,405	104,130
Charitable activities		-	719,604	39,932	759,536	763,611
TOTAL EXPENDITURE	6	-	815,009	39,932	854,941	867,741
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES		2,718	(2,045)	(31,389)	(30,716)	(68,932)
Actuarial gains on defined benefit pension schemes	22	-	50,000	-	50,000	20,000
NET MOVEMENT IN FUNDS		2,718	47,955	(31,389)	19,284	(48,932)
RECONCILIATION OF FUNDS:						
Total funds brought forward		48	(293,000)	1,267,166	974,214	1,023,146
TOTAL FUNDS CARRIED FORWARD		2,766	(245,045)	1,235,777	993,498	974,214

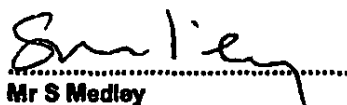
HONEYBOURNE FIRST SCHOOL ACADEMY

(A company limited by guarantee)
REGISTERED NUMBER: 08496781

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		1,233,002		1,264,604
CURRENT ASSETS					
Debtors	15	17,654		28,300	
Cash at bank and in hand		68,776		22,094	
		<u>86,430</u>		<u>50,394</u>	
CREDITORS: amounts falling due within one year	16	(51,934)		(47,784)	
NET CURRENT ASSETS			<u>34,496</u>		<u>2,810</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,267,498</u>		<u>1,267,214</u>
Defined benefit pension scheme liability	22	(274,000)		(293,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>993,498</u></u>		<u><u>974,214</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	28,955		-	
Restricted fixed asset funds	17	1,235,777		1,267,166	
Restricted income funds excluding pension liability		<u>1,264,732</u>		<u>1,267,166</u>	
Pension reserve		(274,000)		(293,000)	
Total restricted income funds			<u>990,732</u>		<u>974,166</u>
Unrestricted income funds	17		<u>2,766</u>		<u>48</u>
TOTAL FUNDS			<u><u>993,498</u></u>		<u><u>974,214</u></u>

The financial statements on pages 28 to 51 were approved by the Trustees, and authorised for issue, on 12 December 2018 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	46,426	(65,293)
Cash flows from investing activities:			
Dividends, interest and rents from investments		43	54
Purchase of tangible fixed assets		(8,330)	(73,813)
Capital grants from DfE Group		8,543	81,643
Net cash provided by investing activities		256	7,884
Change in cash and cash equivalents in the year		46,682	(57,409)
Cash and cash equivalents brought forward		22,094	79,503
Cash and cash equivalents carried forward	20	68,776	22,094

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2016 to 2017 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 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 2018

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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018. 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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,675	-	-	2,675	5,022
Capital Grants	-	-	8,543	8,543	81,644
	<u>2,675</u>	<u>-</u>	<u>8,543</u>	<u>11,218</u>	<u>86,666</u>
Total 2017	<u>5,022</u>	<u>-</u>	<u>81,644</u>	<u>86,666</u>	

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational Operations Income				
General Annual Grant	-	568,574	568,574	448,381
Rates Reclaim	-	-	-	2,998
Pupil Premium and Service Premium	-	41,045	41,045	42,483
Universal Infant Free School Meals (UIFSM)	-	22,506	22,506	19,447
Other DfE and ESFA	-	-	-	7,777
Other Government Revenue Grants	-	32,627	32,627	3,000
Other Income	-	79,778	79,778	82,983
	-	744,530	744,530	607,069
Total 2017	1	607,068	607,069	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering Income	-	8,507	8,507	10,724
Rental Income	-	215	215	714
Parental Contributions	-	35,494	35,494	36,783
Other Income	-	6,974	6,974	43,591
Pupil Trips	-	15,293	15,293	11,702
Music Tuition	-	986	986	610
Training Income	-	965	965	897
	-	68,434	68,434	105,021
Total 2017	-	105,021	105,021	

