

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Perkins, Principal T Sillitoe K Wytcherley M Newcombe A Smith D Rundle
Trustees	S Bean ² D Perkins, Principal T Sillitoe, Chair M Hawkins, Deputy Principal M Bader, Staff Trustee (resigned 21 May 2019) C Binmore, Staff Trustee (appointed 26 April 2019) J Bird, Parent Trustee ² S Driscoll, Staff Trustee (resigned 22 March 2019) D Hawkins, Parent Trustee B Jackson, Staff Trustee M Newcombe, Vice Chair ¹ DF Perman S Prangley D Rundle A Smith, Parent Trustee ¹ P Wilson ¹ K Wytcherley ²
	¹ Audit Committee ² Pay & Performance 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	D Perkins
Senior management team	D Perkins, Principal (Key management for the purpose of statutory disclosure) M Hawkins, Vice Principal (Key management for the purpose of statutory disclosure) J Fallon, Key Stage 2 Lead A Luxton, Key Stage 1 Lead D Newman, Key Stage 1 Lead N Croft, Early Years Lead J Trim, SEN Co-ordinator

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 16 May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust 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 Trust.

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

Details of the Trustees who served throughout the year, except as noted, 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.

Trade union facility time

There are no staff numbers, time information or pay information requiring disclosure for the year ended 31 August 2019.

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The Academy is now part of the RPA arrangement which provides cover up to £10,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 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.

- 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 the Trustee Board.
- up to 2 Community 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 Headteacher.

Subject 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 once each month. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of the two sub-Committees (Audit Committee & Pay & Performance Committee) and other groups when required. 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.

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 Chair and/or Vice Chair, to appoint the Principal and Clerk to the Trustees, to approve the Annual Development 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 Leadership Team (SLT). The SLT comprises the Principal, Deputy Principal, Special Needs Co-ordinator and 3 Key Stage Leaders. The SLT 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 Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees and the Senior Leadership 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 for their services as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the financial statements. The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

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 schools which form part of the Honiton Learning Community.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Academy is associated with the 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.

The principal object and activity of the Charitable Company is 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 2019 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 enhance the tertiary provision and outcomes.
- 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 provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with industry and commerce.
- 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.

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

At Honiton 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.

At Littleton 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 are:

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 Littleton 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 an 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

Key priorities for the year are contained in our Academy Development Plan, which is available from the Academy Office. Improvement focuses identified for this year include:

Attainment - KS1 in line with National Average and progress for groups improved

Attainment – KS2 combined Reading, Writing & Mathematics at least in line with National Average, and single subjects standards are above National Average

Progress – KS1 to KS2 Value Added Progress (average progress scores) are positive and show an improving

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

upward trend.

- Review of staffing levels in the light of budgetary pressure.
- Continued development of systems for tracking and monitoring pupil attainment.
- Ensure that pupils make substantial and sustained progress across many subjects, and learn exceptionally well.
- 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.
- 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.
- 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.
- 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.
- 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 so that children with SEND make at least expected progress and are in line with national data.
- Ensure that all children regularly take part in physical activities and sports competitions. To support all children so that they thrive and develop life-long skills around healthy choices.

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 Trust's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Honiton and the surrounding area.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its eighth year of operation. The total number of students in the year ended 31 August 2019 was 459. The Academy is full in three year groups and is oversubscribed in two others and has a waiting list in operation.

Year 6 Attainment 2019:

Subject	Y6 Littleton 2019
Reading	78%
Maths	84%
Writing	80%
Grammar Punctuation and Spelling	78%
Reading, Writing Maths Combined	67%

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

85% of children passed the Year 1 Phonics Screening Test which is above the NA

75% of children left Early Years with a 'Good Level of Development' in 2019 which is above the NA

The Academy was inspected by OFSTED in 2019 and was judged to be Good.

The Academy has a Nursery and 2 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.

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 school has a commitment to welfare of pupils and staff via a whole school Mental Health Strategy and is tackling the reducing workload agenda facilitated by the DfE.

