

HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	H Whitehead, Principal (resigned 31 August 2017) T Sillitoe L Court M Newcombe A Smith D Rundle
Trustees	H Whitehead, Principal (resigned 31 August 2017) ^{1,2} L Court ^{1,5} M Hawkins, Staff Trustee ² T Sillitoe, Chair ^{1,2,5} C Legg, Staff Trustee (resigned 10 October 2016) ¹ S Bean ^{1,4} M Newcombe, Vice Chair ^{2,4} A Smith ^{2,3} P Bliss ^{1,3,5} M Pope (resigned 10 June 2017) ^{2,3} D Rundle ^{2,4} DF Perman ¹ S Prangle ² E Stephenson, Staff Trustee ² P Wilson ¹ K Wytcherley ² S Driscoll, Staff Trustee (appointed 6 December 2016) ¹

- ¹ Finance & Environment committee
- ² People, Curriculum & Learning committee
- ³ First committee
- ⁴ Appeal committee
- ⁵ Pupil Discipline committee

Company registered number	07851471
Company name	Honiton Littleton Primary Academy Trust
Principal and Registered office	Honiton Bottom Road Honiton Devon EX14 2EG
Company secretary	M Marsden
Accounting officer	M Hawkins
Senior management team	H Whitehead, Principal (resigned 31 August 2017) M Hawkins, Vice Principal (Acting Principal from 31 August 2017) C Legg, Assistant Principal L Matthews, Assistant Principal
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

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Advisers (continued)

Bankers

Lloyds Bank plc
8 High Street
Honiton
Devon
EX14 1JJ

Solicitors

Browne Jacobson
1 Manor Court
Dix's Field
Exeter
Devon
EX1 1ST

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 3 to 11 in Honiton. It has a pupil capacity of 470 and had a roll of 454 in the school census on 18 May 2016.

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 Honiton Littleton Primary Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Honiton Littleton Primary Academy Trust.

Details of the Trustees who served throughout the year, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £5,000,000. The insurance provides cover up to £100,00 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1st December 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Principal, a minimum of 2 Parent Trustees, up to 4 Staff Trustees (providing that the total number of Trustees, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 11 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 8 Trustees who are appointed by members.
- up to 3 Parent Trustees who are elected by Parents of registered pupils at the Academy.
- up to 4 staff Trustees appointed by Governing Body.
- up to 2 Co-opted Trustees who are appointed by the Trustee board.
- the Principal who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Principal. Subject

**TRUSTEES' REPORT (continued)
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to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets four times per year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are two committees as follows;

- **Finance and Environment Committee** this meets once a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from Devon Audit Partnership and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. This committee also oversees the building and grounds, including security and health and safety matters.
- **People, Curriculum and Learning Committee** this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and all pastoral issues.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the School Improvement Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and Senior management Team (SMT). The SMT comprises the Principal, Vice Principal and Assistant Principals. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SMT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Principal, Senior Administration Manager and the Finance and Environment Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line

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**TRUSTEES' REPORT (continued)
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with the Scheme of Delegation. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior management team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year in respect of their work as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually in accordance with the Academy's pay policy having regard to national teachers' pay scales.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with nine schools which form part of the Honiton Learning Community Business Partnership.

There are no related parties which either control or significantly influence the decisions and operations of Honiton Littleton Primary Academy Trust. There is a Parent Teacher and Friends Association associated with the Academy.

The Academy is associated with a Devon Primary School Centred Initial Teacher Training (DPSCITT).

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

It does this through the operation of Honiton Littleton Primary Academy to provide free education and care for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2017 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Littleton Primary Academy we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

At Littletown Primary Academy, we aim to help every child:

- Be happy and successful.
- Reach their full potential.
- Be a responsible member of our community.

Our Aims and Values:

ASPIRE

- Be an outstanding school in every respect.
- Be the school of choice for our local community.
- Remove all barriers to aspiration and achievement.

CARE

- Create an ethos that is safe, caring, happy, supportive and welcoming.
- Nurture the safety and emotional and physical wellbeing of the Littletown Community.

LEARN

- Develop independent and creative thinkers, who enjoy learning.
- Encourage, through high expectations the development of personal aspirations and lifelong learning for all.
- Develop resilience and perseverance.

RESPECT

- Develop pride and have respect towards self, others and the environment.
- Recognise people have different strengths and offer a wide range of opportunities for all.

CELEBRATE

- Celebrate the individuality of children, staff and governors, their unique skills and qualities and their contribution to the life of our school.
- Nurture the diversity of abilities, beliefs and cultures.

COOPERATE

- Have a strong partnership with parents, carers and communities.
- Develop and active partnership with parents, carers, local and wider communities.
- Self-evaluate and collaborate, leading to the improvement, development and achievement of our individuals, groups and school

Objectives, Strategies and Activities

By the end of year:

Attainment – KS2 combined R,W,M and single subject standards are above floor targets.

Progress – KS1 – KS2 Value added progress (average progress scores) show an improving upward trend.

RAISING PUPIL ATTAINMENT AND ACHIEVEMENT inc AfL

To ensure that pupils make substantial and sustained progress across many subjects, and learn exceptionally well.

