

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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HONITON LITTLETON PRIMARY ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Rundle K Wytcherley P Wilson (appointed 10 December 2019) S Prangley (appointed 10 December 2019) T Sillitoe
Trustees	T Sillitoe, Chair of Trustees M Newcombe, Vice Chair D Perkins, Principal C Binmore J Bird M Hawkins D F Perman R Jackson A Smith K Desborough (appointed 27 November 2019) M Ings (appointed 27 November 2019) L Cornock-Stark (appointed 27 November 2019, resigned 20 May 2020) K Wytcherley (resigned 26 November 2019) S Prangley (resigned 7 December 2019) P Wilson (resigned 10 December 2019) D Hawkins (resigned 17 February 2020) S Bean (resigned 13 September 2020) R Roberts (appointed 15 September 2020)
Company registered number	07851471
Company name	Honiton Littleton Primary Academy Trust
Principal and registered office	Littleton Primary School Honiton Bottom Road Honiton Devon EX14 2EG
Company secretary	J Rawlins
Senior management team	D Perkins, Principal M Hawkins, Vice Principal
Independent auditors	Griffin Chartered Accountants 165 High Street Honiton EX14 1LQ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Academy Trust operates an Academy for pupils aged 3 to 11 serving a catchment area in Honiton, Devon. It has a pupil capacity of 470 and had a roll of 460 in the school census on 8th January 2020.

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

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

The charitable company's Trust deed is the primary governing document of the Academy.

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

The charitable company is known as Honiton Littleton Primary Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

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

Structure, governance and management (continued)

c. Method of recruitment and appointment or election of Trustees

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

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

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

- up to 8 Trustees who are appointed by members.
- up to 3 Parent Trustees who are elected by parents of registered pupils at the Academy.
- up to 4 staff Trustees appointed by the Trustee board.
- up to 2 Community Trustees who are appointed by the Trustee board.
- the Headteacher 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.

d. Policies 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.

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

Structure, governance and management (continued)

e. 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 Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the 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 Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Special Needs Co-ordinator and 3 Key Stage Leaders. The SLT implements 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.

f. 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 accounts.

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.

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

Structure, governance and management (continued)

g. Related parties and other connected charities and organisations

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.

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

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

Structure, governance and management (continued)

Objectives and activities

a. 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 2020 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.

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.

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

Objectives and activities (continued)

b. 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 inline with NA and progress for groups improved

Attainment – KS2 combined R,W,M at least inline with national and single subjects, standards are above NA

Progress – KS1 – KS2 Value added progress (average progress scores) Positive and show an improving 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.

c. 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 Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The 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 2020 was 460. The Academy is full in three year groups and is oversubscribed in two others and has a waiting list in operation.

Due to school closure over the Summer Term 2020 no statutory assessment results were determined.

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

Strategic report (continued)

Achievements and performance (continued)

a. 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 - the amount of carry forward restriction has been removed in the year. In period under review, there was an overspend of £32,276 representing 2% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2020 were 414 in the main school and 41 in Nursery, an increase of 15 over 2019. The number for 20/21 is 400 in Main School and 35 in Nursery.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2020 this was 121.3%, compared to 113.9% in 2019.

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

	Target	Actual
Total unrestricted funds balance	£340k	£292k
Pupil to teacher ratio	21.54	23.60
Teaching to non-teaching staff ratio	47%	48%
Student Attendance %	95%	Due to Covid N/A
Total income per pupil	£4,609	£4,690
Total GAG per pupil	£3,522	£3,426
Ratio of GAG to total income	88%	73%
Staff costs per pupil	£3,630	£4,134
Ratio of staff costs to income	80%	88%

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

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. 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 2020 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 2020, the Academy received total income of £1,941,731 (2019: £1,882,141) and incurred total expenditure of £2,118,885 (2019: £1,886,593). The excess of expenditure over income for the year was £32,276 (2019: £12,594) after removing pension deficit costs of £108,000, capital income of £8,914, depreciation costs of £75,648 and transfers from reserves to fund fixed assets of £29,856.

At 31 August 2020 the net book value of fixed assets was £2,825,466 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, Head Teacher, 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.

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

b. 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 £1,551,745 although £1,259,466 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £292,279 is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2 months of normal recurring expenditure which is approximately £350,000.