The Academy has established close links with the Local Learning Community with a primary aim of driving up standards. It also works very closely with 2 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, £0 was carried forward representing 0% of GAG. However, unrestricted funds were held at 31 August 2019 amounting to £324,555.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019 were 405 in the main school and 30 in Nursery, a decrease of 20 over 2018. This number has already risen to 415 in the main school and 40 in Nursery.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019 this was 85%, compared to 82% in 2018.

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

	Target	Actual
Total unrestricted funds balance	328k	325k
Pupil to teacher ratio	21.76	23.60
Teaching to non-teaching staff ratio	46%	49%
Student attendance %	95%	96.5%
Total income per pupil	4481	4674
Total GAG per pupil	3525	3580
Ratio of GAG to total income	89%	90%
Staff costs per pupil	3572	3745
Ratio of staff costs to income	80%	80%

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust 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 2019 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 which 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 2019, excluding restricted fixed assets and pension reserves, the Academy received total income of £1,882,141 and incurred total expenditure of £1,866,593. The excess of income over expenditure for the year, after a £12,594 transfer to restricted fixed asset funds was £2,954.

At 31 August 2019 the net book value of fixed assets was £2,862,344 and movements in tangible fixed assets are shown in note 14 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 23 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 of Trustees, Principal, Managers, Budget Holders and Other Staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

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 take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

Total reserves of the Academy amount to £1,981,899 although £1,657,344 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £324,555 is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2 months of normal recurring expenditure which the Board deems as an appropriate reserves position to have. This is because the Trustees are very mindful of the current pressures on funding and want to be able to fund small deficits in order to maintain educational outcomes.

The defined benefit pension scheme reserve has a negative balance. 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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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. Day to day management of the surplus funds is delegated to the Principal and Senior Administrator within strict guidelines approved by the Board of Trustees.

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 90% 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.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit 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 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 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 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 23 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.

**HONITON LITTLETON PRIMARY ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the 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.

AUDITORS

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.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 11/12/19 and signed on the board's behalf by:



T Sillitoe
Chair of Trustees

11/12/2019

**HONITON LITTLETOWN PRIMARY ACADEMY TRUST
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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 10 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
S Bean	8	10
D Perkins, Principal	10	10
T Sillitoe, Chair	10	10
M Hawkins, Deputy Principal	8	10
M Bader, Staff Trustee	6	8
C Binmore, Staff Trustee	4	4
J Bird, Parent Trustee	8	10
S Driscoll, Staff Trustee	4	6
D Hawkins, Parent Trustee	9	10
B Jackson, Staff Trustee	8	10
M Newcombe, Vice Chair	9	10
DF Perman	8	10
S Prangle	5	10
D Rundle	6	10
A Smith, Parent Trustee	9	10
P Wilson	9	10
K Wytcherley	7	10

During the year S Driscoll (Staff Trustee) resigned as a Trustee on 22 March 2019.

C Binmore (Staff Trustee) became a Trustee on 26 April 2019.

M Bader (Staff Trustee) resigned as a Trustee on 21 May 2019.

During the year trustees have actively sought outside assurance that they are governing Honiton Littleton Primary Academy Trust 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 Board undertakes an annual Skills Audit which is used to guide developments throughout the year as well as assisting in recruiting new trustees to ensure a breadth of skills and experience is maintained across the Board. The Board have also undertaken an external review of Governance under NAHT Aspire lead by David Herbert of Edison Learning.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

The Board have established an Audit Committee to advise the Board on matters relating to the Trust's audit arrangements and systems of internal control. This Committee shall operate in accordance with any requirements of the Education and Skills Funding Agency and any other national funding bodies. It is responsible to the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Smith	3	3
M Newcombe	3	3
P Wilson	3	3

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Board of Trustees of Honiton Littleton Primary Academy Trust 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.
- 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 a programme to invest into the School fabric infrastructure.
- Continuing to improve children's attainment.
- Developing the involvement of middle managers in strategic planning and implementation.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (CONTINUED)

- Raising the quality of teaching throughout the school from good to outstanding.
- 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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Honiton Littleton Primary Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Full Board and Audit Committees 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 Trust'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 - Contracts and Tendering
- review of Internal Financial Control - Investments
- review of Risk Management Procedures

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (CONTINUED)

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.