1. Raise standards of attainment in areas of underperformance through QFT and targeted intervention
Make use of learner friendly achievement descriptors and Accelerated Progress Techniques
2. Extend the impact of Achievement Teams and Pupil Progress – through integrated meetings and mutual accountability.
3. Record and demonstrate progress without levels using Achievement Statements and end of year triangulated assessment.
4. Ensure teachers and children have a clear picture of skills and knowledge to be developed during lessons through clear planning linked to new curriculum and diagnostic analysis.

LEADERSHIP & MANAGEMENT

To pursue excellence in all activities, demonstrating an uncompromising and highly successful drive to improve the highest levels of achievement and personal development for all. To demonstrate accountability for impact at all levels.

1. Ensure that the quality of learning and teaching is consistently good and better, to uphold the school's 'good' Ofsted grade.
2. Further develop effective teamwork, particularly exploring senior leadership relationships and those between teachers and other adults in the classroom.
3. Further develop the strategic role of the governing body to ensure trustees hold leaders to account at all

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- levels for KPIs.
4. Recruit and train staff to meet needs of the academy to ensure effective financial and administrative management as well as good quality education.

ASSESSMENT FOR LEARNING

To develop a system that supports all children and adults to contribute to pupil achievement so that teachers can make accurate assessment and plan well-matched activities.

1. Create an annual cycle of assessment to support SIP direction to diagnostic gaps analysis.
2. Link together SP Tracker, interim standards, Babcock guided reading docs to support teachers tracking and teacher assessments.
3. Develop diagnostic analysis and use of cold tasks.
4. Introduce Termly Learning Conferences across the school and peer to peer support.

QUALITY OF TEACHING

To ensure that much teaching over time in all key stages and most subjects is outstanding and never less than consistently good.

1. Continue to improve learning and teaching through the effective use of the Edison (QFLT).
2. Develop reading skills for lower ability children to develop stamina and fluency. Develop inference skills written answers.
3. Develop teachers knowledge and expertise of maths and the new curriculum.
4. Provide opportunities for more able children to develop mastery skills across the curriculum.

BEHAVIOUR AND SAFETY

To ensure pupils' excellent conduct and behaviour makes a strong contribution to an exceptionally positive climate for learning. Children can talk about their learning and make safe, positive choices.

1. Continue to develop pupils skills to support each other and resolve conflict through Peer mediation.
2. Ensure that the school values are 'lived out' as well as articulated by pupils through safety weeks, PSHE sessions and assemblies.
3. Promote a positive learning environment, which meets also meets H & S requirements.
4. Provide support to all children (including PP and vulnerable families) and meet safeguarding requirements.

Pedagogy and Curriculum

Overall Aim: Delivering learning that is exciting, active and meaningful for children through a comprehensive, thematic, creative curriculum that is entrenched in research so that children are engaged and independent through:

1. All teachers fluently embed numeracy and literacy skills within their lessons across content areas in order to increase learner knowledge, understanding, and skills.
2. To further develop the use of the new curriculum and link to existing cross curricular topics.
3. Ensure that the Quality of planning, teaching, adaptation and assessment is consistently good or better.
4. Lessons are planned to ensure that all necessary skills and content are strategically taught and learners progress through the curriculum with an emphasis on mastery of relevant standards.
5. To maximise and develop the use of ICT to enhance learning opportunities for all.
6. There is a shared language about how effective teaching is described in terms of key competencies and effective teaching.
7. Teachers capture and readily share outstanding examples of practice and development in formal and informal settings.
8. There is explicit and consistent use of evidence of understanding of key competencies to inform their school improvement process.

Learning Environment

Overall Aim: To ensure that all school spaces are organised effectively to support a variety of learning and emotional needs and pedagogical approaches. Providing an environment that is inspirational, adaptable and dynamic so that children can learn effectively and make good progress through:

1. Create classrooms and shared spaces that are organised to support learning, are clutter free and set a tone of high expectations and aspiration.
2. Develop learning journey walls to support Literacy and maths progress and pupil engagement.
- 3a. Develop learner voice through class learning forums.

**TRUSTEES' REPORT (continued)
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- 3b. Develop pupils' involvement in promoting the school's values.
- 4. Continue to enrich the outside environment for learning (particularly to engage boys)

Student and Family Support

Overall Aim: To ensure that the school uses an inclusive model of entitlement to meet the diverse needs of every learner, providing well-targeted action when evidence identifies the need for support through:

- 1. TEAM Identify (named) groups to monitor for new ac. Year: SEN LAC Pupil Premium/ FSM Any Context specific groups (e.g: premature?)EBD (and cohort) Orange groups – below but not SEN
- 2. Strengthen links between SaFs, AfL and ATs: To support staff in solution planning to overcome 'learning challenges' presented by particular learners.
- 3. Provide training for adults – particularly for parents with vulnerable children, or who are vulnerable themselves, so they feel better able to support their child. Possible resources: Early Reading, Mighty Maths, Wellbeing/ Thrive, AB mentoring.
- 4. TEAM analyse progress of (named) groups Mid -Year: SEN FSM LAC Pupil Premium+ Any Context specific group. Check Case Studies are being updated.
- 5. Learners have effective dialogues with a key adult who uses mentoring techniques to support their learning and help them to prepare for their learning conferences – support PC&L and AfL and AT actions.

