

HONITON LITTLETOWN PRIMARY ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023



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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Rundle K Wytcherley (resigned 6 June 2023) P Wilson (resigned 29 April 2023) S Prangley T Sillitoe A Smith (appointed 6 June 2023) M Marsden (appointed 6 June 2023)
Trustees	T Sillitoe, Chair of Trustees D Perkins, Principal C Binmore J Bird M Hawkins D F Perman (resigned 10 October 2022) R Jackson A Smith (resigned 6 December 2022) M Ings P Burton N Umfreville (resigned 1 July 2023) B Humphries (resigned 23 May 2023) L Lawrence (resigned 6 March 2023) R Roberts J Hutchinson (appointed 13 September 2022) A Farley (appointed 6 March 2023)
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 (resigned 11 January 2023) Ann Denner (appointed 1 March 2023)
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 2023

Bankers	Lloyds Bank plc 8 High Street Honiton Devon EX14 1JJ
Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1ST

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Devon. It has a pupil capacity of 420 (excluding nursery) and had a roll of 397 (excluding Nursery) in the school census on 18th May 2023.

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.

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 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 Governor.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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. Trustees' indemnities

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.

e. 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 any specific courses offered by the Local Authority and other bodies.

f. 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, Mental Wellbeing leader and 4 Phase Leaders. The SLT implement the policies laid down by the Trustees and report back to them on performance.

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

The Principal is the Accounting Officer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

g. 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.

h. Trade union facility time

No employees were trade union officials within the year.

i. Related parties and other connected charities and organisations

The Academy has strong collaborative links with schools which form part of the Honiton Learning Community of which the Principal is a Director.

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).

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 Littletown Primary Academy to provide free education and care for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2023 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils.
- To provide a broad and balanced curriculum, including extra curricular activities.
- To develop students as more effective learners
- To develop the Academy site so that it enables students to achieve their full potential.
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

- 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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Achievements and performance

The Academy is in its tenth year of operation. The Academy is full in two year groups and is oversubscribed in one of the others and has a waiting list in operation.

Year 6 Attainment 2023.

Subject	Y6 Littledown 2023
Reading	75%
Maths	72%
Writing	77%
Grammar Punctuation and Spelling	75%
Reading, Writing, Maths Combined	57%

82% of children passed the Year 1 Phonics Screening Test.

72% of children left Early Years with a 'Good Level of Development' in May 2023 which is above the NA.

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

The Academy has a Nursery and 2 classes per year group. All classes have a teaching assistant, which is a valuable addition to the classroom.

We have several volunteers helping in the school on a weekly basis.

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

The school works alongside an external School Improvement Partner who visits the school 6 times per year to engage in monitoring and evaluation activities including meeting with Trustees.

Continuing professional development for staff has been very successful with the school working on a regular basis with an external advisor and via the National College.

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

The Academy has established close links with the Local Learning Community with a primary aim of driving up standards. It also works very closely with South West Institute for Teaching School Hub (SWIFT).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

b. 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 the General Annual Grant (GAG) requires special attention. In the period under review £321,152 was carried forward representing 19% of GAG received in the year.

Due to funding, the number on role is an important KPI for the school. As at the last census on 18 May 2023 this was 397 and, including 45 in the Nursery, totalled 442.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2023 this was 112% compared to 116% in 2022.

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

	Target	Actual
Total unrestricted funds balance		
Pupil to teacher ratio	21.24	26.47
Teaching to non-teaching staff ratio	54%	62%
Student attendance%	97%	95%
Total income per pupil	£5,421	£5,810
Total GAG per pupil	£4,265	£4,243
Ratio of GAG to total income	79%	72%
Staff costs per pupil	£4,350	£4,760
Ratio of staff costs to income	82%	81%

c. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

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 31st August 2023 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 2023, the Academy received total income (excluding capital income) of £2,306,715 (2022: £2,207,353) and incurred total expenditure of £2,498,737 (2022: £2,493,854). The excess of expenditure over income, excluding capital and pension for the year was £192,022.

Work on the CIF bid progressed throughout the year and the final snagging should be completed in the beginning of the financial year 2023/2024. The loan repayments to the EFSA will also commence upon completion and final payment of income from the CIF Project funding.

