
HONEYBOURNE FIRST SCHOOL ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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HONEYBOURNE FIRST SCHOOL ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

S Medley

Trustees

Mr S Coleman, Chair

Mr S Medley

E Huntington, Head Teacher (resigned 31 August 2021)

Mrs C Poore, Vice Chair

Mrs A Innes

Rev. S Watts

Mrs L Bucknall

Mr S Martin (appointed 10 February 2021)

Mr S Bullen (appointed 10 February 2021)

Mrs R Evans-Cook

Mrs S Perkins (appointed 9 March 2021)

Company registered number

08496781

Company name

Honeybourne First School Academy

Principal and registered office

School Street, Honeybourne, Evesham, Worcestershire, WR11 7PJ

Headteacher

E Huntington

Senior management team

Mrs Elaine Huntington, Headteacher

Mr Jon Dale, Senior Teacher

Mrs Rachel Evans-Cook, Senior Teacher/SENDco

Mrs Wendy Wiggett, Finance Secretary

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors

Randall & Payne LLP, Chargrove House, Shurdington Road, Cheltenham, Gloucestershire, GL51 4GA

Bankers

Lloyds Bank Plc, High Street, Evesham, Worcestershire, WR11 4DQ

Solicitors

SAS Daniels, 30 Greek Street, Stockport, Cheshire, SK3 8AD

HONEYBOURNE FIRST SCHOOL ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Honeybourne Primary Academy provides education for pupils aged 5 to 11 years in the main school and operates a private nursery on site for children aged 2-4 years. There were 30 pupils registered in the Nursery, and the main school had 165 pupils on roll as at 1st September 2020.

Structure, governance and management

Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Academy.

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

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

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

Members' liability

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

Trustees' indemnities

Governor liability and Trustee liability is organised through Worcestershire County Council.

Method of recruitment and appointment or election of Trustees

Since the change to academy status, Trustees have appointed the local governing body. One of the original Trustees remain. The structure of governance will be reviewed in the new financial year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

Service level agreements are in place to support Finance, HR, Premises, Staffing and Achievement. Services to support the development of Governors are also purchased and training arranged as necessary to enable governors to fulfil their statutory functions. The Headteacher and existing governors act as mentors for new governors. In addition to the statutory instrument and terms of reference, the following policies are in place to support trustees and governors and they are reviewed regularly with approval by the Governing Body:

- Articles of Association
- Governor visits
- Scheme of Delegation
- Finance Policy
- Pay Policy
- Performance Management Policy
- Expenses Policy
- Health and Safety
- Safeguarding Arrangements
- Recruitment and Training
- Whistle blowing
- The Curriculum
- SEND – Special Educational Needs and Disabilities
- Governors Code of Conduct
- Staff Code of Conduct

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Organisational structure

The Trustees form part of the Governing Body who act together to set the strategic direction of the school and carry out monitoring duties to ensure the Academy fulfils its purpose and meets legislation in place.

The Governing Body is divided into sub-committees for: Finance and Premises, Curriculum and Staffing. Each committee plans to meet at least once between the 6 Full Governing Body meetings during the course of the year, except the Staffing committee who meet as necessary to organise and arrange any new appointments or any key changes in legislation. The Finance Committee meets most regularly, at least twice per term and the members receive a monthly update on finances. The school's Finance Secretary attends the finance committee meetings.

Following the closure of all schools from 20 March 2020 all governor meetings have been held on line. Even though the school, following the end of lockdown, began to reopen, meetings continued to be held on line using video conferencing software to stay in touch with the leadership group and how the school was being run and pupils' need met.

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

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

The Headteacher is a Governor as 'Principal', 2 Staff Governors, 4 Parent Governors, 1 Local Authority Governor, 6 Co-opted Governors.

The Governing Body recognises the need to restructure and has started the process of identifying the different roles of Members and Trustees. This process will continue during 2021-2022.

The Governing Body has a clerk to minute all meetings.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for key management personnel is set out in the pay policy for Honeybourne Primary Academy. The Governing Body will review its pay policy each year in order to ensure that the policy continues to comply with the law and promotes good personnel practice and in particular to take account of pay awards, changes in national agreements governing pay, the academy school's development plan and the academy school's budget.

Related parties and other connected charities and organisations

Honeybourne First School is a stand alone Academy and buys into:

- Liberata (Payroll, HR, Health and Safety)
- Worcester Children First
- School Business Systems – Finance and business support
- Randall & Payne for Audit purposes and advice

The Academy works very closely with the feeder Middle School and the local cluster of 6 First schools. Honeybourne Academy is working, alongside local first and primary schools, towards setting up a Multi-Academy Trust in the near future.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The Academy provides education for pupils aged 5 to 11 Years in the main school and operates a private Nursery on site for children aged 2-4 years.

Our aims for all pupils are:

- Try something new, *have a go* and take risks. *Accept mistakes* as a part of learning.
- Always give our *best effort – be responsible* for our own success.
- *Think* about and *use what we already know* to improve success.
- Be *respectful*, confident and trustworthy. *Take advice* so we know how to move on to *achieve* our goals.
- *Enjoy* our education by learning together, for life

Objectives, strategies and activities

The main objectives for our pupils are:

- Enable all pupils to achieve success and close the learning gap between the most and least able.
- Give pupils rich experiences (providing a REAL purpose, develop life skills, give a context and link to the wider world).
- Build self-esteem (give support to the vulnerable pupils value their opinions, support risk taking and tying out new ideas).
- Provide opportunities for pupils to: speak out, develop and give opinions, gain confidence, take risks and rehearse before being given 'the stage' (whether that be a spoken or written activity)
- Be honest with the children and their parents (and staff with each other) – let them know regularly what they have done well, what they are good at and what they need to improve on.
- Personalise learning to suit the children's interests, backgrounds etc. and therefore ensure they develop a good attitude to learning, being able to make good choices.
- Having (and communicating) high expectations: model - investigations and enquiry skills in all subjects (not just maths and science) and thinking out loud.