Physical Education and Health

To maintain high standards in PE across the key stages so that children have good sports/physical skills and perform well in competitions and sporting events.

- 1. Promote competition and excelling in team and organised events through:
- 2. Training for and taking part in Honiton Learning Community sports events.
- 3. Identifying talented children and signposting them to appropriate specialised programmes and events.
- 4. Organising lunch time and after school clubs to promote new sports and encourage potential in children.

Promote and develop the children's skills and knowledge through:

Whole School – Swimming

- 1. Increased water confidence and a better understanding of water safety. Increase the % of children able to swim 25m, 50m, 75m and 100m.
- 2. Carry out survey of extra curricular participation in sports to identify children to be involved in intervention.

Foundation Stage and KS1.

- 1. Take part in sports partnership events to experience new sports and skills.

KS2

- 1. Increase the % of children taking part in extra sports clubs or sessions. (investigate whether finances are a barrier for Pupil Premium children).
- 2. Increase the pupil and staff involvement in competitions.
- 3. Repair/replace basketball hoops on back playground.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The catchment area for the school is the south side of Honiton, East Devon. There are no selection tests or fees to be paid for admission. Children are admitted according to the school's policy. The pupil admission number (PAN) is 60 for each year group. The over subscription criteria is as follows:

- 1. Looked After Children or previously Looked After Children who were immediately adopted or made the subject of a child arrangements order or a special guardianship order.
- 2. Children for whom an exceptional medical or social need to attend this school is demonstrated.
- 3. Children who live in our designated area, with a sibling on roll at the point of application.
- 4. Other children who live in our designated area
- 5. Children who live outside of our designated area, with a sibling on roll at the point of application
- 6. Other children

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

STRATEGIC REPORT

Achievements and Performance

The Academy is in its 6th year of operation. The total number of students in the year ended 31 August 2017 was 454. The Academy is full in four year groups and has a waiting list in operation for Reception and year 1.

At the end of Early Years Foundation Stage, the percentage of children meeting the good level of development standard was slightly above national standards at 72% (national 71%).

At the end of Year 1 Reading and Phonics check
78 % passed (National – 81%)

At the end of Key Stage 1

Attainment in reading – 58%	(National 75%)	Greater depth in reading 38%	(National 25%)
Attainment in writing – 67%	(National 68%)	Greater depth in writing 31%	(National 11%)
Attainment in Maths – 57%	(National 75%)	Greater depth in maths 36%	(National 21%)

Attainment at Key Stage 2

Combined – 59%	(National 62%)	Greater Depth Combined 7%	(National 9%)
Reading - 66%	(National 75%)	Greater Depth Reading 23%	(National 25%)
Writing – 73%	(National 76%)	Greater Depth Writing 20%	(National 18%)
Maths – 70%	(National 74%)	Greater Depth Maths 23%	(National 23%)
SPAG – 70%	(National 75%)	Greater Depth SPAG 29%	(National 31%)

Progress scores have improved since 2016 in reading and maths. Reading -1.4 Writing -0.4 and Maths -0.8.

KS 2 attainment has improved since 2016 in combined, reading, maths and SPAG.

Key Scaled scores have improved since 2016 and now are closer or in line with National in reading 103 (National 104) SPAG 104 (National 106) and maths 104 (National 104).

The Academy has a Nursery and two classes per year group. All classes have a teaching assistant, which is a valuable addition to the classroom.

A high number of volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped both in school and for trips out of school (Including weekly swimming) and have helped run a new reading initiative.

To ensure that standards are continually assessed, the Academy operates a rigorous school improvement and monitoring programme implemented by the Senior Leadership Team and Governors.

The Academy was inspected by OFSTED in July 2015 and was judged to be Good.

During the year, the Academy secured a donation from Tesco and The Big Lottery Grant to purchase and install new outdoor learning apparatus for the Nursery and the school.

Continuing professional development for staff has been very successful with the school working on a regular basis with the Edison Learning school improvement company.

The Academy has established close links with the Local Learning Community with a primary aim of driving up standards. It also works closely with two teaching school alliances.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £28,837 was carried forward representing 2% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 408

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for the main school, an increase of 1 over 2016. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016/17 this was 85%, compared to 80% in 2015/16.

The following KPI's were set at the start of the year:

	Target	Actual
GAG carry forward %	2%	2%
Total unrestricted funds balance	£227,733	£284,571
Pupil to teacher ratio	29.07	19.43
Teaching to non-teaching staff ratio	60%	65%
Student attendance %	95.2%	96.5%
Total income per pupil	£3,879	£4,154
Total GAG per pupil	£3,568	£3,559
Ratio of GAG to total income	80%	77%
Staff costs per pupil	£3,501	£3,593
Ratio of staff costs to income	82%	82%

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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2017 (excluding fixed asset and pension reserves), the Academy received total income of £1,852,409 and incurred total expenditure of £1,810,938. The excess of income over expenditure (excluding fixed asset and pension reserves) for the year was £41,471.