At 31 August 2023 the net book value of fixed assets was £2,652,819 (2022: £2,690,862) 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 26 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 include Chargings and Remissions, Risk and Pay.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 £2,815,712 although £2,652,819 of this is invested in fixed assets or represents non GAG restricted funds and £164,000 represents the LGPS pension liability. The remaining £321,152 is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1.5 months of normal recurring expenditure.

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.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Buildings - Damage or destruction of a building on the site premises that prohibits the effective use of the building for educational purposes. Having to make a financial commitment to maintain the effective fabric of the building which reduces the reserves by as much as such that the Trust is no longer deemed a Going Concern.

Plans and procedures are in place to mitigate these risks as much as possible.

Fundraising

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 11 December 2023 and signed on its behalf by:



T Sillitoe
Chair of Trustees



D Perkins
Accounting Officer

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GOVERNANCE STATEMENT

Scope of responsibility

The Board of Trustees was able to fulfil its role and provide support and challenge for school leaders through the work it carried out over the year including:

- Monthly Board meetings with focused agendas, key speakers and detailed reports.
- Monitoring visits to the school by Trustees linked to specific areas, such as Safeguarding, SEN, Premises and Finance, as well as priorities within the school development plan.
- Meeting the external school improvement partner.

Board members have access to high quality information from school leaders, external visits and local, regional and national benchmarking to ensure it understands the performance of the school and outcomes for pupils and has robust oversight of school finances. The Chair of Trustees continues to attend meetings of the RD Chairs learning set.

The Board is clear that this process allows it to triangulate the wide range of evidence available and ensure it is effective and is holding school leaders to account.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Honiton Littleton Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 10 times during the year.

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

Trustee	Meetings attended	Out of a possible
T Sillitoe, Chair of Trustees	10	10
D Perkins, Principal	10	10
C Binmore	7	9
J Bird	8	10
M Hawkins	9	10
R Jackson	8	10
A Smith, (resigned 06.12.22)	3	4
M Ings	8	10
P Burton	9	10
N Umfreville, (resigned 12.06.23)	2	8
B Humphries, (resigned 23.05.23)	2	8
L Lawrence, (resigned 06.03.23)	6	6
R Roberts	8	10
J Hutchinson	7	10
A Farley, (appointed 06.03.23)	5	5

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

There were 4 resignations from the Board of Trustees during the year. One of those who resigned has since become a Member. Replacements are actively being sought for the remaining vacancies. Trustees complete an annual skills audit and are encouraged to participate in training to further their knowledge. They have access to a range of training opportunities and current information on changes to the education landscape through Devon Educations Services, National Governance Association, Devon Association of Governors and the Confederation of School Trusts.

Conflicts of interest

All Trustees are required to complete a register of interests when they join the Board and this is updated on an annual basis. The summary register of relevant interests are on the Academy website. At the beginning of each meeting Trustees are asked to declare any interests they may have if they arise during the meeting. At agenda setting, the Chair identifies any conflicts of interest each Trustee may have with the up to date register of interests. The Chair promotes a culture so that Trustees are aware and understand the nature of any conflicts they may have and will notify the Board as necessary.

Governance reviews

The Board carried out a full review of governance with David Herbert, an external advisor, in the previous academic year. Trustees continue to implement the recommendations made, in particular around monitoring visits and reporting findings back to the Board. At a meeting, Trustees have indicated they feel this method of oversight has improved their understanding of the Academy. Trustees are minded to initiate an external review of governance every three years.

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, this includes the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

- A benchmarking process took place regarding the collection and treatment of waste. AG put forward comparisons to the Governing Body which cut the cost of the collection of waste and also provided more eco friendly treatment of food waste. This was agreed at the meeting therefore we moved from Biffa Waste to Suez Waste and the new contract started in September 2023.
- The Trust has made use of contracted staff more efficiently to reduce external PPA costs and improve consistency in educational outcomes
- Principal has continued to engage in work for Devon School Leadership Service ensuring additional income for the Trust throughout the period.
- The Trust engaged in letting out the premises to third party holiday club providers during holiday periods to secure additional income whilst developing provision for pupils.

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GOVERNANCE STATEMENT (CONTINUED)

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 2022 to 31 August 2023 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 2022 to 31 August 2023 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 decided to employ Devon Audit Partnership as internal auditor.

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:

- Risk Management and Governance
- Accounting and Financial Control
- Internal Financial Control - Income
- Internal Financial Control - Salaries and Expenses
- Internal Financial Control - Investments
- Internal Financial Control - Assets
- Internal Financial Control - Purchasing and Payments
- Internal Financial Control - Contracts and Tendering

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

assess year on year progress.