The way the school achieved its objectives was set out in the strategy part of our annual School Development Plan, agreed by the Governing Body. This includes our key priorities which were:

- Ensure the needs of our children are identified as early as possible so that a planned, appropriate 'recovery' can be put in place.
- Develop a 'recovery curriculum' to meet the needs of all pupils; socially, emotionally, academically and from a health and safety point of view. Over the course of the year, plan to have a relatively 'normal' curriculum back in place by the Summer Term 2021.
- Establish home learning arrangements for when 'bubbles' (classes or groups) need to be isolated and therefore move to home learning.
- Provide stability and direction for leadership throughout the school, working on 'enabling' staff to carry out subject leadership in a measured way, and ensuring that staff work-life balance is addressed during this stressful time.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Public benefit

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

Please note that from 20 March 2020 all governing body and committee meetings continued to be held on line.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Honeybourne Academy continued to offer full time education for all pupils up to the end of the Autumn Term 2020.

During the Christmas holidays 2020, numbers of Covid 19 cases nationally rose exponentially. The School's risk assessments were amended to take in the new picture forming. The planned training day on 4th January took place virtually and preparations were made to welcome all pupils back to school on 5th January. However on the 4th January it was announced that all schools would once again close to all but children of critical workers (a new list of qualifying roles was given) and those children considered to be vulnerable in the schools' opinion, due to SEN or other needs. Overnight, the staff worked hard to identify, contact and register places for our vulnerable learners and children of critical workers. The school was open on 5th January to this selected group of pupils even though many schools across the county and country were closed to allow staff to plan. We had previously identified pupils who would be offered a place, pre-empting the announcement.

During October/November, several classes were closed due to confirmed Covid cases. During the spring term, a further 3 staff were confirmed with Coronavirus and at least 2 children and several parents reported positive results.

During this time, the staff continued their dedicated work ensuring the children and families were supported with live video contact, printed work packs, well-being calls and individual attention where needed. Parents have on the whole, supported their children very well, putting in time and creative solutions to do the best they can whilst often working from home themselves.

Parents were kept informed of the terms' plans and the changing situation via text and email messages. Seesaw (an online app) was used to provide a two way communication between staff and pupils/parents. Our school website continued to be the hub of information and all learning plans were posted there each week.

All Health and Safety measures were continued including;

- Staff to wear a face covering in school unless face to face teaching inside
- Staff to wear a face covering when taking children outside to meet parents
- No visitors in school unless for emergency reasons/to keep the school going
- Cleaning routines were further reinforced with staff wiping down shared rooms after use, including toilets, the kitchen, photo copy room and the library
- Reminding the children to distance where they can

From 8th March, 2021, all pupils were able to return to school, with a range of measures in place. Those staff who were considered clinically, extremely vulnerable unfortunately had to continue to shield. One member of staff therefore had to zoom lessons from home. Difficult though it was to get through yet another anxious term, the school did get through and both children and staff were supported in many ways. Well-being continues to be a part of everyday activities in classrooms. After the Easter break, the member of staff was able to return.

During the spring term, the staff continued their dedicated work as is the case since the virus first hit, ensuring the children and families were supported with live video contact, printed work packs, well-being calls and individual attention where needed.

Pupils were able to start the term, in as normal a way as possible. Measures remain in place; face coverings for staff when not in a face to face teaching situation, screens to protect individual or group activities, hand-washing, social distancing and bubble systems in place and regular sanitising of hands, equipment and furniture that is regularly touched.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Whilst, on the whole, pupils returned to school in a good frame of mind and loved being back with their friends, there was a growing number of pupils who were in need of additional nurture input. Resilience was low for some children and some found a whole day of school, over 5 days, a tiring experience. It was a mixture from family to family, in terms of what homework or reading was done out of school. Those families who were able to keep learning going daily, even if not a whole day, and who promote reading as an important activity showed that their children were most able to deal with the day to day pressures of living with measures in place.

Throughout the academic year, once again, the school website continued to be the hub of information for parents and children, and learning plans were posted there each week. In addition, the staff and families kept in touch via the Seesaw app.

Progress of Key Learning Priorities

Remote Learning:

- Due to the COVID-19 pandemic, the staff continued to learn how to facilitate more effective home-learning. Plans were regularly posted on the school's website. The staff continued to work together to ensure the most vulnerable learners (those listed in school as having vulnerabilities (EHCP, Social Worker, Child in Need Plan, SEN, Split or large families, no/few devices to learn with) were supported in the best way possible to maintain some kind of remote learning and engagement from them. Staff began to develop and teach pupils skills of independent working and how to learn remotely; access resources and the school website, use technology, create learning habits, whilst in school, so that any periods of isolation were as successful as possible.
- In addition, the development of the staff's technical skill and knowledge was a target for this year, to facilitate remote learning, meetings, staying in touch with parents and ensuring as much contact/interaction as possible between all stakeholders to feed into the school's education plans.

The Curriculum:

- All staff contributed to and continued to develop the school's Recovery Curriculum, focusing on at least one well-being session daily. The curriculum should be taught to cover all areas, however, it was recognised that some areas will be challenging and less well developed, such as PE, Music and practical subjects, due to either the close nature of the activities or sharing equipment. Assessments should be on-going and formal assessments used in a supportive way – every care should be taken to ensure pupils self-esteem, confidence levels and resilience strategies are developed well.
- All staff followed an amended marking and feedback policy for the year, unless otherwise directed. This was to reduce the risk of transmission of the virus through shared resources. Group, class, printed and 'stamped' feedback were used.