At 31 August 2017 the net book value of fixed assets was £2,957,502 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 20 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principal, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees

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**TRUSTEES' REPORT (continued)
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take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees regularly review the level of reserves at both the full Governing Body and the Finance and Environment Committee meetings.

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. Total reserves of the academy (excluding the deficit on the defined benefit pension reserve - see below) amount to £3,270,910 although £2,957,502 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £313,408 (representing £284,571 unrestricted funds and £28,837 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The Trustees aim to keep between one and two months of annual expenditure in reserves. This is so that the Academy can deal with unexpected expenditure and the ever-increasing pressure on employment costs.

The defined benefit pension scheme reserve has a negative balance of £996,000. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme.

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 89% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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**TRUSTEES' REPORT (continued)
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Fraud and mismanagement of funds - The Academy has appointed Devon Audit Partnership to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance and Environment Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 20 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our School Improvement Plan, which is available on our website or from the Clerk to the Trustees.

We plan to maintain manageable class sizes with a teaching assistant in each class which will reflect in academic outcomes being improved.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 5 December 2017 and signed on the board's behalf by:

A handwritten signature in black ink that reads "Tia Sillitoe". The signature is written in a cursive, flowing style.

**T Sillitoe
Chair**

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Honiton Littleton Primary Academy Trust 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 Principal, 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 Honiton Littleton Primary Academy Trust 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
H Whitehead, Principal during the year	4	4
L Court	4	4
M Hawkins, Staff Trustee	4	4
T Sillitoe, Chair	4	4
C Legg, Staff Trustee	1	1
S Bean	3	4
M Newcombe, Vice Chair	4	4
A Smith	3	4
P Bliss	3	4
M Pope	2	3
D Rundle	4	4
DF Perman	3	4
S Prangley	3	4
E Stephenson, Staff Trustee	2	4
P Wilson	4	4
K Wytcherley	4	4
S Driscoll, Staff Trustee	3	3

During the year C Legg's term of office as Staff Governor ended on 10.10.16.

S Driscoll (Staff Governor) became a Trustee of the Academy Trust on 6.12.16.

M Pope resigned as a Trustee of the Academy Trust on 10.6.17.

S Bean was elected as a Co-opted Trustee of the Academy Trust on 16.6.17.

T Sillitoe was re-elected as a Member and Trustee of the Academy Trust on 16.7.17.

H Whitehead resigned as a Member and Trustee of the Academy trust on 31.8.17.

During the year trustees have actively sought outside assurance that they are governing Littleton Primary Academy in the best way. Governors employed the services of Devon Audit Partnership to visit termly to look at all areas of governance and financial control and actively attended any training and workshops offered by Babcock LDP Governor Services and Browne Jacobson. Vacancies are filled by recruiting people with the necessary skills required.

The Finance and Environment Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, to receive reports from Devon Audit Partnership and to draft

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

the annual budget including setting staffing levels. It also incorporates the role of an audit committee. This committee also oversees the buildings and grounds, including security and health and safety matters. During the year S Driscoll joined the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Bean, Chair of Finance and Environment Committee	3	3
P Bliss	3	3
L Court	3	3
S Driscoll	2	2
DF Perman	2	3
T Sillitoe, Chair of Board of Trustees	3	3
H Whitehead, Principal during the year	3	3
P Wilson	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal 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 governors of Littleton Primary Academy are committed to achieving Best Value in all decisions made. We will use the four principles of Best Value as they apply to securing continuous improvement in this school. These are:

1. Challenge
2. Compare
3. Consult
4. Compete

We will:

- Regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement
- Monitor outcomes and compare performance with similar schools and within school
- Consult appropriate stakeholders before major decisions are made
- Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We will strive to ensure that the school is using its resources effectively to meet the needs of pupils.

The Finance Policy, which is updated annually, will ensure that Best Value will be reviewed and demonstrated.

This year we will focus on:

- key issues as set out in the School Improvement Plan
- continuing program to invest into the School fabric infrastructure
- continuing to improve children's attainment
- developing the involvement of middle managers in strategic planning and implementation
- raising the quality of teaching throughout the school from good to outstanding

GOVERNANCE STATEMENT (continued)

- ensuring all our services are reviewed in terms of value for money.

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 Honiton Littleton Primary Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Environment Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint David Curnow of Devon Audit Partnership as internal auditor.

The internal auditor'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:

- review of Governance, Accounting and Financial Control
- review of Anti Fraud Controls
- review of Internal Financial Control - Salaries, Wages and Expenses
- review of Internal Financial Control - Assets
- review of Internal Financial Control - Income
- review of Internal Financial Control - Purchases and Payments
- review of Internal Financial Control - Loans
- review of Internal Financial Control - Contracts and Tendering
- review of Internal Financial Control - Investments
- review of Risk Management Procedures

On a termly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

Approved by order of the members of the Board of Trustees on 5 December 2017 and signed on their behalf, by:



T Sillitoe
Chair of Trustees



M Hawkins
Accounting Officer

**HONITON LITTLETON PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Honiton Littleton Primary Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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.