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	43	-	43	53
<i>Total 2017</i>	<i>53</i>	<i>-</i>	<i>53</i>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	81,185	-	14,220	95,405	104,130
Educational Operations					
Direct costs	453,066	-	62,800	515,866	503,462
Support costs	86,780	18,164	138,726	243,670	260,149
	<u>621,031</u>	<u>18,164</u>	<u>215,746</u>	<u>854,941</u>	<u>867,741</u>
<i>Total 2017</i>	<i>621,280</i>	<i>26,034</i>	<i>220,427</i>	<i>867,741</i>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	515,866	243,670	759,536	763,611
<i>Total 2017</i>	<i>503,462</i>	<i>260,149</i>	<i>763,611</i>	

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Educational Operations Direct £	Total 2018 £	Total 2017 £
Staff Expenses	6,413	6,413	5,162
Educational Supplies	11,615	11,615	6,147
Educational Consultancy	7,875	7,875	7,022
Insurance	5,176	5,176	4,347
Technology Costs	11,835	11,835	10,839
Other	19,886	19,886	16,169
Wages and salaries	364,628	364,628	353,952
National insurance	31,522	31,522	35,273
Pension cost	56,916	56,916	53,448
Depreciation	-	-	11,103
	515,866	515,866	503,462
<i>At 31 August 2017</i>	503,462	503,462	

Analysis of support costs

	Educational Operations Support £	Total 2018 £	Total 2017 £
Pension income	6,000	6,000	5,000
Staff costs	86,780	86,780	89,350
Depreciation	39,932	39,932	31,321
Insurance	3,874	3,874	2,998
Other	48,261	48,261	75,156
Maintenance of Premises	5,534	5,534	1,617
Cleaning and Caretaking	1,469	1,469	1,787
Rates	3,161	3,161	3,267
Energy	6,288	6,288	5,736
Catering	32,179	32,179	31,713
Other Premises Costs	1,712	1,712	3,416
Auditor Costs	8,480	8,480	8,788
	243,670	243,670	260,149
<i>At 31 August 2017</i>	260,149	260,149	

During the year ended 31 August 2018, the Academy incurred the following Governance costs:

£8,480 (2017 - £8,788) included within the table above in respect of Governance .

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	39,932	42,423
Operating lease rentals	1,295	1,295
	<u> </u>	<u> </u>

9. AUDITORS' REMUNERATION

The Auditors remuneration amounts to an Audit fee of £5,210 (2017 - £5,100) and non-audit costs of £3,270 (2017 - £3,225).

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	487,145	453,695
Social security costs	36,349	39,841
Operating costs of defined benefit pension schemes	97,537	127,744
	<u>621,031</u>	<u>621,280</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	7	6
Administration and support	21	22
Management	4	4
	<u>32</u>	<u>32</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, employers pension contributions for this member of staff amounted to £9,406 (2017: £9,313).

d. Key management personnel

The key management personnel of the academy comprise the trustees, business manager and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £188,700 (2017: £184,777).

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £	2017 £
Mrs E Huntington, Headteacher	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr J Dale, Staff governor	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, expenses totalling £488 (2017 - £160) were reimbursed to 2 Trustees, for expenses incurred in their roles as staff members (2017 - 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 (2017: unlimited) and the cost for the year ended 31 August 2018 was included in the RPA agreement, the cost of which is not separable from the total insurance cost in the year (2017: not separable).

13. OTHER FINANCE INCOME

	2018 £	2017 £
Interest income on pension scheme assets	5,000	4,000
Interest on pension scheme liabilities	(11,000)	(9,000)
	<u>(6,000)</u>	<u>(5,000)</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	1,355,685	27,956	46,546	1,430,187
Additions	3,168	-	5,162	8,330
At 31 August 2018	<u>1,358,853</u>	<u>27,956</u>	<u>51,708</u>	<u>1,438,517</u>
Depreciation				
At 1 September 2017	108,732	14,680	42,171	165,583
Charge for the year	28,295	5,541	6,096	39,932
At 31 August 2018	<u>137,027</u>	<u>20,221</u>	<u>48,267</u>	<u>205,515</u>
Net book value				
At 31 August 2018	<u>1,221,826</u>	<u>7,735</u>	<u>3,441</u>	<u>1,233,002</u>
At 31 August 2017	<u>1,246,953</u>	<u>13,276</u>	<u>4,375</u>	<u>1,264,604</u>

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 (2017: £510,000) which is not depreciated.