Leadership:

- Subject leaders were required to obtain evidence of their subject via scanned work from other staff, to discuss remotely. It was understood that an overview could be gained of the current state of the subject, and by working with staff, objectives were set for the subjects.
- Subject leaders were required to send the Headteacher a review summary each term.
- It was acknowledged that during the COVID-19 pandemic, PPA and management time was limited, so flexibility was allowed on subject leaders' responses.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

- The budget was set in line with ESFA requirements.
- The new building extension that now contains three classrooms and the nursery has been completed and fully fitted and the oldest year group, Y6 were able to use their classroom before they left school at the end of the summer term. The outside areas were almost completed although work continued in to the summer holidays. The new extension is a wonderful addition to the school. Leon, the building company were excellent and very open to changes as the work progressed. The temporary classrooms in the playground have been removed and the playground area has been resurfaced which has meant that there is a much bigger area for the children to use for lessons or play. There are currently plans being drawn up for the official opening of the extension.
- The building continues to meet Health and Safety requirements through a regular maintenance programme and provides an environment conducive to good learning.
- There was a small increase in pupil numbers from the previous year from 161 to 165.
- The pandemic forced all schools to review their teaching methods and communications with parents and children and this was successfully achieved by staff at Honeybourne Primary Academy.

Summary of previous outcomes and targets

EYFS	School 2021	National 2019
GLD	62%	72%

Key Stage 1 Phonics

KS1	School 2021	National 2019
Phonics Y1	62%	82%
Phonics end of Y2	78%	78% (Aut 2020)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

End of Key Stage 1 (Teacher Assessments)

KS1	Reading	Writing	Mathematics	RWM Combined
School July 2021	89%	83%	78%	67%
Nat July 2019	75%	69%	76%	65%

End of Key Stage 2 (Teacher Assessments)

KS2	Reading	Writing	Mathematics	GPS	RWM Combined
School Progress July 2021	N/A	N/A	N/A		
School Attainment July 2021	79%	71%	75%		67%
Nat July 2019	73%	78%	79%		65%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

Almost all income for the Academy is obtained from the EFSA via grants based on the number of pupils attending the school. A small amount of additional income is generated by parent contributions towards trips, meals, uniform, music tuition and various fund raising activities.

Staff and salaries remain as the largest % of the budget expenditure and this is in line with benchmarking activities carried out. As a small school we continue to offer good value for money, given the pupil outcomes and the small % left in the budget for educational supplies and activities. £2,073 towards Rates Relief.

The new extension and surrounding areas is almost completed and is in full use by the pupils. It is a superb addition to the school and will enable it to offer additional places to pupils who may apply following planned housing developments in the near future. The hall is now being used as its original purpose for PE, assemblies and provision of lunches. Following the completion of a new village hall the school is also using its facilities for specialised activities such as school and year group productions.

The school received around £5,907 from the Covid Emergency Funding for additional expenditure during school closures, a grant set up by the government to reimburse schools for unforeseen costs relating to the COVID-19 pandemic. These include additional cleaning and administration staff time, sanitiser stations, outside sinks and other items. The school also received £1,500 for a Digital Platform Funding and £7,233 for PE Funding and £2,073 towards Rates Relief.

The school has been allocated £13,200 from the government's Catch-up Fund to allow schools to help children catch up after a long period of absence. The additional grant has allowed the school to support the new staffing structure from September 2020 as it transitioned to an all-through one form entry primary school.

During 2021-2022 it is anticipated that

- To continue to support a recovery programme as the school moves out of Covid restrictions for children who require additional support to enable them to reach the educational levels they would have been at had they been attending school as normal.
- The school is prepared for changes in teaching arrangements should there be any changes impacted by the COVID-19 virus
- To provide financial support where needed for staff to develop their leadership roles
- Decoration and repairs of the older parts of the school building both inside and out will be coordinated following the completion of the new extension.
- The extended playground area will be resurfaced. New covered areas will be in place and new markings applied to the surface.
- The outside grass area and Forest School area will be completed

Going Concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

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

Fund	Opening balance 01 September 2020	In year movement	Closing balance 31 August 2021
General funds	£8,012	£4,720	£12,732
Restricted funds	£27,324	£8,892	£36,216
Local Government Pension scheme	(£604,000)	(£149,000)	(£753,000)
Restricted fixed assets fund	£2,244,328	(£65,268)	£2,179,060

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

The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be determined by governors annually and can fluctuate depending on operational needs but the Governors have determined that the Academy should aim to have a minimum of £70,000 held in reserves, although this is an ambitious target which has yet to be reached, with a critical operating level of between £5,000 and £10,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. All reserves are reported and reviewed regularly at management meetings and expenditure from reserves approved by the Governors at the Finance and Premises Committee.

Unrestricted Funds: These are made up of the academy's activities for generating funds, investment income and other donations which are expendable at the discretion of the Governors in furtherance to achieve the objectives of the Academy. The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity, it continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability. These funds will be reviewed regularly by the Governors and finance committee and are obtained through one off donations and are generally built up over time from fund generating activities and investments.