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.

c. Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Senior Administrator within strict guidelines approved by the Board of Trustees.

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

d. 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 20 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- approach to fundraising
- work with, and oversight of, any commercial participators / professional fundraisers
- fundraising conforming to recognised standards
- monitoring of fundraising carried out on its behalf
- fundraising complaints
- protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Trustees may also find it helpful to refer to the Charity Commission publication "Charity fundraising : a guide to trustee duties (CC20)" which has been updated to reflect new requirements.

Where an academy trusts does not undertake formal fundraising, it could include "The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees".

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.

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 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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



.....
T Sillitoe
(Chair of Trustees)

HONITON LITTLETON 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 Governing Board has lost a few members throughout the year, either due to their term of office ending or through increased pressures on their time. The Chair of trustees has been proactive in trying to seek replacement trustees with the relevant skills as quickly as possible. Nominations for a parent governor were held just prior to the lockdown in April which then delayed their start. This year we have also been able to operate with a clear separation of members from trustees.

Trustees complete an annual skills audit and are encouraged to participate in training to further their knowledge. Trustees have also adapted to not meeting in person and it has also been difficult for governors to visit school. This year the trustees have not received outside end of year data because of the pandemic as no external testing took place.

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 9 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
T Sillitoe, Chair of Trustees	9	9
M Newcombe, Vice Chair	8	9
D Perkins, Principal	9	9
C Binmore	8	9
J Bird	6	9
M Hawkins	8	9
D F Perman	8	9
R Jackson	9	9
A Smith	8	9
K Desborough	4	7
M Ings	7	7
L Cornock-Stark	4	5
K Wytcherley	0	3
S Prangley	2	3
P Wilson	4	4
D Hawkins	3	5
S Bean	3	9

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

The Trust has undertaken the following work to ensure and improve and review Value for Money over the period:

- Changing insurers to the DFE one following benchmarking and quote comparisons.
- Changing Internal Audit from Devon audit to Griffin Accountants and changing from Bishop Fleming to Griffin Accountants for year end audit following benchmarking and quote comparisons.
- Made use of contracted staff more efficiently to reduce external PPA costs and improve consistency in educational outcomes.
- Installed new water boilers to reduce the amount of wasted water and improve future financial performance.
- Cut down on the amount of Finance support purchased from Babcock.
- The Principal has continued to engage in work for Headteacher phase association ensuring additional income for the school.

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 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has recently changed accountants from Griffin as they were previously our internal auditors to Thompson Jenner LLP.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Academy's internal scrutiny arrangements were affected by the requirements of the newly revised FRC Ethical Standard for Auditors, effective from 15 March 2020. Griffin were previously carrying out an extended programme of work for internal scrutiny as well as being our external auditors, hence subsequently appointed Thompson Jenner LLP to carry out this work instead.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included: purchases, governance, regularity, risk management, income, budgets, fixed assets and the academy's response to the Covid-19 pandemic.

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 and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

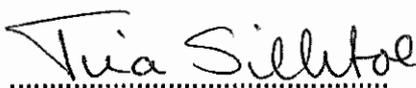
Review of effectiveness

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 and signed on their behalf by:



.....
T Sillitoe
Chair of Trustees
Date: 10 November 2020


.....
D Perkins
Accounting Officer

HONITON LITTLETON PRIMARY ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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: 10 November 2020

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

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 10 November 2020 and signed on its behalf by:



.....
T Sillitoe
(Chair of Trustees)

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**

Opinion

We have audited the financial statements of Honiton Littleton Primary Academy Trust (the 'academy') for the year ended 31 August 2020 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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, 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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)**

Responsibilities of trustees

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

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

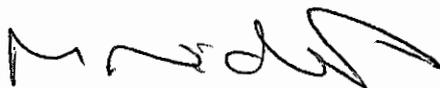
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Misty Nickells FCA (Senior statutory auditor)

for and on the behalf of
Griffin
Statutory auditor

165 High Street
Honiton
EX14 1LQ

Date: 20/11/20

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 17 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Honiton Littleton Primary Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Honiton Littleton Primary Academy Trust and 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