15. DEBTORS

	2018 £	2017 £
Other debtors	2,512	2,224
Prepayments and accrued income	15,142	26,076
	<u>17,654</u>	<u>28,300</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	3,161	2,306
Other taxation and social security	-	10,579
Other creditors	21,663	16,113
Accruals and deferred income	27,110	18,786
	51,934	47,784
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	11,344	9,815
Resources deferred during the year	13,239	11,344
Amounts released from previous years	(11,344)	(9,815)
Deferred income at 31 August 2018	13,239	11,344

At the year end, resources were deferred for Universal Infant Free School Meals grant income in relation to the 2017/18 financial year, along with one payment on account for nursery fees.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	48	2,718	-	-	-	2,766
Restricted funds						
Academy - Restricted	-	744,531	(715,576)	-	-	28,955
Nursery	-	68,433	(68,433)	-	-	-
Pension reserve	(293,000)	-	(31,000)	-	50,000	(274,000)
	<u>(293,000)</u>	<u>812,964</u>	<u>(815,009)</u>	<u>-</u>	<u>50,000</u>	<u>(245,045)</u>
Restricted fixed asset funds						
Restricted Fixed Asset						
Funds - all funds	1,264,604	-	(39,932)	8,330	-	1,233,002
Devolved Formula Capital	2,562	8,543	-	(8,330)	-	2,775
	<u>1,267,166</u>	<u>8,543</u>	<u>(39,932)</u>	<u>-</u>	<u>-</u>	<u>1,235,777</u>
Total restricted funds	<u>974,166</u>	<u>821,507</u>	<u>(854,941)</u>	<u>-</u>	<u>50,000</u>	<u>990,732</u>
Total of funds	<u>974,214</u>	<u>824,225</u>	<u>(854,941)</u>	<u>-</u>	<u>50,000</u>	<u>993,498</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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

Local Authority SEN - Grants received from the Local Authority to contribute towards the provision of education for pupils with special educational needs.

Catering, lettings, trip income - funds raised from the provision of the aforementioned activities.