Designated Funds: These are unrestricted funds that have been allocated by the Governors for a particular purpose. These funds are reviewed regularly and approved by the Governors and Finance and Premises committee; they are obtained by designated funds from the unrestricted funds.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Use of reserves:

1. Identification of appropriate use of reserve funds: The Governors and staff will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserve as described in this policy. This step requires analysis of the reason for any shortfall, the availability of any other sources of funds before using reserves and evaluation of the time period that the funds will be required and replenished.
2. Authorisation of use of reserves: Authorisation to use reserves of any kind will be made by the Chair of the Finance and Premises Committee. At the next available meeting the approval should be noted in the minutes. The authorisation will be reported to the full Governing Body at the next available meeting.
3. Reporting and monitoring: The Governors are responsible for ensuring that the funds are maintained and used only as described in this policy. Upon approval for the use of these funds, the Academy will maintain a record of the use of the funds. The Finance and Premises Committee will regularly monitor the progress of the reserves.

Investment policy

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

Principal risks and uncertainties

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

- Failure to ensure that the financial systems of the school are secure. The processes are reviewed regularly with external audit challenge. The Finance and Premises committee also regularly reviews, at a detailed level, budgets across all areas of the school.
- Impact of possible initiatives the school may have to undertake due to the COVID-19 virus
- The number on roll determines the budget therefore the Governors mitigate the risk by maintaining an up to date knowledge of future numbers.
- The age of the building is also a continuing consideration when setting the budget. Sufficient funds are made available to ensure the building and services remain in a good condition.
- There is a potential for a significant building programme in the village with up to 300 new houses being proposed. The governors will maintain an awareness of how this will impact on pupil numbers and are planning how an increased population will be accommodated in school.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The key plans for future periods are:

- To address the two key issues identified for improvement in the Ofsted report from January 2020
- To monitor the new building and surrounds to ensure that it meets the requirements of the school and the pupils.
- To continue to ensure that other areas of the school are not affected by the focus on the new build.
- To continue the identification, development and implementation of a Multi Academy trust by working alongside other local schools.
- Further review of structures and policies in the light of experience moving into a Multi Academy Trust and continuing to function as a primary school moving to become a one form entry Primary with increased Pupil Admission Numbers (PAN) from 20 to 30 from September 2021.
- To engage with the Rights and Respecting School award so that pupils will develop mutual respect and tolerance, pupils' rights will be embedded across the school and through the curriculum and the Silver Award for RRSA will be achieved
- To monitor the schools Recovery Programme/Curriculum for all pupils following their return to school in September 2021 to ensure that it meets the needs of the pupils.
- To ensure that all staff receive training in Trauma Informed Schools
- To review different ways to develop and enhance links to the community and families to offer support and reduce loneliness and restart the recently formed community group.
- Identify opportunities for staff to develop their skills and knowledge through achieving external qualifications
- Develop and extend pupil leadership
- To support all staff on their return to teaching from September 2021 as life returns to some normality and consistently monitor and review its impact on home and school life.

Funds held as custodian on behalf of others

The funds available to the school from the ESFA (Education and Skills Funding Agency) and through fund raising are managed through the public bank account and are therefore subject to a full audit.

The school administers a small, separate fund set up to reward achievement in the Arts. Each year, a prize is given to a pupil who also receives a gift worth £20 and a trophy to the value of £5. Funds are taken out once a year, only for this purpose.

Disclosure of information to auditors

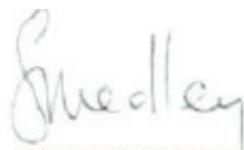
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- Randall and Payne have been re-appointed as the Auditor for Honeybourne Primary Academy

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2021 and signed on its behalf by:



.....
Mr S Coleman
Chair of Trustees



.....
Mr S Medley
Co-opted Governor and Trustee

HONEYBOURNE FIRST SCHOOL ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 either in person or online 15 times during the year. The Governing Body aims to meet at least 6 times a year. Where meetings have not taken place, email communication as well as telephone calls are used to inform all governors and ensure that key actions are agreed by the whole governing body.

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

Trustee	Meetings attended	Out of a possible
Mr S Coleman, Chair	8	9
Mr S Medley	8	9
E Huntington, Head Teacher	15	15
Mrs C Poore, Vice Chair	8	12
Mrs A Innes	11	12
Rev. S Watts	4	6
Mrs L Bucknall	12	12
Mr S Martin	3	3
Mr S Bullen	2	2
Mrs R Evans-Cook	10	12
Mrs S Perkins	2	2
Mrs J Woodfield	3	7

There has been several changes in membership of the governing body. New replacements have been found but there is always a lead in period as new governors become more familiar with their roles and responsibilities. Further appointments to the governing body will be pursued.

The Finance and Property committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- To recommend staff numbers and staffing structure, in consultation with the HT
- Develop and follow appointment procedures
- Monitor and review the Performance Management policy including job descriptions
- Consider staff development and training
- Adhere to relevant employment legislation
- To assist in preparation, review and progress of the School Learning Plan
- To ensure that the financial regulations set by the ESFA (Education and Skills Funding Agency) are adhered to and practice regularly reviewed.
- Prepare the school for the annual audit and any other assessments of financial nature.
- To monitor the school budget and receive and analyse regular reports.
- To plan finances so that school activities may take place as planned.
- To ensure the building is in good state of repair and decoration and meets legislation.
- To complete an annual Health and Safety audit and take necessary action.
- To prepare, monitor and appraise a three year plan for repair and maintenance.
- To ensure that the environment provided for children is conducive to good learning.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Huntington	3	3
Mr S Medley (C)	2	3
Mrs J Woodfield	1	1
Mr S Coleman	3	3
Mr S Martin	1	1

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Curriculum Committee is also a sub-committee of the main Board of Trustees. Its purpose is to:

- To review the whole school curriculum to ensure that it meets the needs of all learners.
- To ensure that the results of the Standard Assessment Tasks taken at the end of Key Stage 1 and 2 are presented to the parents, governors and the LA, and to analyse these results.
- To have responsibility for the delivery of the Curriculum and to review the curriculum policies on a rolling programme over three years.
- To ensure that the school is offering value for money with regard to the curriculum.
- To ensure that the children's pastoral care is adequately provided for.
- To monitor cross-curricular subjects: PSHCE (Personal, Social, Health and Citizenship Education) and SMSC (Spiritual, Moral, Social and Cultural).
- To prepare, review and progress the School Development Plan for this area
- To ensure that the code of practice for S.E.N.D children is being implemented

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Huntington	6	6
Mrs A Innes	5	6
Mrs C Poore (C)	4	5
Mrs L Bucknall	6	6

Between curriculum meetings governors normally undertake formal visits to the school usually with a specific focus linked to the School Development Plan. However under the restrictions by the pandemic formal visits to school have not been allowed.