The internal auditor has delivered the schedule of works as planned.

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;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust 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 Audit 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 11/12/2019 and signed on their behalf by:



T Sillitoe
Chair of Trustees



D Perkins
Accounting Officer

**HONITON LITTLETOWN 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



D Perkins
Accounting Officer

Date: 11/12/2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 on 11/12/2019 and signed on its behalf by:



T Sillitoe
Chair of Trustees

**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 (the 'academy trust') for the year ended 31 August 2019 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Trust'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.

**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 (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

**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 (CONTINUED)**

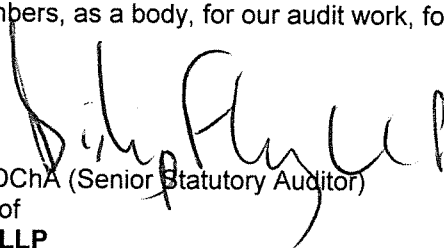
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


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:

18 December 2014

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

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

In accordance with the terms of our engagement letter dated 15 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Honiton Littleton 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 Trust'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.

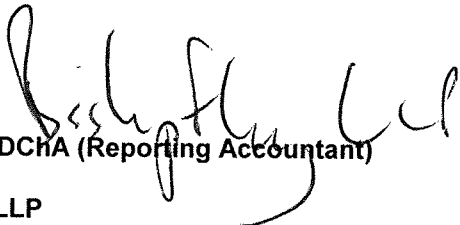
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HONITON
LITTLETOWN PRIMARY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

18 Dec 2019

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 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	4	24,443	2,500	25,551	52,494	42,589
Charitable activities		141,172	1,660,514	-	1,801,686	1,772,219
Other trading activities		52,367	-	-	52,367	67,223
Investments	7	1,145	-	-	1,145	4,397
TOTAL INCOME		219,127	1,663,014	25,551	1,907,692	1,886,428
EXPENDITURE ON:						
Charitable activities		148,617	1,835,976	73,473	2,058,066	2,050,065
TOTAL EXPENDITURE		148,617	1,835,976	73,473	2,058,066	2,050,065
NET INCOME/ (EXPENDITURE)		70,510	(172,962)	(47,922)	(150,374)	(163,637)
Transfers between funds	18	(65,581)	52,987	12,594	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		4,929	(119,975)	(35,328)	(150,374)	(163,637)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	23	-	(193,000)	-	(193,000)	214,000
NET MOVEMENT IN FUNDS		4,929	(312,975)	(35,328)	(343,374)	50,363
RECONCILIATION OF FUNDS:						
Total funds b/forward		319,626	(892,025)	2,897,672	2,325,273	2,274,910
Net movement in funds		4,929	(312,975)	(35,328)	(343,374)	50,363
TOTAL FUNDS CARRIED FORWARD		324,555	(1,205,000)	2,862,344	1,981,899	2,325,273

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

The notes on pages 26 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 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	2,862,344	2,897,672
CURRENT ASSETS			
Debtors	15	38,657	62,573
Cash at bank and in hand		370,369	345,092
		<u>409,026</u>	<u>407,665</u>
Creditors: amounts falling due within one year	16	(84,471)	(86,064)
NET CURRENT ASSETS		324,555	321,601
TOTAL ASSETS LESS CURRENT LIABILITIES		3,186,899	3,219,273
Defined benefit pension scheme liability	23	(1,205,000)	(894,000)
TOTAL NET ASSETS		1,981,899	2,325,273
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	18	2,862,344	2,897,672
General funds	18	-	1,975
Restricted funds excluding pension reserve	18	<u>2,862,344</u>	<u>2,899,647</u>
Pension reserve	18	<u>(1,205,000)</u>	<u>(894,000)</u>
Total restricted funds	18	1,657,344	2,005,647
Unrestricted income funds	18	324,555	319,626
TOTAL FUNDS		1,981,899	2,325,273

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

T Sillitoe

Chair of Trustees

Tia Sillitoe
11/12/2019

The notes on pages 26 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 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	20	62,277	(7,162)
CASH FLOWS FROM INVESTING ACTIVITIES	21	(37,000)	(5,601)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		25,277	(12,763)
Cash and cash equivalents at the beginning of the year		345,092	357,855
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	370,369	345,092

The notes on pages 26 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 2019**

1. 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.