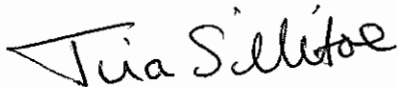
Review of effectiveness

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:

- the work of the internal auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 11 December 2023 and signed on their behalf by:



T Sillitoe
Chair of Trustees



D Perkins
Accounting Officer

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(A company limited by guarantee)

STATEMENT OF 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, including for estates safety and management, under the funding agreement 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 Trust Handbook 2022, including responsibilities for estates safety and management.

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 Trust Handbook 2022.

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



D Perkins
Accounting Officer
Date: 11 December 2023

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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:

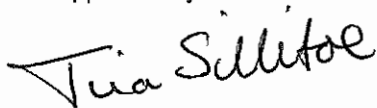
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 11 December 2023 and signed on its behalf by:



T Sillitoe
(Chair of Trustees)

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

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

Opinion

We have audited the financial statements of Honiton Littleton Primary Academy Trust (the 'academy') for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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)**



Misty Nickells FCA (Senior statutory auditor)

for and on the behalf of

Griffin

Statutory auditor

165 High Street

Honiton

EX14 1LQ

13 December 2023

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

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

In accordance with the terms of our engagement letter dated 18 November 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The work undertaken to draw our conclusion includes:

- Review of governance procedures
- Evaluation and testing of the system of internal controls, such as authorisation and value for money procedures
- Substantive testing on relevant transactions

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 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 Accountant
Griffin
165 High Street
Honiton
EX14 1LQ

Date: 13 December 2023

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	25,620	-	27,494	53,114	473,505
Other trading activities	6	81,351	-	-	81,351	65,572
Investments	7	280	-	-	280	244
Funding for the academy trust's educational operation	4	197,611	2,001,853	-	2,199,464	2,117,629
Total income		304,862	2,001,853	27,494	2,334,209	2,656,950
Expenditure on:						
Raising funds	8	18,761	-	-	18,761	19,717
Charitable activities	9	377,529	2,146,447	76,724	2,600,700	2,764,187
Total expenditure		396,290	2,146,447	76,724	2,619,461	2,783,904
Net expenditure		(91,428)	(144,594)	(49,230)	(285,252)	(126,954)
Transfers between funds	19	-	75,000	(75,000)	-	-
Net movement in funds before other recognised gains		(91,428)	(69,594)	(124,230)	(285,252)	(126,954)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	284,000	-	284,000	1,675,000
Net movement in funds		(91,428)	214,406	(124,230)	(1,252)	1,548,046
Reconciliation of funds:						
Total funds brought forward		412,580	(378,406)	2,782,790	2,816,964	1,268,918
Net movement in funds		(91,428)	214,406	(124,230)	(1,252)	1,548,046
Total funds carried forward		321,152	(164,000)	2,658,560	2,815,712	2,816,964

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 2023

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

The notes on pages 29 to 61 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 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	2,652,819	2,690,862
		<u>2,652,819</u>	<u>2,690,862</u>
Current assets			
Debtors	15	140,554	491,593
Investments	16	65,000	-
Cash at bank and in hand		347,701	566,684
		<u>553,255</u>	<u>1,058,277</u>
Creditors: amounts falling due within one year	17	(152,112)	(528,175)
Net current assets		<u>401,143</u>	<u>530,102</u>
Total assets less current liabilities		<u>3,053,962</u>	<u>3,220,964</u>
Creditors: amounts falling due after more than one year	18	(74,250)	-
Net assets excluding pension liability		<u>2,979,712</u>	<u>3,220,964</u>
Defined benefit pension scheme liability	26	(164,000)	(404,000)
Total net assets		<u><u>2,815,712</u></u>	<u><u>2,816,964</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	2,658,560	2,782,790
Restricted income funds	19	-	25,594
Pension reserve	19	(164,000)	(404,000)
Total restricted funds	19	<u>2,494,560</u>	<u>2,404,384</u>
Unrestricted income funds	19	321,152	412,580
Total funds		<u><u>2,815,712</u></u>	<u><u>2,816,964</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

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 61 were approved by the Trustees, and authorised for issue on 11 December 2023 and are signed on their behalf, by:



T Sillitoe
(Chair of Trustees)