Supply Reimbursement - monies received from the insurance provider for staff absence.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
General Funds - All Funds	33,331	5,791	-	(39,071)	-	51
Restricted funds						
Grant Funding - Academy	14,732	608,982	(685,108)	61,394	-	-
Nursery	26,138	102,393	(106,208)	(22,323)	-	-
Pension reserve	(279,000)	-	(34,000)	-	20,000	(293,000)
	<u>(238,130)</u>	<u>711,375</u>	<u>(825,316)</u>	<u>39,071</u>	<u>20,000</u>	<u>(293,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset						
Funds - all funds	1,227,946	-	(42,424)	79,082	-	1,264,604
Devolved Formula Capital	-	5,181	-	(2,619)	-	2,562
Capital Grant	-	76,463	-	(76,463)	-	-
	<u>1,227,946</u>	<u>81,644</u>	<u>(42,424)</u>	<u>-</u>	<u>-</u>	<u>1,267,166</u>
Total restricted funds	<u>989,816</u>	<u>793,019</u>	<u>(867,740)</u>	<u>39,071</u>	<u>20,000</u>	<u>974,166</u>
Total of funds	<u>1,023,147</u>	<u>798,810</u>	<u>(867,740)</u>	<u>-</u>	<u>20,000</u>	<u>974,217</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - All Funds	33,331	8,509	-	(39,071)	-	2,769
Restricted funds						
Grant Funding - Academy	14,732	1,353,513	(1,400,684)	61,394	-	28,955
Nursery	26,138	170,826	(174,641)	(22,323)	-	-
Pension reserve	(279,000)	-	(65,000)	-	70,000	(274,000)
	<u>(238,130)</u>	<u>1,524,339</u>	<u>(1,640,325)</u>	<u>39,071</u>	<u>70,000</u>	<u>(245,045)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	1,227,946	-	(82,356)	87,412	-	1,233,002
Devolved Formula Capital	-	13,724	-	(10,949)	-	2,775
Capital Grant	-	76,463	-	(76,463)	-	-
	<u>1,227,946</u>	<u>90,187</u>	<u>(82,356)</u>	<u>-</u>	<u>-</u>	<u>1,235,777</u>
	<u>989,816</u>	<u>1,614,526</u>	<u>(1,722,681)</u>	<u>39,071</u>	<u>70,000</u>	<u>990,732</u>
Total of funds	<u>1,023,147</u>	<u>1,623,035</u>	<u>(1,722,681)</u>	<u>-</u>	<u>70,000</u>	<u>993,501</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,233,001	1,233,001
Current assets	54,699	28,955	2,776	86,430
Creditors due within one year	(51,933)	-	-	(51,933)
Provisions for liabilities and charges	-	(274,000)	-	(274,000)
	<u>2,766</u>	<u>(245,045)</u>	<u>1,235,777</u>	<u>993,498</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,264,603	1,264,603
Current assets	5,315	42,515	2,563	50,393
Creditors due within one year	(5,267)	(42,515)	-	(47,782)
Provisions for liabilities and charges	-	(293,000)	-	(293,000)
	<u>48</u>	<u>(293,000)</u>	<u>1,267,166</u>	<u>974,214</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(30,716)	(68,932)
Adjustment for:		
Depreciation charges	39,932	42,423
Dividends, interest and rents from investments	(43)	(53)
Decrease in debtors	10,646	11,064
Increase/(decrease) in creditors	4,150	(2,151)
Capital grants from DfE and other capital income	(8,543)	(81,644)
FRS102 Adjustments	31,000	34,000
Net cash provided by/(used in) operating activities	<u>46,426</u>	<u>(65,293)</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	68,776	22,094
Total	<u>68,776</u>	<u>22,094</u>

21. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>5,268</u>	<u>5,268</u>

The capital commitment that existed at the year ended 31 August 2018 is in relation to retention payments for the building extension, (31 August 2017: same).

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.

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

Teachers' Pension Scheme

Introduction

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 16.48% 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 TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £48,092 (2017 - £47,320).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £42,000 (2017 - £36,000), of which employer's contributions totalled £33,000 (2017 - £27,000) and employees' contributions totalled £9,000 (2017 - £9,000). The agreed contribution rates for future years are 19.6% for employers and 5.5% 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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018	2017
Retiring today		
Males	22.6	22.6
Females	25.6	25.6
Retiring in 20 years		
Males	24.8	24.8
Females	27.9	27.9

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	443	438
Mortality assumption - 1 year increase	463	457
CPI rate +0.1%	466	461

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	169,000	140,000
Bonds	28,000	8,000
Other	-	-
Property	10,000	6,000
Cash and other liquid assets	5,000	2,000
Other	8,000	6,000
Total market value of assets	220,000	162,000

The actual return on scheme assets was £5,000 (2017 - £29,000).

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	(57,000)	(55,000)
Interest income	5,000	4,000
Interest cost	(11,000)	(9,000)
Admin expenses	(1,000)	(1,000)
Total	<u>(64,000)</u>	<u>(61,000)</u>
Actual return on scheme assets	<u>5,000</u>	<u>29,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	455,000	449,000
Current service cost	57,000	55,000
Interest cost	11,000	9,000
Employee contributions	9,000	9,000
Actuarial gains	(43,000)	(67,000)
Benefits paid	5,000	-
Closing defined benefit obligation	<u>494,000</u>	<u>455,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	162,000	170,000
Interest income	5,000	4,000
Actuarial losses/(gains)	7,000	(47,000)
Employer contributions	33,000	27,000
Employee contributions	9,000	9,000
Benefits paid	5,000	-
Administration expenses	(1,000)	(1,000)
Closing fair value of scheme assets	<u>220,000</u>	<u>162,000</u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,300	1,295
Between 1 and 5 years	-	696
Total	<u>1,300</u>	<u>1,991</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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.