Michela Hawkins

**M Hawkins
Accounting Officer**

Date: 5 December 2017

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Honiton Littleton Primary Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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:



**T Sillitoe
Chair of Trustees**

Date: 5 December 2017

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HONITON LITTLETOWN PRIMARY ACADEMY TRUST**

OPINION

We have audited the financial statements of Honiton Littleton Primary Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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.

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 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

**HONITON LITTLETON PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HONITON LITTLETON PRIMARY ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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's or to cease operations, or have no realistic alternative but to do so.

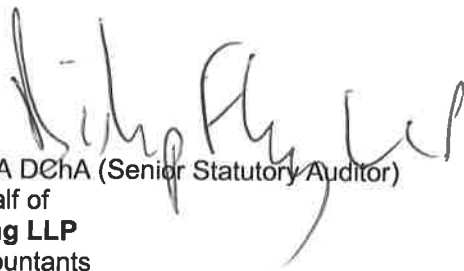
**HONITON LITTLETON PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HONITON LITTLETON PRIMARY ACADEMY TRUST**

AUDITOR'S 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. The description forms part of our Auditors' report.



Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

13.12.17

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HONITON
LITTLETOWN PRIMARY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Honiton Littleton Primary Academy Trust during the year 1 September 2016 to 31 August 2017 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 Honiton Littleton Primary Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Honiton Littleton Primary Academy Trust 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 Honiton Littleton Primary Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HONITON LITTLETOWN PRIMARY ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Honiton Littleton Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**HONITON LITTLETON PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HONITON
LITTLETON PRIMARY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY
(continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

13.12.17

HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	23,307	28,878	52,185	30,777
Charitable activities	3	87,208	1,671,327	-	1,758,535	1,770,557
Other trading activities	4	70,420	-	-	70,420	69,322
Investments		147	-	-	147	247
TOTAL INCOME		157,775	1,694,634	28,878	1,881,287	1,870,903
EXPENDITURE ON:						
Charitable activities		122,535	1,802,403	69,225	1,994,163	1,981,836
TOTAL EXPENDITURE	5	122,535	1,802,403	69,225	1,994,163	1,981,836
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	35,240	(107,769)	(40,347)	(112,876)	(110,933)
		-	(4,235)	4,235	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		35,240	(112,004)	(36,112)	(112,876)	(110,933)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	142,000	-	142,000	(402,000)
NET MOVEMENT IN FUNDS		35,240	29,996	(36,112)	29,124	(512,933)
RECONCILIATION OF FUNDS:						
Total funds brought forward		249,331	(997,159)	2,993,614	2,245,786	2,758,719
TOTAL FUNDS CARRIED FORWARD		284,571	(967,163)	2,957,502	2,274,910	2,245,786

The notes on pages 28 to 48 form part of these financial statements.

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07851471

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		2,957,502		2,993,614
CURRENT ASSETS					
Debtors	13	44,217		29,643	
Cash at bank and in hand		357,855		348,903	
		402,072		378,546	
CREDITORS: amounts falling due within one year	14	(88,664)		(102,374)	
NET CURRENT ASSETS			313,408		276,172
TOTAL ASSETS LESS CURRENT LIABILITIES			3,270,910		3,269,786
Defined benefit pension scheme liability	20		(996,000)		(1,024,000)
NET ASSETS			2,274,910		2,245,786
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	16	28,837		26,841	
Fixed asset funds	16	2,957,502		2,993,614	
Restricted funds excluding pension liability		2,986,339		3,020,455	
Pension reserve	16	(996,000)		(1,024,000)	
Total restricted funds			1,990,339		1,996,455
Unrestricted funds	16		284,571		249,331
TOTAL FUNDS			2,274,910		2,245,786

The financial statements on pages 25 to 48 were approved by the Trustees, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:



T Sillitoe
Chair of Trustees

The notes on pages 28 to 48 form part of these financial statements.

**HONITON LITTLETON PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	41,918	57,146
Cash flows from investing activities:			
Interest received		147	247
Purchase of tangible fixed assets		(33,113)	(9,386)
Capital grants from DfE/ESFA		-	8,914
Net cash used in investing activities		(32,966)	(225)
Change in cash and cash equivalents in the year		8,952	56,921
Cash and cash equivalents brought forward		348,903	291,982
Cash and cash equivalents carried forward	19	357,855	348,903

The notes on pages 28 to 48 form part of these financial statements.

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 ESFA, the Charities Act 2011 and the Companies Act 2006.

Honiton Littleton Primary Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 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 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 in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis (where there are no performance related conditions) 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 charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Depreciation is provided on all tangible fixed assets, 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:

Long-term leasehold property	-	2% straight line buildings / 125 years land
Office equipment	-	25% straight line
Computer equipment	-	33% 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.

1.7 OPERATING LEASES

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 and cash on deposit that has a notice period of less than 30 days.

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.