The notes on pages 29 to 61 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(526,082)	97,499
Cash flows from investing activities	23	289,599	37,543
Cash flows from financing activities	22	82,500	-
Change in cash and cash equivalents in the year		(153,983)	135,042
Cash and cash equivalents at the beginning of the year		566,684	431,642
Cash and cash equivalents at the end of the year	24, 25	<u>412,701</u>	<u>566,684</u>

The notes on pages 29 to 61 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 2023**

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 2022 to 2023 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 Board of Trustees has a reasonable expectation that the trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The academy had a strong reserves position at the 31 August 2023 of £321,152, with £412,701 held of cash at this date. A detailed budget for 2023/24 has been prepared and updated to include the impact of rising inflationary rates. This budget for 2023/24 is forecasting a small surplus after taking these additional costs into account.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

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 notes 17 and 18. 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

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.

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 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy 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.

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3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	25,620	-	25,620
Capital Grants	-	27,494	27,494
	<u>25,620</u>	<u>27,494</u>	<u>53,114</u>

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	23,908	-	23,908
Capital Grants	-	449,597	449,597
	<u>23,908</u>	<u>449,597</u>	<u>473,505</u>

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4. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Education	42,242	2,001,853	2,044,095
Nursery	155,369	-	155,369
	<u>197,611</u>	<u>2,001,853</u>	<u>2,199,464</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Education	33,785	1,942,046	1,975,831
Nursery	141,798	-	141,798
	<u>175,583</u>	<u>1,942,046</u>	<u>2,117,629</u>

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5. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Education			
DfE/ESFA grants			
General Annual Grant	-	1,684,675	1,684,675
Other DfE/ESFA grants			
Pupil Premium	-	92,273	92,273
UFSM	-	50,598	50,598
Supplementary grants	-	47,521	47,521
Others	-	73,066	73,066
	-	1,948,133	1,948,133
Other Government grants			
High Needs	-	53,720	53,720
	-	53,720	53,720
Other income from the academy trust's educational operations			
Other income	42,242	-	42,242
	42,242	-	42,242
	42,242	2,001,853	2,044,095
	42,242	2,001,853	2,044,095

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5. Funding for the Academy's charitable activities (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Education			
DfE/ESFA grants			
General Annual Grant	-	1,672,600	1,672,600
Other DfE/ESFA grants			
Pupil Premium	-	79,945	79,945
UFSM	-	55,596	55,596
Other DfE/ESFA grants	-	71,007	71,007
	-	1,879,148	1,879,148
Other Government grants			
High needs	-	49,573	49,573
Local authority grants	-	13,325	13,325
	-	62,898	62,898
Other income from the academy trust's educational operations			
Other income	33,785	-	33,785
	33,785	-	33,785
	33,785	1,942,046	1,975,831
	33,785	1,942,046	1,975,831

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6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Activity fees including clubs	79,761	79,761
Lettings	1,590	1,590
	<u>81,351</u>	<u>81,351</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Activity fees including clubs	64,677	64,677
Lettings income	895	895
	<u>65,572</u>	<u>65,572</u>

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	280	280
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	244	244

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Expenditure on raising voluntary income:				
Direct costs	-	-	18,761	18,761
Education:				
Direct costs	1,541,249	49,033	81,873	1,672,155
Allocated support costs	240,612	271,552	308,400	820,564
Nursery:				
Direct costs	101,599	-	-	101,599
Allocated support costs	6,382	-	-	6,382
	<u>1,889,842</u>	<u>320,585</u>	<u>409,034</u>	<u>2,619,461</u>
	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on raising voluntary income:				
Direct costs	-	-	19,717	19,717
Education:				
Direct costs	1,451,365	49,413	86,352	1,587,130
Allocated support costs	391,357	429,289	252,738	1,073,384
Nursery:				
Direct costs	94,069	-	2,428	96,497
Allocated support costs	7,176	-	-	7,176
	<u>1,943,967</u>	<u>478,702</u>	<u>361,235</u>	<u>2,783,904</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Education	1,672,155	820,564	2,492,719
Nursery	101,599	6,382	107,981
	<u>1,773,754</u>	<u>826,946</u>	<u>2,600,700</u>

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Education	1,587,130	1,073,384	2,660,514
Nursery	96,497	7,176	103,673
	<u>1,683,627</u>	<u>1,080,560</u>	<u>2,764,187</u>