2. 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.

2.1 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Honiton Littleton Primary Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

2.3 INCOME

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 year is deducted from income and recognised as a liability.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.3 INCOME (CONTINUED)

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

2.4 INTEREST RECEIVABLE

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

2.5 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.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.6 TANGIBLE FIXED ASSETS

Assets costing £1000 or more are capitalised as tangible fixed assets 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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS (CONTINUED)

The estimated useful lives are as follows:

Long-term leasehold property	- 50 year straight-line building / 125 year straight-line lane
Office equipment	- 4 year straight-line
Computer equipment	- 3 year 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.

2.7 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.

2.8 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.

2.9 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust 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.

2.10 OPERATING LEASES

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

2.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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 cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.12 TAXATION

The Academy Trust 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 Trust 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.

2.13 PENSIONS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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 Trust 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

2.14 FUND ACCOUNTING

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

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

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

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

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3. 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 23, 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 2019. 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 judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on 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.

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	24,443	2,500	26,943	33,810
Capital Grants	-	25,551	25,551	8,779
TOTAL 2019	24,443	28,051	52,494	42,589
TOTAL 2018	21,783	20,806	42,589	

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5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	1,431,108	1,431,108	1,421,841
Other DfE/ESFA grants	-	180,957	180,957	181,721
	-	1,612,065	1,612,065	1,603,562
Other Government grants				
High Needs	-	28,808	28,808	43,755
Other government grants: capital	-	13,801	13,801	-
	-	42,609	42,609	43,755
Other				
Sales to pupils	8	-	8	-
Other	-	5,840	5,840	4,002
TOTAL 2019	8	1,660,514	1,660,522	1,651,319
TOTAL 2018	-	1,651,319	1,651,319	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	-	-	51
Activity fees received including clubs	52,367	52,367	67,172
Income from other charitable activities: Nursery	141,164	141,164	120,900
	193,531	193,531	188,123

All income from other trading activities in 2018 was unrestricted.

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7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	1,145	1,145	4,397

All investment income in 2018 was unrestricted.

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational operations:					
Direct costs	1,384,490	55,454	111,364	1,551,308	1,558,625
Support costs	157,886	77,391	181,700	416,977	406,594
Nursery					
Direct costs	87,220	-	2,561	89,781	84,846
TOTAL 2019	1,629,596	132,845	295,625	2,058,066	2,050,065
TOTAL 2018	1,600,473	137,717	311,875	2,050,065	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	1,551,308	416,977	1,968,285	1,965,219
Nursery	89,781	-	89,781	84,846
	1,641,089	416,977	2,058,066	2,050,065
TOTAL 2018	1,643,471	406,594	2,050,065	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance costs	23,000	-	23,000	25,000
Staff costs	1,377,605	87,220	1,464,825	1,451,000
Depreciation	55,454	-	55,454	55,124
Educational supplies	66,992	2,561	69,553	81,586
Other costs	21,372	-	21,372	30,761
Supply teachers	6,885	-	6,885	-
TOTAL 2019	1,551,308	89,781	1,641,089	1,643,471
TOTAL 2018	1,558,625	84,846	1,643,471	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2019 £	Total funds 2019 £	Total funds 2018 £
Recruitment and support	10,234	10,234	9,917
Maintenance of premises and equipment	17,496	17,496	25,932
Cleaning	13,574	13,574	12,809
Rent and rates	15,793	15,793	16,275
Energy costs	12,509	12,509	12,874
Insurance	20,711	20,711	26,174
Security and transport	1,541	1,541	3,070
Catering	63,900	63,900	63,068
Technology costs	26,776	26,776	13,335
Office overheads	17,236	17,236	14,433
Legal and professional	36,673	36,673	36,654
Bank interest and charges	228	228	242
Staff costs	157,886	157,886	149,473
Depreciation	18,019	18,019	14,703
Educational consultancy	4,401	4,401	7,635
TOTAL 2019	416,977	416,977	406,594
TOTAL 2018	406,594	406,594	