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 13. Prepayments are not financial instruments. 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 14. 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.

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 Part 11 Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 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 20, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to income and expenditure 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 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 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 20, 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 2017. 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.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	23,307	-	23,307	21,863
Capital Grants	-	-	28,878	28,878	8,914
	-	23,307	28,878	52,185	30,777
<i>Total 2016</i>	-	21,863	8,914	30,777	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Funding for educational operations	742	1,671,327	1,672,069	1,658,369
Nursery	86,466	-	86,466	112,188
	87,208	1,671,327	1,758,535	1,770,557
<i>Total 2016</i>	124,614	1,645,943	1,770,557	

HONITON LITTLETOWN PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	1,452,194	1,452,194	1,435,398
Other DfE/ESFA grants	-	162,681	162,681	164,810
	-	1,614,875	1,614,875	1,600,208
Other Government grants				
High Needs	-	52,900	52,900	35,056
	-	52,900	52,900	35,056
Other income from the academy trust's educational operations				
Internal catering income	-	-	-	12,426
Sales to pupils	742	-	742	-
Other	-	3,552	3,552	10,679
	742	3,552	4,294	23,105
	742	1,671,327	1,672,069	1,658,369
<i>Total 2016</i>	12,426	1,645,943	1,658,369	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	-	-	-	58
Activity fees received including clubs	70,420	-	70,420	69,264
	70,420	-	70,420	69,322
<i>Total 2016</i>	69,322	-	69,322	

HONITON LITTLETON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational operations:					
Direct costs	1,345,765	53,977	102,853	1,502,595	1,448,000
Support costs	130,431	74,003	204,149	408,583	441,402
Nursery:					
Direct costs	75,304	-	2,100	77,404	80,741
Support costs	5,581	-	-	5,581	11,693
	<u>1,557,081</u>	<u>127,980</u>	<u>309,102</u>	<u>1,994,163</u>	<u>1,981,836</u>
<i>Total 2016</i>	<u>1,533,727</u>	<u>135,757</u>	<u>312,352</u>	<u>1,981,836</u>	

6. DIRECT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	23,000	-	23,000	21,000
Educational supplies	56,915	2,100	59,015	57,563
Other costs	22,938	-	22,938	22,728
Supply teachers	840	-	840	-
Wages and salaries	1,010,702	60,932	1,071,634	1,085,380
National insurance	81,271	4,572	85,843	70,453
Pension cost	252,952	9,800	262,752	216,719
Depreciation	53,977	-	53,977	54,898
	<u>1,502,595</u>	<u>77,404</u>	<u>1,579,999</u>	<u>1,528,741</u>
<i>Total 2016</i>	<u>1,448,000</u>	<u>80,741</u>	<u>1,528,741</u>	

HONITON LITTLETOWN PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. SUPPORT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Recruitment and support	16,958	-	16,958	13,317
Maintenance of premises and equipment	17,679	-	17,679	17,573
Cleaning	12,000	-	12,000	10,617
Rent and rates	15,801	-	15,801	16,451
Energy costs	13,275	-	13,275	16,139
Insurance	25,333	-	25,333	24,840
Security and transport	2,914	-	2,914	3,417
Catering	64,674	-	64,674	75,565
Technology costs	11,986	-	11,986	13,214
Office overheads	16,407	-	16,407	14,964
Legal and professional	58,690	-	58,690	57,981
Bank interest and charges	107	-	107	-
Accountancy	7,080	-	7,080	7,763
Wages and salaries	111,495	5,187	116,682	139,153
National insurance	3,898	-	3,898	3,325
Pension cost	15,038	394	15,432	18,697
Depreciation	15,248	-	15,248	20,079
	<u>408,583</u>	<u>5,581</u>	<u>414,164</u>	<u>453,095</u>
<i>Total 2016</i>	<u>441,402</u>	<u>11,693</u>	<u>453,095</u>	

8. NET INCOME/ (EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	69,225	74,977
Auditors' remuneration - audit	4,720	4,720
Auditors' remuneration - other services	2,360	3,043
Operating lease rentals	5,540	7,934
	<u>79,845</u>	<u>90,674</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,188,316	1,224,533
Social security costs	89,741	73,778
Operating costs of defined benefit pension schemes	278,184	235,416
	<u>1,556,241</u>	<u>1,533,727</u>
Supply teacher costs	840	-
	<u>1,557,081</u>	<u>1,533,727</u>

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

	2017 No.	2016 No.
Teachers	21	20
Administration and support	53	64
Management	4	4
	<u>78</u>	<u>88</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	15	16
Administration and support	27	31
Management	4	4
	<u>46</u>	<u>51</u>

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) 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 was £252,170 (2016: £246,913).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 10 has not been included in the total benefits received by key management personnel above.