Review of value for money

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

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

- Obtaining quotes for large orders and not relying on a sole provider
- Developing a business relationship with providers, local school and academies to ensure that, where possible, economies of scale can be appreciated
- Holding staff to account for their performances and linking this to the pay structure
- Reviewing how the intervention programme in school works so that pupil outcomes can be more directly linked to expenditure, i.e. with teaching assistants

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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 Honeybourne Primary Academy for the year 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

- The Principal provides leadership on the risk management process;
- Staff are trained or equipped to manage risk in a way appropriate to their authority and duties.
- Guidance is taken from regular visits from a leading financial advisor, from School Business Systems.
- Staff also attend update seminars held by Randall & Payne, accountants.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed School Business Services, a external consultant, to carry out a programme of internal checks.

The reviewer'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:

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

On a quarterly basis, the reviewer reports to the Board of Trustees through the finance and premises committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas

HONEYBOURNE FIRST SCHOOL ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

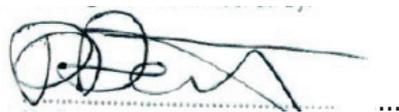
- the work of the reviewer;
- the work of the external auditors;
- advice from our independent financial advisor, through School Business Systems representative;
- the work of the finance and premises committee within the Academy who have responsibility for the development and maintenance of the internal control framework.

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



Mr S Coleman
Chair of Trustees



Mr D Davis
Accounting Officer

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Honeybourne Primary Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

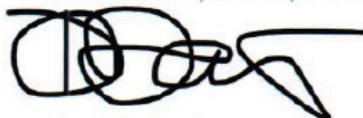
I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Governors and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

During the year the Academy failed to disclose the governors interests on their website.

The Academy also failed to include balance sheet analysis on their monthly management accounts.

The Academy had one appointed member in the period and at the year end.

Each of these points represent a breach of the requirements of the Academies Financial Handbook.



Dominic Davis

Accounting Officer

Date: 9 December 2021

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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 9 December 2021 and signed on its behalf by:



Mr S Coleman
Chair of Trustees

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HONEYBOURNE FIRST SCHOOL ACADEMY**

Opinion

We have audited the financial statements of Honeybourne First School Academy (the 'academy') for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HONEYBOURNE FIRST SCHOOL ACADEMY (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.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HONEYBOURNE FIRST SCHOOL ACADEMY (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy. These include but are not limited to compliance with the Companies Act 2006, Financial Reporting Standard applicable in the UK, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;

- we agreed the financial statement disclosures to supporting documentation;
- we made enquiries of management; and
- we reviewed board minutes throughout the year.

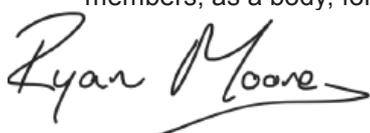
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HONEYBOURNE FIRST SCHOOL ACADEMY (CONTINUED)**

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.



Ryan Moore CA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House

Shurdington Road

Cheltenham

Gloucestershire

GL51 4GA

15 December 2021

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
HONEYBOURNE FIRST SCHOOL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 February 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Honeybourne First School Academy during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Honeybourne First School Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Honeybourne First School Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Honeybourne First School Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Honeybourne First School Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Honeybourne First School Academy's funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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.

- We review consistency with value for money principles in the period;
- We assess compliance with relevant laws and regulation;
- We assess the safeguarding of public funds and assets.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

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

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year the Academy failed to disclose the governors interests on their website.

The Academy also failed to include balance sheet analysis on their monthly management accounts.

The Academy had one appointed member in the period and at the year end.

Each of these points represent a breach of the requirements of the Academies Financial Handbook.

Randall & Payne LLP

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Date: **15 December 2021**

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	4,707	-	5,811	10,518	1,075,960
Other trading activities		-	25,062	-	25,062	46,550
Investments	6	13	-	-	13	44
Charitable activities		-	940,389	-	940,389	843,212
		<u>4,720</u>	<u>965,451</u>	<u>5,811</u>	<u>975,982</u>	<u>1,965,766</u>
Total income						
Expenditure on:						
Raising funds		-	100,582	-	100,582	103,834
Charitable activities	8	-	919,977	71,079	991,056	887,955
		<u>-</u>	<u>1,020,559</u>	<u>71,079</u>	<u>1,091,638</u>	<u>991,789</u>
Total expenditure						
Net movement in funds before other recognised gains/(losses)						
		4,720	(55,108)	(65,268)	(115,656)	973,977
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(85,000)	-	(85,000)	(91,000)
		<u>4,720</u>	<u>(140,108)</u>	<u>(65,268)</u>	<u>(200,656)</u>	<u>882,977</u>
Net movement in funds						
Reconciliation of funds:						
Total funds brought forward		8,012	(576,676)	2,244,328	1,675,664	792,687
Net movement in funds		4,720	(140,108)	(65,268)	(200,656)	882,977
		<u>12,732</u>	<u>(716,784)</u>	<u>2,179,060</u>	<u>1,475,008</u>	<u>1,675,664</u>
Total funds carried forward						