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2023 £	Nursery 2023 £	Total funds 2023 £
Staff costs	1,541,249	101,599	1,642,848
Depreciation	66,697	-	66,697
Educational supplies	60,790	-	60,790
Other costs	3,419	-	3,419
	<u>1,672,155</u>	<u>101,599</u>	<u>1,773,754</u>

	<i>Education 2022 £</i>	<i>Nursery 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	1,451,365	94,069	1,545,434
Depreciation	64,871	-	64,871
Educational supplies	67,174	2,428	69,602
Other costs	3,720	-	3,720
	<u>1,587,130</u>	<u>96,497</u>	<u>1,683,627</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2023 £	Nursery 2023 £	Total funds 2023 £
Pension finance costs	14,000	-	14,000
Staff costs	240,612	6,382	246,994
Depreciation	10,027	-	10,027
Recruitment and support	9,005	-	9,005
Maintenance of premises and equipment	252,034	-	252,034
Cleaning	21,831	-	21,831
Rent and rates	14,305	-	14,305
Energy	26,744	-	26,744
Insurance	17,056	-	17,056
Security and transport	775	-	775
Catering	107,253	-	107,253
Technology costs	19,264	-	19,264
Office overheads	38,069	-	38,069
Legal and professional	43,731	-	43,731
Governance costs	5,858	-	5,858
	<u>820,564</u>	<u>6,382</u>	<u>826,946</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Education</i> 2022 £	<i>Nursery</i> 2022 £	<i>Total funds</i> 2022 £
Pension finance costs	30,000	-	30,000
Staff costs	391,357	7,176	398,533
Depreciation	9,179	-	9,179
Recruitment and support	8,320	-	8,320
Maintenance of premises and equipment	377,165	-	377,165
Cleaning	14,666	-	14,666
Rent and rates	13,063	-	13,063
Energy	17,412	-	17,412
Insurance	15,597	-	15,597
Catering	98,323	-	98,323
Technology costs	24,710	-	24,710
Office overheads	38,882	-	38,882
Legal and professional	28,278	-	28,278
Bank interest and charges	284	-	284
Governance costs	6,148	-	6,148
	<u>1,073,384</u>	<u>7,176</u>	<u>1,080,560</u>

10. Net expenditure

Net expenditure for the year includes:

	2023 £	2022 £
Operating lease rentals	26,980	22,672
Depreciation of tangible fixed assets	76,724	95,318
Fees paid to auditors for:		
- audit	4,600	4,320
- other services	790	756
	<u>790</u>	<u>756</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff Costs

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	1,420,850	1,347,169
Social security costs	116,466	108,450
Pension costs	352,526	488,348
	<u>1,889,842</u>	<u>1,943,967</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	23	20
Administration and support	47	46
Management	2	3
	<u>72</u>	<u>69</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	17	16
Administration and support	27	24
Management	2	2
	<u>46</u>	<u>42</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff Costs (continued)

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £70,001 - £80,000	<u><u>1</u></u>	<u><u>1</u></u>

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 £185,876 (2022 £175,289).

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:

		2023 £	2022 £
D Perkins, Principal	Remuneration	70,000 - 75,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
M Hawkins	Remuneration	60,000 - 65,000	55,000 - 60,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
C Binmore	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
R Jackson	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2023, expenses totalling £NIL were reimbursed or paid directly to Trustees (2022 - £NIL).

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 2022	3,253,928	60,737	157,991	3,472,656
Additions	-	38,681	-	38,681
At 31 August 2023	3,253,928	99,418	157,991	3,511,337
Depreciation				
At 1 September 2022	579,473	57,487	144,834	781,794
Charge for the year	56,405	10,753	9,566	76,724
At 31 August 2023	635,878	68,240	154,400	858,518
Net book value				
At 31 August 2023	2,618,050	31,178	3,591	2,652,819
At 31 August 2022	2,674,455	3,250	13,157	2,690,862

15. Debtors

	2023 £	2022 £
Due within one year		
VAT recoverable	981	40,422
Prepayments and accrued income	139,573	451,171
	140,554	491,593

16. Current asset investments

	2023 £	2022 £
Unlisted investments	65,000	-

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17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	8,250	-
Trade creditors	-	232,395
Other taxation and social security	26,619	24,400
Other creditors	39,490	31,923
Accruals and deferred income	77,753	239,457
	<u>152,112</u>	<u>528,175</u>

Loans of £82,500 from the ESFA which is provided on the following terms: A CIF loan to be paid back over 10 years.