HONITON LITTLETON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only received remuneration in respect of services they provide undertaking the roles of Headteacher and staff under the contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: H Whitehead (resigned 31 August 2017) £60,000 - £65,000 (2016: £60,000 - £65,000), H Whitehead employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000), M Hawkins £45,000 - £50,000 (2016: £45,000 - £50,000) M Hawkins employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000), E Stephenson £10,000 - £15,000 (2016: £5,000 - £10,000), E Stephenson employer's pension contributions £0 - £5,000 (2016: £0 - £5,000), and S Driscoll (appointed 6 December 2016) £35,000 - £40,000, S Driscoll employer's pension contributions £5,000 - £10,000.

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £156 (2016: £50) were reimbursed to 3 Trustees (2016: 1).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2 million on any one claim and the cost for the year ended 31 August 2017 was £1,150 (2016: £1,150).

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 September 2016	3,216,292	26,132	92,056	3,334,480
Additions	6,208	21,875	5,030	33,113
At 31 August 2017	3,222,500	48,007	97,086	3,367,593
DEPRECIATION				
At 1 September 2016	243,046	21,850	75,970	340,866
Charge for the year	55,652	3,526	10,047	69,225
At 31 August 2017	298,698	25,376	86,017	410,091
NET BOOK VALUE				
At 31 August 2017	2,923,802	22,631	11,069	2,957,502
At 31 August 2016	2,973,246	4,282	16,086	2,993,614

HONITON LITTLETON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13. DEBTORS

	2017 £	2016 £
VAT recoverable	7,600	7,393
Prepayments and accrued income	36,617	22,250
	<u>44,217</u>	<u>29,643</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other taxation and social security	45,515	46,227
Accruals and deferred income	43,149	56,147
	<u>88,664</u>	<u>102,374</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	29,826	22,051
Resources deferred during the year	31,865	29,826
Amounts released from previous years	(29,826)	(22,051)
Deferred income at 31 August 2017	<u>31,865</u>	<u>29,826</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals for the 2017/18 financial year.

15. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	380,519	363,903
Financial liabilities measured at amortised cost	11,284	26,321

Financial assets measured at amortised cost comprise cash at bank & in hand and accrued income.

Financial liabilities measured at amortised cost comprise accruals.

HONITON LITTLETON PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	249,331	157,775	(122,535)	-	-	284,571
RESTRICTED FUNDS						
General Annual Grant (GAG)	25,724	1,452,194	(1,444,846)	(4,235)	-	28,837
High needs	-	52,900	(52,900)	-	-	-
Pupil Premium	279	90,662	(90,941)	-	-	-
PE Sports grant	838	9,730	(10,568)	-	-	-
UIFSM	-	54,625	(54,625)	-	-	-
Rates funding	-	7,664	(7,664)	-	-	-
Other income	-	21,245	(21,245)	-	-	-
Donations	-	5,614	(5,614)	-	-	-
Pension reserve	(1,024,000)	-	(114,000)	-	142,000	(996,000)
	(997,159)	1,694,634	(1,802,403)	(4,235)	142,000	(967,163)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	2,768,109	-	(51,369)	-	-	2,716,740
Fixed assets purchased from GAG	47,077	-	(7,687)	4,235	-	43,625
DfE/ESFA Capital grants	14,079	8,878	(5,495)	-	-	17,462
ACMF Capital grant	164,349	-	(3,424)	-	-	160,925
Other Capital grant	-	20,000	(1,250)	-	-	18,750
	2,993,614	28,878	(69,225)	4,235	-	2,957,502
Total restricted funds	1,996,455	1,723,512	(1,871,628)	-	142,000	1,990,339
Total of funds	2,245,786	1,881,287	(1,994,163)	-	142,000	2,274,910

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General Funds	231,788	194,183	(176,640)	-	-	249,331
	231,788	194,183	(176,640)	-	-	249,331

HONITON LITTLETOWN PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	20,259	1,446,077	(1,440,140)	(472)	-	25,724
High needs	-	35,056	(35,056)	-	-	-
Pupil Premium	-	96,695	(96,416)	-	-	279
PE Sports grant	-	9,730	(8,892)	-	-	838
UIFSM	-	51,129	(51,129)	-	-	-
Rates funding	-	7,256	(7,256)	-	-	-
Other income	467	16,054	(16,521)	-	-	-
Donations	-	5,809	(5,809)	-	-	-
Pension reserve	(553,000)	-	(69,000)	-	(402,000)	(1,024,000)
	<u>(532,274)</u>	<u>1,667,806</u>	<u>(1,730,219)</u>	<u>(472)</u>	<u>(402,000)</u>	<u>(997,159)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	2,820,413	-	(52,304)	-	-	2,768,109
Fixed assets purchased from GAG	58,585	-	(11,980)	472	-	47,077
DfE/ESFA Capital grants	12,435	8,914	(7,270)	-	-	14,079
ACMF Capital grant	167,772	-	(3,423)	-	-	164,349
	<u>3,059,205</u>	<u>8,914</u>	<u>(74,977)</u>	<u>472</u>	<u>-</u>	<u>2,993,614</u>
Total restricted funds	<u>2,526,931</u>	<u>1,676,720</u>	<u>(1,805,196)</u>	<u>-</u>	<u>(402,000)</u>	<u>1,996,455</u>
Total of funds	<u>2,758,719</u>	<u>1,870,903</u>	<u>(1,981,836)</u>	<u>-</u>	<u>(402,000)</u>	<u>2,245,786</u>

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

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

UIFSM (Universal Infant Free School Meals) - Funding received to enable all pupils in reception, year 1 and year 2 to be offered a free school meal.