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

The notes on pages 33 to 60 form part of these financial statements.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08496781

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,989,712	1,298,916
		<u>1,989,712</u>	<u>1,298,916</u>
Current assets			
Debtors	15	290,066	1,016,719
Cash at bank and in hand		41,574	77,944
		<u>331,640</u>	<u>1,094,663</u>
Creditors: amounts falling due within one year	16	(93,344)	(113,915)
Net current assets		<u>238,296</u>	<u>980,748</u>
Total assets less current liabilities		<u>2,228,008</u>	<u>2,279,664</u>
Net assets excluding pension liability		<u>2,228,008</u>	<u>2,279,664</u>
Defined benefit pension scheme liability	23	(753,000)	(604,000)
Total net assets		<u><u>1,475,008</u></u>	<u><u>1,675,664</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	2,179,060	2,244,328
Restricted income funds	17	36,216	27,324
		<u>2,215,276</u>	<u>2,271,652</u>
Restricted funds excluding pension asset	17	2,215,276	2,271,652
Pension reserve	17	(753,000)	(604,000)
Total restricted funds	17	<u>1,462,276</u>	<u>1,667,652</u>
Unrestricted income funds	17	12,732	8,012
Total funds		<u><u>1,475,008</u></u>	<u><u>1,675,664</u></u>

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08496781

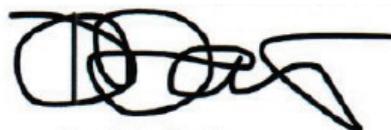
BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

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 29 to 60 were approved by the Trustees, and authorised for issue on 09 December 2021 and are signed on their behalf, by:



Mr S Coleman
Chair of Trustees



Mr D Davis
Accounting officer

The notes on pages 33 to 60 form part of these financial statements.

HONEYBOURNE FIRST SCHOOL ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	850,702	(953,092)
Cash flows from investing activities	20	(887,072)	944,161
Change in cash and cash equivalents in the year		(36,370)	(8,931)
Cash and cash equivalents at the beginning of the year		77,944	86,875
Cash and cash equivalents at the end of the year	21, 22	<u>41,574</u>	<u>77,944</u>

The notes on pages 33 to 60 form part of these financial statements

HONEYBOURNE FIRST SCHOOL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

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.

- **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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Tangible fixed assets

Assets costing £500 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:

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FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 30 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 3 years straight line

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

1.7 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.

1.8 Cash at bank and in hand

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

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Financial instruments

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

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

Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 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.

Investment income, gains and losses are allocated to the appropriate fund.

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2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	4,707	-	4,707
Capital Grants	-	5,811	5,811
Total 2021	<u>4,707</u>	<u>5,811</u>	<u>10,518</u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	3,374	-	3,374
Capital Grants	-	1,072,586	1,072,586
<i>Total 2020</i>	<u>3,374</u>	<u>1,072,586</u>	<u>1,075,960</u>

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy's educational operations direct

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant	658,671	658,671
Other DfE/ESFA grants		
Rates Reclaim	2,074	2,074
Pupil Premium and Service Premium	42,246	42,246
Universal Infant Free School Meals (UIFSM)	24,036	24,036
Other DfE and ESFA	66,876	66,876
Other Government Revenue Grants	48,016	48,016
Other Income	98,470	98,470
	940,389	940,389
	940,389	940,389
	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants		
General Annual Grant	608,573	608,573
Other DfE/ESFA grants		
Rates Reclaim	864	864
Pupil Premium and Service Premium	38,826	38,826
Universal Infant Free School Meals (UIFSM)	24,691	24,691
Other DfE and ESFA	42,636	42,636
Other Government Revenue Grants	28,577	28,577
Other Income	99,045	99,045
	843,212	843,212
	843,212	843,212

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

Included within other income above is £13,200 (2020: £nil) of covid catch up funding received by the academy and £NIL claimed and received by the academy in respect of the Coronavirus Job Retention Scheme (2020: £6,504).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Restricted funds 2021 £	Total funds 2021 £
Catering Income	1,475	1,475
Parental Contributions	19,831	19,831
Other Income	3,348	3,348
Pupil Trips	408	408
Total 2021	25,062	25,062
	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Catering Income	3,481	3,481
Rental Income	109	109
Parental Contributions	18,713	18,713
Other Income	9,067	9,067
Pupil Trips	14,551	14,551
Music Tuition	628	628
<i>Total 2020</i>	<i>46,549</i>	<i>46,549</i>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment Income	13	13

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment Income	44	44

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	98,352	-	2,230	100,582
Educational Operations Direct:				
Direct costs	621,888	-	58,287	680,175
Allocated support costs	132,246	21,181	157,453	310,880
Total 2021	852,486	21,181	217,970	1,091,637

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on fundraising trading activities:				
Direct costs	100,802	-	3,032	103,834
Educational Operations Direct:				
Direct costs	547,576	-	73,299	620,875
Support costs	123,387	22,606	121,087	267,080
<i>Total 2020</i>	<i>771,765</i>	<i>22,606</i>	<i>197,418</i>	<i>991,789</i>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £
Educational Operations Direct	991,056	991,056
	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Educational Operations Direct	887,955	887,955

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations Direct	680,175	310,880	991,055
	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational Operations Direct	620,875	267,080	887,955