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	27,329	5,223
Depreciation of tangible fixed assets	73,473	69,828
Fees paid to auditors for:		
- audit	5,080	4,860
- other services	1,930	2,775

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11. STAFF COSTS

a. STAFF

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,226,792	1,211,110
Social security costs	83,648	94,114
Pension costs	312,271	295,249
	<u>1,622,711</u>	<u>1,600,473</u>
Agency staff costs	6,885	-
	<u><u>1,629,596</u></u>	<u><u>1,600,473</u></u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	22	23
Administration and support	57	57
Management	3	4
	<u>82</u>	<u>84</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	21	16
Administration and support	27	29
Management	3	4
	<u>51</u>	<u>49</u>

c. HIGHER PAID STAFF

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

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11. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF (CONTINUED)

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	-

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £147,064 (2018: £229,016). The reduction is a result of fewer members of SMT being considered as key management personnel (see page 1), following a reorganisation of the senior management team compared to 2018. A recent restructure has seen a move to phased middle leadership using Upper Pay Scale teachers reducing expenditure on the leadership scale.

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 12 has not been included in the total benefits received by key management personnel above.

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

D Perkins, Headteacher £60,000 - £65,000 (2018: £40,000 - £45,000), D Perkins, Headteacher, employer's pension contributions £10,000 - £15,000 (2018: £5,000 - £10,000); M Hawkins £50,000-£55,000 (2018: £50,000 - £55,000), M Hawkins employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000); S Driscoll (resigned 22 March) £20,000 - £25,000 (2018: £35,000 - £40,000), S Driscoll employer's pension contributions £0 - £5,000 (2018: £5,000 - £10,000); C Binmore (appointed 26 April 2019) £10,000 - £15,000, C Binmore pension contribution £0 - £5,000; B Jackson £35,000 - £40,000, B Jackson pension contribution £0 - £5,000 and M Bader (resigned 21 May 2019) £0 - £10,000 (2018: £10,000 - £15,000), M Bader employer's pension contributions £0 - £5,000 (2018: £0 - £5,000).

During the year ended 31 August 2019, expenses totalling £16 were reimbursed or paid directly to 1 Trustee (2018 - £345 to 5 Trustees).

Other related party transactions involving the Trustees are set out in note 26.

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2018	3,224,558	48,007	105,026	3,377,591
Additions	7,602	8,398	22,145	38,145
At 31 August 2019	3,232,160	56,405	127,171	3,415,736
DEPRECIATION				
At 1 September 2018	354,492	32,250	93,177	479,919
Charge for the year	55,844	8,060	9,569	73,473
At 31 August 2019	410,336	40,310	102,746	553,392
NET BOOK VALUE				
At 31 August 2019	2,821,824	16,095	24,425	2,862,344
At 31 August 2018	2,870,066	15,757	11,849	2,897,672

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
VAT recoverable	4,597	13,091
Prepayments and accrued income	34,060	49,482
	38,657	62,573

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other taxation and social security	21,048	22,252
Other creditors	24,481	24,327
Accruals and deferred income	38,942	39,485
	84,471	86,064

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

	2019 £	2018 £
Deferred income at 1 September 2018	32,502	31,865
Resources deferred during the year	34,542	32,502
Amounts released from previous periods	(32,502)	(31,865)
	<u>34,542</u>	<u>32,502</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals for the 2019/20 financial year.

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>388,426</u>	<u>371,795</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(28,881)</u>	<u>(31,310)</u>

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

Financial liabilities measured at amortised cost comprise accruals and other creditors.