	2023 £	2022 £
Deferred income at 1 September 2022	32,989	28,272
Resources deferred during the year	30,986	32,989
Amounts released from previous periods	(32,989)	(28,272)
	<u>30,986</u>	<u>32,989</u>

At the balance sheet date, the Academy was holding funds received in advance for universal infant free school meals for the 2023/24 financial year.

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18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	<u>74,250</u>	<u>-</u>

Loans of £82,500 from the ESFA which is provided on the following terms: A CIF loan to be paid back over 10 years.

Included within the above are amounts falling due as follows:

	2023 £	2022 £
Between one and two years		
Other loans	<u>8,250</u>	<u>-</u>
Between two and five years		
Other loans	<u>24,750</u>	<u>-</u>
Over five years		
Other loans	<u>41,250</u>	<u>-</u>

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	412,580	304,862	(396,290)	-	-	321,152
Restricted general funds						
General Annual Grant (GAG)	25,594	1,684,675	(1,785,269)	75,000	-	-
Pupil Premium	-	92,273	(92,273)	-	-	-
UIFSM	-	50,598	(50,598)	-	-	-
High Needs	-	53,720	(53,720)	-	-	-
Supplementary grants	-	47,521	(47,521)	-	-	-
Other DFE/ESFA grants	-	73,066	(73,066)	-	-	-
Pension reserve	(404,000)	-	(44,000)	-	284,000	(164,000)
	(378,406)	2,001,853	(2,146,447)	75,000	284,000	(164,000)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Fixed assets on conversion	2,459,890	-	(51,370)	-	-	2,408,520
Fixed assets purchased from GAG	57,274	-	(5,891)	-	-	51,383
DFE/ESFA Capital grant	121,820	27,494	(16,039)	(75,000)	-	58,275
ACMF Capital grant	143,806	-	(3,424)	-	-	140,382

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
	2,782,790	27,494	(76,724)	(75,000)	-	2,658,560
Total Restricted funds	2,404,384	2,029,347	(2,223,171)	-	284,000	2,494,560
Total funds	2,816,964	2,334,209	(2,619,461)	-	284,000	2,815,712

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.

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.

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.

High Needs

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

Other DfE/ESFA Grants

This represents other funding from the DfE/ESFA such as Rates Relief, National Tutoring Programme, Recovery Premium and PE & Sports premium.

Other Local Authority Grants

Funding received from the Government and Local Authority to be used for the normal running costs of the academy, including education and support costs.

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

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

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 2023.

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19. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	364,399	265,307	(217,126)	-	-	412,580
Restricted general funds						
General Annual Grant (GAG)	-	1,672,600	(1,997,279)	350,273	-	25,594
Pupil Premium	10,003	79,945	(89,948)	-	-	-
UIFSM	-	55,596	(55,596)	-	-	-
High Needs	-	49,573	(49,573)	-	-	-
Other DFE/ESFA grants	-	71,007	(71,007)	-	-	-
Other Local Authority grants	-	13,325	(13,325)	-	-	-
Pension reserve	(1,863,000)	-	(216,000)	-	1,675,000	(404,000)
	<u>(1,852,997)</u>	<u>1,942,046</u>	<u>(2,492,728)</u>	<u>350,273</u>	<u>1,675,000</u>	<u>(378,406)</u>
Restricted fixed asset funds						
Fixed assets on conversion	2,511,261	-	(51,371)	-	-	2,459,890
Fixed assets purchased from GAG	65,555	-	(8,281)	-	-	57,274
DFE/ESFA Capital grant	33,470	449,597	(10,974)	(350,273)	-	121,820
ACMF Capital grant	147,230	-	(3,424)	-	-	143,806
	<u>2,757,516</u>	<u>449,597</u>	<u>(74,050)</u>	<u>(350,273)</u>	<u>-</u>	<u>2,782,790</u>

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19. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Total Restricted funds	904,519	2,391,643	(2,566,778)	-	1,675,000	2,404,384
Total funds	1,268,918	2,656,950	(2,783,904)	-	1,675,000	2,816,964