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £
Staff costs	621,888	621,888
Depreciation	12,309	12,309
Staff Expenses	5,425	5,425
Educational Supplies	13,410	13,410
Educational Consultancy	387	387
Insurance	8,343	8,343
Technology Costs	15,690	15,690
Other	2,723	2,723
Total 2021	<u>680,175</u>	<u>680,175</u>
	<i>Educational Operations 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	547,576	547,576
Depreciation	6,104	6,104
Staff Expenses	8,241	8,241
Educational Supplies	6,398	6,398
Educational Consultancy	6,930	6,930
Insurance	9,072	9,072
Technology Costs	21,539	21,539
Other	15,015	15,015
<i>Total 2020</i>	<u>620,875</u>	<u>620,875</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations Di 2021 £	Total funds 2021 £
Pension finance costs	11,000	11,000
Staff costs	132,246	132,246
Depreciation	58,770	58,770
Other Staff Costs	60	60
Office equipment maintenance	19	19
Other	67,519	67,519
Maintenance of Premises	6,310	6,310
Cleaning and Caretaking	4,531	4,531
Rates	3,426	3,426
Energy	7,596	7,596
Catering	14,270	14,270
Other Premises Costs	4,390	4,390
Auditor Costs	743	743
Total 2021	<u>310,880</u>	<u>310,880</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational Operations Di 2020 £</i>	<i>Total funds 2020 £</i>
Pension finance costs	7,000	7,000
Staff costs	123,387	123,387
Depreciation	32,246	32,246
Other	38,479	38,479
Maintenance of Premises	11,062	11,062
Cleaning and Caretaking	3,228	3,228
Rates	3,046	3,046
Energy	5,269	5,269
Catering	28,158	28,158
Other Premises Costs	5,850	5,850
Auditor Costs	9,355	9,355
<i>Total 2020</i>	<u>267,080</u>	<u>267,080</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	1,568	909
Depreciation of tangible fixed assets	42,391	38,350
Fees paid to auditors for:		
- audit	6,240	6,050
- other services	2,855	3,095
	<u>6,240</u>	<u>6,050</u>
	<u>2,855</u>	<u>3,095</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	622,684	568,787
Social security costs	48,353	41,222
Pension costs	181,449	161,756
	<u>852,486</u>	<u>771,765</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teaching staff	7	7
Administration & Support	22	20
Management	4	4
	<u>33</u>	<u>31</u>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

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 £227,113 (2020 - £192,978).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

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

		2021	2020
		£	£
E Huntington, Head Teacher (resigned 31 August 2021)	Remuneration	65,000 -	60,000 -
		70,000	65,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000
Mrs R Evans-Cook	Remuneration	40,000 -	20,000 -
		45,000	25,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000

During the year ended 31 August 2021, expenses totalling £109 were reimbursed or paid directly to 1 Trustee (2020 - £NIL to Trustee). The expenses paid were reimbursements for cleaning materials, educational equipment and catering materials.

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 unlimited cover on any one claim (2020: unlimited) and the cost for the year ended 31 August 2021 was included in the RPA agreement, the cost of which is not separable from the total insurance cost in the year (2020: not separable).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	1,358,853	128,424	29,406	64,859	1,581,542
Additions	2,017	725,431	14,211	20,217	761,876
Transfers between classes	853,855	(853,855)	-	-	-
At 31 August 2021	<u>2,214,725</u>	<u>-</u>	<u>43,617</u>	<u>85,076</u>	<u>2,343,418</u>
Depreciation					
At 1 September 2020	193,617	-	28,533	60,475	282,625
Charge for the year	56,824	-	3,132	11,123	71,079
At 31 August 2021	<u>250,441</u>	<u>-</u>	<u>31,665</u>	<u>71,598</u>	<u>353,704</u>
Net book value					
At 31 August 2021	<u><u>1,964,284</u></u>	<u><u>-</u></u>	<u><u>11,952</u></u>	<u><u>13,478</u></u>	<u><u>1,989,714</u></u>
At 31 August 2020	<u><u>1,165,236</u></u>	<u><u>128,424</u></u>	<u><u>872</u></u>	<u><u>4,384</u></u>	<u><u>1,298,916</u></u>

The land and buildings in the financial statements represents the school premises which is occupied under a 125 year lease from the Worcestershire County Council with effect from 31 May 2013.

Included in land and buildings is leasehold land at valuation of £510,000 (2020: £510,000) which is not depreciated.

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	75,850	49,600
Other debtors	71,259	10,741
Prepayments and accrued income	142,957	956,378
	<u><u>290,066</u></u>	<u><u>1,016,719</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£	£
Trade creditors	45,101	<i>60,023</i>
Other creditors	27,669	<i>23,819</i>
Accruals and deferred income	20,574	<i>30,073</i>
	93,344	<i>113,915</i>

At the year end, resources were deferred for Universal Infant Free School Meals grant income in relation to the 2020/21 financial year and rates relief.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	8,012	4,720	-	-	-	12,732
Restricted general funds						
Academy - Restricted	27,324	882,054	(873,162)	-	-	36,216
Nursery	-	83,397	(83,397)	-	-	-
Pension reserve	(604,000)	-	(64,000)	-	(85,000)	(753,000)
	(576,676)	965,451	(1,020,559)	-	(85,000)	(716,784)
Restricted fixed asset funds						
Restricted Fixed Asset Fund - all funds	1,298,918	-	(71,079)	761,874	-	1,989,713
Devolved Formula Capital	6,913	5,811	-	-	-	12,724
Local Authority	938,497	-	-	(761,874)	-	176,623
	2,244,328	5,811	(71,079)	-	-	2,179,060
Total Restricted funds	1,667,652	971,262	(1,091,638)	-	(85,000)	1,462,276
Total funds	1,675,664	975,982	(1,091,638)	-	(85,000)	1,475,008

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

The specific purposes for which the funds are to be applied are as follows:
Academy - Restricted includes the following funds:

- GAG Fund - This fund represents grants received for the Academy's operational activities and development.
- Pupil Premium - Funding from the ESFA to support disadvantaged pupils of all abilities to perform and close the gap between them and their peers.
- UIFSM - Grant income received to cover the provision of school meals for eligible children.
- PE & Sports Grant - funding towards the provision of physical education.
- Rates Relief - Government funding towards rates costs incurred.
- Employment Allowance - Government funding towards national insurance contributions.
- Local Authority Early Years - Grants received from the Local Authority to contribute towards the academy's early years provision.
- Catering, lettings, trip income - funds raised from the provision of the aforementioned activities.
- Supply Reimbursement - monies received from the insurance provider for staff absence.