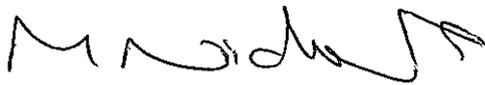
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HONITON
LITTLETON 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Misty Nickells FCA (Senior statutory auditor)
Reporting Accountants

165 High Street
Honiton
EX14 1LQ

Date: 20/11/20

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	17,077	-	8,914	25,991	52,494
Charitable activities:	4					
Funding for the academy trust's educational operation		133,894	1,732,183	-	1,866,077	1,801,686
Other trading activities		48,476	-	-	48,476	52,367
Investments	7	1,187	-	-	1,187	1,145
Total income		<u>200,634</u>	<u>1,732,183</u>	<u>8,914</u>	<u>1,941,731</u>	<u>1,907,692</u>
Expenditure on:						
Charitable activities	8	232,910	1,810,327	75,648	2,118,885	2,058,066
Total expenditure		<u>232,910</u>	<u>1,810,327</u>	<u>75,648</u>	<u>2,118,885</u>	<u>2,058,066</u>
Net expenditure		<u>(32,276)</u>	<u>(78,144)</u>	<u>(66,734)</u>	<u>(177,154)</u>	<u>(150,374)</u>
Transfers between funds	17	-	(29,856)	29,856	-	-
Net movement in funds before other recognised gains/(losses)		<u>(32,276)</u>	<u>(108,000)</u>	<u>(36,878)</u>	<u>(177,154)</u>	<u>(150,374)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(253,000)	-	(253,000)	(193,000)
Net movement in funds		<u>(32,276)</u>	<u>(361,000)</u>	<u>(36,878)</u>	<u>(430,154)</u>	<u>(343,374)</u>

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	324,555	(1,205,000)	2,862,344	1,981,899	2,325,273
Net movement in funds	(32,276)	(361,000)	(36,878)	(430,154)	(343,374)
Total funds carried forward	292,279	(1,566,000)	2,825,466	1,551,745	1,981,899

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 60 form part of these financial statements.

HONITON LITTLETOWN PRIMARY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07851471

BALANCE SHEET
AS AT 31 AUGUST 2020

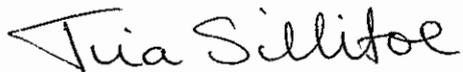
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	2,825,466	2,862,344
		<u>2,825,466</u>	<u>2,862,344</u>
Current assets			
Debtors	15	66,344	38,657
Cash at bank and in hand		349,552	370,369
		<u>415,896</u>	<u>409,026</u>
Creditors: amounts falling due within one year	16	(123,617)	(84,471)
Net current assets		<u>292,279</u>	<u>324,555</u>
Total assets less current liabilities		<u>3,117,745</u>	<u>3,186,899</u>
Net assets excluding pension liability		<u>3,117,745</u>	<u>3,186,899</u>
Defined benefit pension scheme liability	23	(1,566,000)	(1,205,000)
Total net assets		<u><u>1,551,745</u></u>	<u><u>1,981,899</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	2,825,466	2,862,344
Restricted funds excluding pension asset	17	2,825,466	2,862,344
Pension reserve	17	(1,566,000)	(1,205,000)
Total restricted funds	17	<u>1,259,466</u>	<u>1,657,344</u>
Unrestricted income funds	17	<u>292,279</u>	<u>324,555</u>
Total funds		<u><u>1,551,745</u></u>	<u><u>1,981,899</u></u>

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07851471

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 24 to 60 were approved by the Trustees, and authorised for issue on 10 November 2020 and are signed on their behalf, by:



T Sillitoe
(Chair of Trustees)

The notes on pages 29 to 60 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(9,150)	36,726
Cash flows from investing activities	20	(11,667)	(11,449)
Change in cash and cash equivalents in the year		(20,817)	25,277
Cash and cash equivalents at the beginning of the year		370,369	345,092
Cash and cash equivalents at the end of the year	21, 22	<u>349,552</u>	<u>370,369</u>

The notes on pages 29 to 60 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 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy 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.

• **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.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £1,000 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:

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight-line (buildings), 125 years straight-line (land)
Office equipment	- 4 years straight-line
Computer equipment	- 3 years straight-line

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 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 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.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 2020

1. Accounting policies (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

HONITON LITTLETON PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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

2. 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 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 or 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy 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.

