

Registration number: 08608287

# HORIZONS SPECIALIST ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

# Horizons Specialist Academy Trust

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# Horizons Specialist Academy Trust

## Reference and administrative details

**Members** Dame D Smith  
Prof. I Cunningham  
B Kirby  
L Laidler (appointed 1 September 2021)  
Prof A Boddison (appointed 10 December 2021)

**Trustees (Directors)** E A Horne CBE (Accounting Officer)  
C J Whittaker  
Dr B N P Sinha  
J Bromiley  
M D Jones  
S Wilson (resigned 22 April 2022)  
D Walker  
D New (appointed 1 September 2021)  
R Nicholls (appointed 1 September 2021)  
A Ward (appointed 3 October 2022)

**Company Secretary** A R Ascough

**Senior Management Team** E A Horne CBE, Chief Executive  
R Whelan, Deputy Chief Executive  
D Penny, Executive Principal  
L Beaumont, Principal  
K Fenton, Principal  
R Glover, Principal  
M Lyons, Principal  
J Newman, Principal  
S Thomas, Principal  
K Thompson, Principal  
C Thomas, Head of Finance

**Principal and Registered Office** Abbey Hill Academy  
Ketton Road  
Stockton-On-Tees  
Cleveland  
TS19 8BU

**Company Name** Horizons Specialist Academy Trust

**Company Registration Number** 08608287

## Horizons Specialist Academy Trust

### Reference and administrative details (continued)

**Auditors** Azets Audit Services  
Chartered Accountants and Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

**Bankers** Lloyds Bank  
27 High Street  
Stockton-On-Tees  
Cleveland  
TS18 1SG

**Solicitors** Womble Bond Dickinson (UK) LLP  
One Trinity  
Newcastle upon Tyne  
NE1 2HF

# Horizons Specialist Academy Trust

## Trustees' Report for the Year Ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a Trustees' report and a Trustees' report under company law.

Horizons Specialist Academy Trust is a Multi-Academy Trust. In that capacity, it acts as one employer across all Academies within the Trust. The schools forming part of the Academy Trust during the financial year were:

- Abbey Hill Academy & Sixth Form – Ketton Road, Stockton on Tees, TS19 8BU
- Archway Academy – Learning Lane, The Venue, Teesville, Middlesbrough, TS6 0DD
- Green Gates Academy - Melton Road, Stockton on Tees, TS19 0JD
- Hollis Academy – Saltersgill Avenue, Middlesbrough, TS4 3JS
- Mo Mowlam Academy – Corporation Road, Redcar TS10 1PA,
- Westlands Academy – Eltham Crescent, Thornaby, Stockton on Tees, TS17 9RA

### Structure, Governance and Management

#### Constitution

Horizons Specialist Academy Trust (the "Trust") was incorporated on 12 July 2013. It is a company limited by guarantee with no share capital (registration number 08608287) and an exempt charity under the Academies Act 2010. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The charitable company is known as Horizons Specialist Academy Trust.

Details of the Trustees who served during the period 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

The Trust has purchased insurance to protect Trustees and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business. A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of Trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of Trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of Trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees of the Trust.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership of the Board of Trustees is in accordance with the structure contained within it, i.e. the Chief Executive, up to six Member appointed Trustees, a minimum of two parent Trustees (unless there are Local Governing Bodies which include at least two parent members) and the discretion to appoint Co-opted Trustees. The number of Trustees is not subject to any maximum and the appointments made are in line with the guidance in the Articles of Association.

Following the establishment of Local Governing Bodies – referred to as *Academy Councils* – considerable work has taken place to appoint two parent governors to each of the four Academy Councils. Parent governors must be a parent of a pupil at one of the Academies at the time they were elected; however, if it is not practical to do so, a person can be appointed who is the parent of a child of school age.

The Chief Executive of the Trust holds a Member appointed position and shall be a Trustee for as long as he/she remains in that position.

The Trustees may appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Trust as a co-opted Trustee if thereby the number of Trustees who are employees would exceed one third of the total number of Trustees. There are two Co-opted Trustees. The appointment of new Trustees involves analysis of the present Trustees' skills and identification of any gaps. The process of Trustee recruitment ensures prospective Trustees have the skills required by the Board.