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 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds - all funds	4,595	3,417	-	-	-	8,012
Restricted general funds						
Academy - Restricted	34,000	803,167	(809,843)	-	-	27,324
Nursery	-	86,594	(86,594)	-	-	-
Pension reserve	(456,000)	-	(57,000)	-	(91,000)	(604,000)
	<u>(422,000)</u>	<u>889,761</u>	<u>(953,437)</u>	<u>-</u>	<u>(91,000)</u>	<u>(576,676)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	1,208,843	-	(38,349)	128,424	-	1,298,918
Devolved Formula Capital	1,248	5,665	-	-	-	6,913
Local Authority	-	1,066,921	-	(128,424)	-	938,497
	<u>1,210,091</u>	<u>1,072,586</u>	<u>(38,349)</u>	<u>-</u>	<u>-</u>	<u>2,244,328</u>
Total Restricted funds	<u>788,091</u>	<u>1,962,347</u>	<u>(991,786)</u>	<u>-</u>	<u>(91,000)</u>	<u>1,667,652</u>
Total funds	<u><u>792,686</u></u>	<u><u>1,965,764</u></u>	<u><u>(991,786)</u></u>	<u><u>-</u></u>	<u><u>(91,000)</u></u>	<u><u>1,675,664</u></u>

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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Honeyboure Primary Academy	48,948	35,336
Restricted fixed asset fund	2,179,060	2,244,328
Pension reserve	(753,000)	(604,000)
Total	1,475,008	1,675,664

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

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

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	1,989,712	1,989,712
Current assets	12,732	129,560	189,348	331,640
Creditors due within one year	-	(93,344)	-	(93,344)
Provisions for liabilities and charges	-	(753,000)	-	(753,000)
Total	<u>12,732</u>	<u>(716,784)</u>	<u>2,179,060</u>	<u>1,475,008</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	(1)	-	1,298,917	1,298,916
Current assets	8,013	141,240	945,411	1,094,664
Creditors due within one year	2	(113,917)	-	(113,915)
Provisions for liabilities and charges	-	(604,000)	-	(604,000)
Total	<u>8,014</u>	<u>(576,677)</u>	<u>2,244,328</u>	<u>1,675,665</u>

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19. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(115,656)	973,977
Adjustments for:		
Depreciation	71,079	38,350
Capital grants from DfE and other capital income	125,197	(1,072,586)
Decrease/(increase) in debtors	726,655	(999,888)
(Decrease)/increase in creditors	(20,573)	50,055
FRS102 Adjustments	64,000	57,000
Net cash provided by/(used in) operating activities	850,702	(953,092)

20. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(761,875)	(128,424)
Capital grants from DfE Group	(125,197)	1,072,585
Net cash (used in)/provided by investing activities	(887,072)	944,161

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	41,574	77,944
Total cash and cash equivalents	41,574	77,944

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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	77,944	(36,370)	41,574
	<u>77,944</u>	<u>(36,370)</u>	<u>41,574</u>

23. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire 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 £5,192 were payable to the schemes at 31 August 2021 (2020 - £6,092) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £82,522 (2020 - £73,894).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £71,000 (2020 - £62,000), of which employer's contributions totalled £57,000 (2020 - £48,000) and employees' contributions totalled £14,000 (2020 - £14,000). The agreed contribution rates for future years are 17.2 per cent for employers and 5.5 - 7.5 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.

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23. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	4.3	3.8
Rate of increase for pensions in payment/inflation	2.9	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.8	2.3

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.1	25
<i>Retiring in 20 years</i>		
Males	24.4	24.2
Females	27.1	27

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	(34,000)	(25,000)
Mortality assumption - 1 year increase	43,000	28,000
CPI rate +0.1%	34,000	24,000

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23. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	542,000	273,000
Bonds	1,000	50,000
Property	29,000	22,000
Cash and other liquid assets	16,000	17,000
Other	64,000	52,000
Total market value of assets	652,000	414,000

The actual return on scheme assets was £90,000 (2020 - £5,000).

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

	2021 £	2020 £
Current service cost	(109,000)	(97,000)
Interest income	9,000	6,000
Interest cost	(20,000)	(13,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(121,000)	(105,000)

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

	2021 £	2020 £
At 1 September	1,018,000	737,000
Interest cost	20,000	13,000
Employee contributions	14,000	14,000
Actuarial losses	167,000	157,000
Benefits paid	77,000	-
Current service cost	109,000	97,000
At 31 August	1,405,000	1,018,000

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23. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	414,000	281,000
Benefits/transfers paid	77,000	-
Interest income	9,000	6,000
Actuarial gains	82,000	66,000
Employer contributions	57,000	48,000
Employee contributions	14,000	14,000
Administration expenses	(1,000)	(1,000)
At 31 August	652,000	414,000

24. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	5,608	1,568

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

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27. Post balance sheet events

The academy is currently involved in a legal case regarding a personal injury claim made against the entity. The outcome and financial impact of which are not possible to determine. The academy is adequately insured in the event of an unfavourable judgement.