3. Income from donations and capital grants

	Unrestrict ed funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	17,077	-	-	17,077
Capital Grants	-	-	8,914	8,914
	<u>17,077</u>	<u>-</u>	<u>8,914</u>	<u>25,991</u>

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3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	24,443	2,500	-	26,943
Capital Grants	-	-	25,551	25,551
	<u>24,443</u>	<u>2,500</u>	<u>25,551</u>	<u>52,494</u>

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Education	3,831	1,732,183	1,736,014
Nursery	130,063	-	130,063
	<u>133,894</u>	<u>1,732,183</u>	<u>1,866,077</u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Education	8	1,660,514	1,660,522
Nursery	141,164	-	141,164
	<u>141,172</u>	<u>1,660,514</u>	<u>1,801,686</u>

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5. Funding for the Academy's education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant	-	1,418,192	1,418,192
Other DfE/ESFA grants	-	249,439	249,439
	-	1,667,631	1,667,631
Other Government grants			
High Needs	-	56,884	56,884
Local authority grants	-	2,400	2,400
	-	59,284	59,284
Other			
Other	3,831	5,268	9,099
	3,831	1,732,183	1,736,014
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant	-	1,431,108	1,431,108
Other DfE/ESFA grants	-	180,957	180,957
	-	1,612,065	1,612,065
Other Government grants			
High Needs	-	28,808	28,808
Local authority grants	-	13,801	13,801
	-	42,609	42,609
Other			
Sales to pupils	8	-	8
Other	-	5,840	5,840
	8	1,660,514	1,660,522

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6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Activity fees including clubs	48,476	48,476
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Activity fees including clubs	52,367	52,367

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	1,187	1,187
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	1,145	1,145

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8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Education:				
Direct costs	1,361,923	59,334	84,591	1,505,848
Allocated support costs	179,970	54,065	284,751	518,786
Nursery:				
Direct costs	84,264	-	2,503	86,767
Allocated support costs	7,484	-	-	7,484
	<u>1,633,641</u>	<u>113,399</u>	<u>371,845</u>	<u>2,118,885</u>
	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Education:				
Direct costs	1,384,490	55,454	111,364	1,551,308
Allocated support costs	157,886	77,391	181,700	416,977
Nursery:				
Direct costs	<u>87,220</u>	<u>-</u>	<u>2,561</u>	<u>89,781</u>

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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	1,505,848	518,786	2,024,634
Nursery	86,767	7,484	94,251
	<u>1,592,615</u>	<u>526,270</u>	<u>2,118,885</u>
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Education	1,551,308	416,977	1,968,285
Nursery	89,781	-	89,781
	<u>1,641,089</u>	<u>416,977</u>	<u>2,058,066</u>

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £
Pension income	21,000	-	21,000
Staff costs	1,361,923	84,264	1,446,187
Depreciation	59,236	-	59,236
Educational supplies	48,583	2,503	51,086
Other costs	15,106	-	15,106
	<u>1,505,848</u>	<u>86,767</u>	<u>1,592,615</u>

	<i>Education</i> 2019 £	<i>Nursery</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Pension finance costs	23,000	-	23,000
Staff costs	1,377,605	87,220	1,464,825
Depreciation	55,454	-	55,454
Educational supplies	66,992	2,561	69,553
Other costs	21,372	-	21,372
Supply teachers	6,885	-	6,885
	<u>1,551,308</u>	<u>89,781</u>	<u>1,641,089</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £
Staff costs	266,970	7,484	274,454
Depreciation	16,412	-	16,412
Recruitment and support	7,396	-	7,396
Maintenance of premises and equipment	17,417	-	17,417
Cleaning	15,240	-	15,240
Rent and rates	15,228	-	15,228
Energy	12,179	-	12,179
Insurance	12,937	-	12,937
Security and transport	727	-	727
Catering	47,769	-	47,769
Technology costs	23,170	-	23,170
Office overheads	38,564	-	38,564
Legal and professional	34,376	-	34,376
Bank interest and charges	231	-	231
Governance costs	10,170	-	10,170
	<u>518,786</u>	<u>7,484</u>	<u>526,270</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Education</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Staff costs	157,886	157,886
Depreciation	18,019	18,019
Recruitment and support	10,234	10,234
Maintenance of premises and equipment	17,496	17,496
Cleaning	13,574	13,574
Rent and rates	15,793	15,793
Energy	12,509	12,509
Insurance	20,711	20,711
Security and transport	1,541	1,541
Catering	63,900	63,900
Technology costs	26,776	26,776
Office overheads	17,236	17,236
Legal and professional	36,673	36,673
Bank interest and charges	228	228
Governance costs	4,401	4,401
	<u>416,977</u>	<u>416,977</u>