Other restricted income - This relates smaller restricted income streams, such as voluntary donations towards trips.

Pension reserve - This fund represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme (LGPS) as revalued in note 20. As with most pension schemes this is

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16. STATEMENT OF FUNDS (continued)

currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - this represents the net book value of assets bought under the GAG and transferred from the GAG restricted fund.

DfE/ESFA Capital grants - this represents unspent grants from the ESFA to be spent on capital related expenditure and net book value of assets bought from these grants.

ACMF Capital grant - this represents capital funding received from the ESFA to be spent on specific capital related expenditure.

Other Capital grants - this represents a £10,000 grant from the Big Lottery Fund and a £10,000 grant from Tesco Bags of Help to be spent on specific capital related expenditure.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,957,502	2,957,502
Current assets	341,370	60,702	-	402,072
Creditors due within one year	(56,799)	(31,865)	-	(88,664)
Pension scheme liability	-	(996,000)	-	(996,000)
	<u>284,571</u>	<u>(967,163)</u>	<u>2,957,502</u>	<u>2,274,910</u>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	-	-	2,993,614	2,993,614
Current assets	351,705	26,841	-	378,546
Creditors due within one year	(102,374)	-	-	(102,374)
Provisions for liabilities and charges	-	(1,024,000)	-	(1,024,000)
	<u>249,331</u>	<u>(997,159)</u>	<u>2,993,614</u>	<u>2,245,786</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(112,876)	(110,933)
Adjustment for:		
Depreciation charges	69,225	74,977
Interest received	(147)	(247)
Increase in stocks	-	(826)
(Increase)/decrease in debtors	(14,574)	34,089
Decrease in creditors	(13,710)	(8,914)
Defined benefit pension scheme cost less contributions payable	91,000	48,000
Defined benefit pension scheme finance cost	23,000	21,000
Net cash provided by operating activities	<u>41,918</u>	<u>57,146</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	357,855	348,903
	<u>357,855</u>	<u>348,903</u>

20. 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 Devon 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. PENSION COMMITMENTS (continued)

Contributions amounting to £24,084 were payable to the schemes at 31 August 2017 (2016: £23,863) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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 £128,249 (2016: £114,698).

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 2017 was £93,000 (2016: £99,000), of which

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20. PENSION COMMITMENTS (continued)

employer's contributions totalled £71,000 (2016: £74,000) and employees' contributions totalled £22,000 (2016: £25,000). The agreed contribution rates for future years are 15.4% plus £22,000 per annum for employers and 5.5 - 8.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	4.20 %	2.30 %
Inflation assumption (CPI)	4.20 %	2.30 %

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

	2017	2016
Retiring today		
Males	23.4	22.9
Females	25.5	26.2
Retiring in 20 years		
Males	25.7	25.2
Females	27.9	28.6

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis (on present value of scheme obligations)		
Discount rate +0.1%	(40,000)	(38,000)
Discount rate -0.1%	41,000	39,000
Mortality assumption - 1 year increase	58,000	45,000
Mortality assumption - 1 year decrease	(56,000)	(44,000)
CPI rate +0.1%	37,000	32,000
CPI rate -0.1%	(36,000)	(31,000)

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20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	413,000	404,000
Property	61,000	68,000
Gilts	21,000	22,000
Other bonds	17,000	18,000
Cash	16,000	12,000
Other	169,000	165,000
Total market value of assets	<u>697,000</u>	<u>689,000</u>

The actual return on scheme assets was £84,000 (2016: £77,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost	(162,000)	(122,000)
Interest income	14,000	22,000
Interest cost	(37,000)	(43,000)
Total	<u>(185,000)</u>	<u>(143,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,713,000	1,064,000
Current service cost	162,000	122,000
Interest cost	37,000	43,000
Employee contributions	22,000	25,000
Actuarial (gains)/losses	(163,000)	457,000
Benefits paid (net of transfers in)	(78,000)	2,000
Closing defined benefit obligation	<u>1,693,000</u>	<u>1,713,000</u>

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20. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	689,000	511,000
Interest income	15,000	22,000
Actuarial gains/(losses)	(21,000)	55,000
Employer contributions	71,000	74,000
Employee contributions	22,000	25,000
Benefits paid (net of transfers in)	(78,000)	2,000
Administration expense	(1,000)	-
Closing fair value of scheme assets	697,000	689,000

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	2017 £	2016 £	2017 £	2016 £
AMOUNTS PAYABLE:				
Within 1 year	-	-	5,540	6,329
Between 1 and 5 years	-	-	14,324	8,828
Total	-	-	19,864	15,157

22. 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.

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 10.

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**NOTES TO THE FINANCIAL STATEMENTS
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24. GENERAL INFORMATION

Honiton Littleton Primary Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Honiton Bottom Road, Honiton, Devon, EX14 2EG.