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18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICT'D FUNDS						
General Funds	319,626	219,127	(148,617)	(65,581)	-	324,555
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	1,424,696	(1,477,683)	52,987	-	-
High Needs	-	31,122	(31,122)	-	-	-
Donations	902	2,500	(3,402)	-	-	-
Pupil Premium	1,073	94,385	(95,458)	-	-	-
PE Sports grant	-	19,470	(19,470)	-	-	-
UIFSM	-	59,214	(59,214)	-	-	-
Rates funding	-	7,888	(7,888)	-	-	-
Other Income	-	23,739	(23,739)	-	-	-
Pension reserve	(894,000)	-	(118,000)	-	(193,000)	(1,205,000)
	<u>(892,025)</u>	<u>1,663,014</u>	<u>(1,835,976)</u>	<u>52,987</u>	<u>(193,000)</u>	<u>(1,205,000)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets on conversion	2,665,370	-	(51,370)	-	-	2,614,000
Fixed assets purchased from GAG	39,570	-	(4,119)	12,594	-	48,045
DfE/ESFA Capital grant	21,481	25,551	(9,560)	-	-	37,472
ACMF Capital grant	157,501	-	(3,424)	-	-	154,077
Other Capital grant	13,750	-	(5,000)	-	-	8,750
	<u>2,897,672</u>	<u>25,551</u>	<u>(73,473)</u>	<u>12,594</u>	<u>-</u>	<u>2,862,344</u>
TOTAL RESTRICTED FUNDS	<u>2,005,647</u>	<u>1,688,565</u>	<u>(1,909,449)</u>	<u>65,581</u>	<u>(193,000)</u>	<u>1,657,344</u>
TOTAL FUNDS	<u><u>2,325,273</u></u>	<u><u>1,907,692</u></u>	<u><u>(2,058,066)</u></u>	<u><u>-</u></u>	<u><u>(193,000)</u></u>	<u><u>1,981,899</u></u>

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18. STATEMENT OF FUNDS (CONTINUED)

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.

PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

UFSM (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.

Rates - This fund is given to the Academy by the ESFA to cover business rates on the Academy buildings.

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

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 23. As with most pension schemes this is 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 the net book value of assets bought using capital funding received from the ESFA to be spent on specific capital related expenditure.

Other Capital grants - this represents the net book value of assets bought using a £10,000 grant from the Big Lottery Fund and a £10,000 grant from Tesco Bags of Help.

OTHER INFORMATION

The transfer between GAG and unrestricted general funds relates to the excess of restricted expenditure that is being funded by unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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18. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS					
General Funds	284,571	193,554	(129,348)	-	319,626
RESTRICTED FUNDS					
General Annual Grant (GAG)	28,837	1,421,841	(1,478,611)	-	-
High Needs	-	43,755	(43,755)	-	-
Pupil Premium	-	98,289	(97,216)	-	1,073
PE Sports grant	-	20,050	(20,050)	-	-
UIFSM	-	55,718	(55,718)	-	-
Rates funding	-	7,664	(7,664)	-	-
Other income	-	24,751	(24,751)	-	-
Donations	-	12,027	(11,125)	-	902
Pension reserve	(996,000)	-	(112,000)	214,000	(894,000)
	(967,163)	1,684,095	(1,850,890)	214,000	(892,025)
RESTRICTED FIXED ASSET FUNDS					
Fixed assets on conversion	2,716,740	-	(51,370)	-	2,665,370
Fixed assets purchased from GAG	43,625	-	(5,273)	-	39,570
DFE/ESFA Capital grants	17,462	8,779	(4,760)	-	21,481
ACMF Capital grant	160,925	-	(3,424)	-	157,501
Other capital grant	18,750	-	(5,000)	-	13,750
	2,957,502	8,779	(69,827)	-	2,897,672
TOTAL RESTRICTED FUNDS	1,990,339	1,692,874	(1,920,717)	214,000	2,005,647
TOTAL FUNDS	2,274,910	1,886,428	(2,050,065)	214,000	2,325,273

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	2,862,344	2,862,344
Current assets	409,026	-	-	409,026
Creditors due within one year	(84,471)	-	-	(84,471)
Pension scheme liability	(311,000)	(894,000)	-	(1,205,000)
TOTAL	324,555	(1,205,000)	2,862,344	1,981,899