10. Net expenditure

Net expenditure for the year includes:

	2020 £	2019 £
Operating lease rentals	25,202	27,329
Depreciation of tangible fixed assets	75,648	73,473
Fees paid to auditors for:		
- audit	4,000	5,080
- other services	2,275	1,930
	<u>81,125</u>	<u>107,712</u>

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11. Staff Costs

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,249,978	1,226,792
Social security costs	92,055	83,648
Pension costs	369,551	312,271
	<u>1,711,584</u>	<u>1,622,711</u>
Agency staff costs	-	6,885
Staff restructuring costs	9,057	-
	<u><u>1,720,641</u></u>	<u><u>1,629,596</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	9,057	-
	<u>9,057</u>	<u>-</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	22	22
Administration and support	52	57
Management	3	3
	<u>77</u>	<u>82</u>

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11. Staff Costs (continued)

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Academy 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 was £161,775 (2019 £147,064).

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12. Trustees' remuneration and expenses

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

	2020 £	2019 £
D Perkins, Principal		
Remuneration	65,000 - 70,000	60,000 - 65,000
Pension contributions paid	15,000 - 20,000	10,000 - 15,000
M Hawkins		
Remuneration	50,000 - 55,000	50,000 - 55,000
Pension contributions paid	10,000 - 15,000	5,000 - 10,000
C Binmore		
Remuneration	40,000 - 45,000	10,000 - 15,000
Pension contributions paid	5,000 - 10,000	0 - 5,000
R Jackson		
Remuneration	40,000 - 45,000	35,000 - 40,000
Pension contributions paid	5,000 - 10,000	0 - 5,000
S Driscoll		
Remuneration		20,000 - 25,000
Pension contributions paid		0 - 5,000
M Bader		
Remuneration		0 - 5,000
Pension contributions paid		0 - 5,000

During the year ended 31 August 2020, expenses totalling £37 were reimbursed or paid directly to 1 Trustee (2019 - £16 to 1 Trustee).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £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 2019	3,232,160	56,405	127,171	3,415,736
Additions	21,768	-	17,002	38,770
At 31 August 2020	<u>3,253,928</u>	<u>56,405</u>	<u>144,173</u>	<u>3,454,506</u>
Depreciation				
At 1 September 2019	410,336	40,310	102,746	553,392
Charge for the year	56,328	7,792	11,528	75,648
At 31 August 2020	<u>466,664</u>	<u>48,102</u>	<u>114,274</u>	<u>629,040</u>
Net book value				
At 31 August 2020	<u>2,787,264</u>	<u>8,303</u>	<u>29,899</u>	<u>2,825,466</u>
At 31 August 2019	<u>2,821,824</u>	<u>16,095</u>	<u>24,425</u>	<u>2,862,344</u>

15. Debtors

	2020 £	2019 £
Due within one year		
VAT recoverable	12,036	4,597
Prepayments and accrued income	54,308	34,060
	<u>66,344</u>	<u>38,657</u>

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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	36,816	-
Other taxation and social security	21,253	21,048
Other creditors	29,401	24,481
Accruals and deferred income	36,147	38,942
	<u>123,617</u>	<u>84,471</u>
	2020 £	2019 £
Deferred income at 1 September 2019	34,541	32,502
Resources deferred during the year	32,160	34,541
Amounts released from previous periods	(34,541)	(32,502)
	<u>32,160</u>	<u>34,541</u>