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	2,652,819	2,652,819
Current assets	547,514	-	5,741	553,255
Creditors due within one year	(152,112)	-	-	(152,112)
Creditors due in more than one year	(74,250)	-	-	(74,250)
Provisions for liabilities and charges	-	(164,000)	-	(164,000)
Total	321,152	(164,000)	2,658,560	2,815,712

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	2,690,862	2,690,862
Current assets	940,755	25,594	91,928	1,058,277
Creditors due within one year	(528,175)	-	-	(528,175)
Provisions for liabilities and charges	-	(404,000)	-	(404,000)
Total	412,580	(378,406)	2,782,790	2,816,964

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21. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	(285,252)	(126,954)
Adjustments for:		
Depreciation	76,724	74,050
Capital grants from DfE and other capital income	(27,494)	(449,597)
Interest receivable	(280)	(244)
Defined benefit pension scheme cost less contributions payable	30,000	186,000
Defined benefit pension scheme finance cost	14,000	30,000
Decrease/(increase) in debtors	37,655	(44,106)
Increase/(decrease) in creditors	(371,435)	428,350
Net cash (used in)/provided by operating activities	(526,082)	97,499

22. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	82,500	-
Net cash provided by financing activities	82,500	-

23. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	280	244
Purchase of tangible fixed assets	(51,559)	(10,776)
Capital grants from DfE Group	340,878	48,075
Net cash provided by investing activities	289,599	37,543

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24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	412,701	566,684
Total cash and cash equivalents	412,701	566,684

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	566,684	(218,983)	347,701
Debt due within 1 year	-	(8,250)	(8,250)
Debt due after 1 year	-	(74,250)	(74,250)
Liquid investments	-	65,000	65,000
	566,684	(236,483)	330,201

26. 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 2019.

Contributions amounting to £29,490 were payable to the schemes at 31 August 2023 (2022 - £31,923) 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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26. 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 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £185,791 (2022 - £186,156).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.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 2023 was £151,000 (2022 - £124,000), of which employer's contributions totalled £120,000 (2022 - £83,000) and employees' contributions totalled £ 31,000 (2022 - £26,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5 - 6.8 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

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26. Pension commitments (continued)

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95

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

	2023 Years	2022 Years
<i>Retiring today</i>		
Males	21.4	21.7
Females	22.6	22.9
<i>Retiring in 20 years</i>		
Males	22.7	23.0
Females	24.0	24.3

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(32)	(47)
Discount rate -0.1%	33	48
Mortality assumption + 1 year increase	49	55
Mortality assumption - 1 year decrease	(48)	(54)
CPI rate +0.1%	32	46
CPI rate -0.1%	(31)	(45)

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26. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	876,000	837,000
Corporate bonds	358,000	314,000
Property	139,000	157,000
Cash and other liquid assets	22,000	23,000
Infrastructure and alternative assets	150,000	117,000
Target return portfolio	100,000	131,000
Total market value of assets	1,645,000	1,579,000

The actual return on scheme assets was £45,000 (2022 - £57,000).

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

	2023 £	2022 £
Current service cost	149,000	283,000
Interest income	(70,000)	(26,000)
Interest cost	84,000	56,000
Administrative expenses	1,000	1,000
Total amount recognised in the Statement of financial activities	164,000	314,000

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26. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	1,983,000	3,398,000
Current service cost	149,000	283,000
Interest cost	84,000	56,000
Employee contributions	31,000	26,000
Actuarial gains	(408,000)	(1,758,000)
Benefits paid	(30,000)	(22,000)
At 31 August	1,809,000	1,983,000

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

	2023 £	2022 £
At 1 September	1,579,000	1,535,000
Expected return on assets	70,000	26,000
Actuarial losses	(124,000)	(83,000)
Employer contributions	120,000	98,000
Employee contributions	31,000	26,000
Benefits paid	(30,000)	(22,000)
Administrative expenses	(1,000)	(1,000)
At 31 August	1,645,000	1,579,000

27. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	26,980	26,980
Later than 1 year and not later than 5 years	13,275	40,255
	40,255	67,235

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28. 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.

29. 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 Academy Trust 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.

Honiton Learning Community, a company in which Mr D Perkins, a Trustee, is a director, charged the Academy £2,000 (2022 - £2,000) for school sports calendars. There was no balance payable to Honiton Learning Community at the year end.

Joseph Binmore, a Trustee ran music lessons throughout the year and charged the Academy £268 (2022 - £Nil). There was no balance payable to him at the year end.