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,897,672	2,897,672
Current assets	319,626	88,039	-	407,665
Creditors due within one year	-	(86,064)	-	(86,064)
Pension scheme liability	-	(894,000)	-	(894,000)
TOTAL	319,626	(892,025)	2,897,672	2,325,273

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20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(150,374)	(163,637)
ADJUSTMENTS FOR:		
Depreciation	73,473	69,827
Interest receivable	(1,145)	(4,397)
Defined benefit pension scheme cost less contributions payable	118,000	87,000
Defined benefit pension scheme finance cost	-	25,000
Decrease/(increase) in debtors	23,917	(18,355)
Decrease in creditors	(1,594)	(2,600)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	62,277	(7,162)

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	1,145	4,397
Purchase of intangible assets	(38,145)	(9,998)
NET CASH USED IN INVESTING ACTIVITIES	(37,000)	(5,601)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	370,369	345,092
TOTAL CASH AND CASH EQUIVALENTS	370,369	345,092

23. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £125,703 (2018 - £120,261).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £121,000 (2018 - £112,000), of which employer's contributions totalled £96,000 (2018 - £88,000) and employees' contributions totalled £ 25,000 (2018 - £24,000). The agreed contribution rates for future years are 15.4 per cent plus £23,000 per annum for the year commencing 1 April 2019 for employers and 5.5%-12.5% per cent 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

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30

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

	2019 Years	2018 Years
<i>RETIRING TODAY</i>		
Males	22.5	23.5
Females	24.4	25.6
<i>RETIRING IN 20 YEARS</i>		
Males	24.2	25.8
Females	26.2	28.0

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(52)	(41)
Discount rate -0.1%	54	42
Mortality assumption - 1 year increase	84	59
Mortality assumption - 1 year decrease	(81)	(57)
CPI rate +0.1%	49	39
CPI rate -0.1%	(48)	(38)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	585,000	507,000
Gilts	36,000	25,000
Other bonds	18,000	16,000
Property	85,000	76,000
Cash	13,000	13,000
Private equity	18,000	9,000
Infrastructure and alternative assets	88,000	73,000
Target return portfolio	137,000	120,000
TOTAL MARKET VALUE OF ASSETS	980,000	839,000

The actual return on scheme assets was £40,000 (2018 - £46,000).

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

	2019 £	2018 £
Current service cost	(163,000)	(175,000)
Past service cost	(28,000)	-
Interest income	23,000	19,000
Interest expense	(46,000)	(44,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(214,000)	(200,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	1,733,000	1,693,000
Current service cost	163,000	175,000
Interest cost	46,000	44,000
Employee contributions	25,000	24,000
Actuarial losses/(gains)	209,000	(187,000)
Benefits paid net of transfers in	(19,000)	(16,000)
Past service costs including curtailments	28,000	-
At 31 August	2,185,000	1,733,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	839,000	697,000
Interest on assets	24,000	19,000
Actuarial gains	16,000	27,000
Employer contributions	96,000	88,000
Employee contributions	25,000	24,000
Benefits paid net of transfers in	(19,000)	(16,000)
Administration expenses	(1,000)	-
At 31 August	980,000	839,000

24. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable non land and building operating leases as follows:

	Academy 2019 £	Academy 2018 £
Not later than 1 year	27,012	5,223
Later than 1 year and not later than 5 years	27,709	9,101
	54,721	14,324

25. 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.

**HONITON LITTLETON PRIMARY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. RELATED PARTY TRANSACTIONS

Other than as detailed below, no related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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.

During the year, the Wife of Mr M Newcombe, a trustee worked as a supply teaching assistant. Her appointment and all subsequent transactions are conducted at arm's length and in accordance with the Academy Trust's financial regulations.

27. AGENCY ARRANGEMENTS

Honiton Littleton Primary Academy Trust acts as agent on behalf of the Academy's catering provider. The Academy received £20,024 on behalf of the provider and distributed £20,024 from the fund. No amount is outstanding at the year end.