At the balance sheet date, the Academy was holding funds received in advance for universal infant free school meals for the 2020/21 financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	324,555	200,634	(232,910)	-	-	292,279
Restricted general funds						
General Annual Grant (GAG)	-	1,418,192	(1,388,336)	(29,856)	-	-
High Needs	-	56,884	(56,884)	-	-	-
Teacher's pension pay grant	-	81,921	(81,921)	-	-	-
Pupil Premium	-	88,707	(88,707)	-	-	-
PE Sports Grant	-	19,490	(19,490)	-	-	-
UIFSM	-	57,708	(57,708)	-	-	-
Rates funding	-	1,613	(1,613)	-	-	-
Other income	-	7,668	(7,668)	-	-	-
Pension reserve	(1,205,000)	-	(108,000)	-	(253,000)	(1,566,000)
	<u>(1,205,000)</u>	<u>1,732,183</u>	<u>(1,810,327)</u>	<u>(29,856)</u>	<u>(253,000)</u>	<u>(1,566,000)</u>
Restricted fixed asset funds						
Fixed assets on conversion	2,614,000	-	(51,370)	-	-	2,562,630
Fixed assets purchased from GAG	48,045	-	(4,065)	29,856	-	73,836
DFE/ESFA Capital grant	37,472	8,914	(11,790)	-	-	34,596
ACMF Capital grant	154,077	-	(3,423)	-	-	150,654
Other Capital grant	8,750	-	(5,000)	-	-	3,750
	<u>2,862,344</u>	<u>8,914</u>	<u>(75,648)</u>	<u>29,856</u>	<u>-</u>	<u>2,825,466</u>

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17. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total Restricted funds	1,657,344	1,741,097	(1,885,975)	-	(253,000)	1,259,466
Total funds	1,981,899	1,941,731	(2,118,885)	-	(253,000)	1,551,745

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17. Statement of funds (continued)

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

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

Income received from the Local Authority to fund further support for pupils with additional needs.

Teacher's Pension Pay Grant

Income from the ESFA to support schools and local authorities with the cost of the increase in employer contributions to the teacher's pension scheme.

Pupil Premium

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 Sports Grant

Income received from the ESFA to fund sports activities to ensure that children and young people have access to at least 60 minutes of sport and physical activity per day.

Universal Infant Free School Meals (UIFSM)

Funding received from the ESFA to offer free school meals to pupils in reception, year 1 and year 2.

Rates Funding

Funding received from the ESFA to meet the costs of national non-domestic rates.

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets.

Fixed Assets on Conversion

This represents the land and buildings donated to the school on conversion to an academy trust.

Fixed Assets Purchased from GAG

Funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/ESFA/ACMF Capital Grants

Funding received from the DfE/ESFA to cover the maintenance and purchase of fixed asset additions.

Other Capital Grants

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.

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17. Statement of funds (continued)

The specific purposes for the transfers between funds are as follows:

Transfer from Unrestricted to Restricted Fixed Asset Fund

This transfer was to move the fixed assets purchased from GAG funding to the restricted fixed asset fund to show the correct balance on the fund at the balance sheet date.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds	319,626	219,127	(148,617)	(65,581)	-	324,555
Restricted general 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)
	(892,025)	1,663,014	(1,835,976)	52,987	(193,000)	(1,205,000)
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
	2,897,672	25,551	(73,473)	12,594	-	2,862,344

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17. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
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>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£	£
Tangible fixed assets	-	-	2,825,466	2,825,466
Current assets	415,896	-	-	415,896
Creditors due within one year	(123,617)	-	-	(123,617)
Provisions for liabilities and charges	-	(1,566,000)	-	(1,566,000)
Total	<u><u>292,279</u></u>	<u><u>(1,566,000)</u></u>	<u><u>2,825,466</u></u>	<u><u>1,551,745</u></u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Restricted fixed asset funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Tangible fixed assets	-	-	2,862,344	2,862,344
Current assets	409,026	-	-	409,026
Creditors due within one year	(84,471)	-	-	(84,471)
Provisions for liabilities and charges	-	(1,205,000)	-	(1,205,000)
Total	<u><u>324,555</u></u>	<u><u>(1,205,000)</u></u>	<u><u>2,862,344</u></u>	<u><u>1,981,899</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	<u>(177,154)</u>	<u>(150,374)</u>
Adjustments for:		
Depreciation	75,648	73,473
Capital grants from DfE and other capital income	(8,914)	(25,551)
Interest receivable	(1,187)	(1,145)
Defined benefit pension scheme cost less contributions payable	108,000	118,000
(Increase)/decrease in debtors	(27,687)	23,917
Increase/(decrease) in creditors	22,144	(1,594)
Net cash (used in)/provided by operating activities	<u><u>(9,150)</u></u>	<u><u>36,726</u></u>

20. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,187	1,145
Purchase of tangible fixed assets	(21,768)	(38,145)
Capital grants from DfE Group	8,914	25,551
Net cash used in investing activities	<u><u>(11,667)</u></u>	<u><u>(11,449)</u></u>

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	349,552	370,369
Total cash and cash equivalents	<u><u>349,552</u></u>	<u><u>370,369</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	370,369	(20,817)	349,552
	<u>370,369</u>	<u>(20,817)</u>	<u>349,552</u>

23. Pension commitments

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

Contributions amounting to £29,401 (2019 - £24,481) were payable to the schemes at 31 August 2020 and are included within creditors.

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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. The valuation report was published 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% administration levy)
- 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £186,745 (2019 - £125,703).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £124,000 (2019 - £121,000), of which employer's contributions totalled £99,000 (2019 - £96,000) and employees' contributions totalled £ 25,000 (2019 - £25,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5-5-6.8 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.

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23. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.25	2.20

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.9	22.5
Females	24.1	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	25.5	26.2

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(67)	(52)
Discount rate -0.1%	69	54
Mortality assumption - 1 year increase	96	84
Mortality assumption - 1 year decrease	(93)	(81)
CPI rate +0.1%	63	49
CPI rate -0.1%	(62)	(48)

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23. Pension commitments (continued)

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

	2020	2019
	£	£
Equities	702,000	585,000
Gilts	43,000	36,000
Corporate bonds	55,000	18,000
Property	93,000	85,000
Cash and other liquid assets	13,000	13,000
Private equity	-	18,000
Infrastructure and alternative assets	122,000	88,000
Target return portfolio	148,000	137,000
Total market value of assets	1,176,000	980,000

The actual return on scheme assets was £4,000 (2019 - £40,000).

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

	2020	2019
	£	£
Current service cost	185,000	(163,000)
Past service cost	-	(28,000)
Interest income	19,000	23,000
Interest cost	(40,000)	(46,000)
Total amount recognised in the Statement of financial activities	164,000	(214,000)

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23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	2,185,000	1,733,000
Current service cost	185,000	163,000
Interest cost	40,000	46,000
Employee contributions	25,000	25,000
Actuarial losses	329,000	209,000
Benefits paid	(22,000)	(19,000)
Past service costs	-	28,000
At 31 August	2,742,000	2,185,000

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

	2020 £	2019 £
At 1 September	980,000	839,000
Expected return on assets	19,000	24,000
Actuarial gains	76,000	16,000
Employer contributions	99,000	96,000
Employee contributions	25,000	25,000
Benefits paid	(22,000)	(19,000)
Effects of non-routine settlements	(1,000)	(1,000)
At 31 August	1,176,000	980,000

24. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	25,203	27,012
Later than 1 year and not later than 5 years	2,151	27,709
	27,354	54,721

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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.

26. Related party transactions

Owing to the nature of the Academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the wife of Mr M Newcombe, a Trustee, worked as a teaching assistant at the school. She received gross pay remuneration of £10,000 to £15,000 (2019: £10,000 to £15,000) and employer's pension contributions of £0 to £5,000 (2019: £0 to £5,000). Her appointment and all subsequent transactions are conducted at arm's length and in accordance with the academy's financial regulations.

Honiton Learning Community, a company in which Mr D Perkins, a Trustee, is a director, charged the Academy £1,500 (2019 - £Nil) for school sports calendars. There was no balance payable to Honiton Learning Community at the year end.

27. Agency arrangements

Honiton Littleton Primary Academy Trust acts as an agent on behalf of the Academy's catering provider. The academy received £19,731 (2019 - £20,024) on behalf of the provider and distributed £19,731 (2019 - £20,024) from the fund. There was no balance payable at the year end.