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades

As set out in the articles and funding agreement –

The Trust has the following Trustees:

James Bromiley

Elizabeth Horne CBE

Maurice Jones

David New (appointed 01.09.21)

Rosemary Nicholls (appointed 01.09.21)

Dr Baxi Sinha

David Walker

Colin Whittaker

Sian Wilson (resigned 29.04.22)

## **Horizons Specialist Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

In line with the Trust's Induction Guidance, all new Trustees will be provided with induction, appropriate to their experience and expertise, by the Trust's Governance Operations Manager and members of the Trust's Executive Leadership Team.

Training requirements are identified during the Board's annual self-evaluation process, through the skills audit process and also to reflect changes to legislation. Bespoke training is also provided for newly appointed Trustees and Governors.

Further development of local governance to focus on the quality of education and the Ofsted framework is an ongoing process, supported through training and development. Link Governor roles for each Academy ensure focussed visits take place and feedback is provided to the appropriate Academy Council.

Trustees also have access to National Governance Association (NGA) weekly briefings to support them in keeping up-to-date with national education and governance issues, and also the NGA's online training and development programmes.

Trustees and Governors received safeguarding training during the 2021/22 session - ensuring that they are fully updated in terms of the revised 'Keeping Children Safe in Education' document. Trustees' annual self-evaluation was undertaken in February 2022. Induction training was provided to new Trustees and Governors.

#### **Organisational Structure**

The Trust Board is supported by an effective Committee structure comprising the Resources, Audit and Risk Committee and a Standards Committee. Reporting to the Standards Committee there are four Academy Councils - Academy Council (Complex Needs) for Abbey Hill Academy and Abbey Hill Academy Sixth Form, Academy Council for Archway Academy (Pupil Referral Unit PRU), Academy Council (SEMH - Primary) for Green Gates Academy and Mo Mowlam Academy (Primary), and Academy Council (SEMH – Secondary) for Hollis Academy, Mo Mowlam Academy (Secondary) and Westlands Academy.

There is an Education Leadership Team comprising the CEO, Deputy CEO, Executive Principal and Academy Principals, and the Trust's Safeguarding Lead. In addition there is an Operational Leadership Team including the CEO, Deputy CEO, Head of Finance, HR Manager, IT Manager, Facilities and Premises Manager and Governance Operations Manager. Key leaders from these groups work closely with the CEO to inform strategic decision making.

In addition, there are individual Academy Senior Leadership Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision-making at all levels. In addition, there is a Joint Consultative Group, involving representatives from trade unions within the Trust, which meets minimally on a termly basis with the Chief Executive, members of the Executive Leadership Team, and a member of the Board of Trustees. The Trust also has a fully established Safeguarding Forum that is attended by the Lead Safeguarding Trustee.

The Board of Trustees has overall responsibility and is ultimately accountable for the academies within the Trust. They hold the Chief Executive to account, who in turn holds the Executive Leaders, Operational Leaders and Academy Principals to account. The Academy's Senior Leadership Teams are responsible for the day-to-day operation of each individual Academy in addition to supporting the wider work and objectives of the Trust.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

Powers are delegated from the Board via the Trust's scheme of delegation, which are reviewed on an annual basis.

The Trustees, through meetings of the Board and its Committees and the Academy Councils, are responsible for the strategic direction of the Trust and its individual academies, which includes:

- Setting general policy.
- Adopting and monitoring the Trust's Strategic Improvement Plan and individual Academy Improvement Plans.
- Detailing and reviewing the curriculum.
- Identifying Key Performance Indicators and monitoring performance.
- Monitoring progress and performance against Key Performance Indicators.
- Monitoring the standards and performance of the Trust's academies.
- Ensuring robust safeguarding arrangements are in place in each Academy.
- Compliance with the Equality Act 2019.
- Budget approval and monitoring, and
- Making major decisions in relation to the Trust.

#### Arrangements for Setting Pay and Remuneration of Key Management Personnel

Salaries for members of the Executive Leadership Team are set in line with national Teachers' Pay & Conditions linked to Individual School Ranges (ISRs) or as a result of formal job evaluation and benchmarking arrangements.

The Board appointed Elizabeth Horne CBE, Chief Executive of Horizons Specialist Academy Trust, as Accounting Officer for the Trust.

#### Trade Union Facility Time - Relevant Union Officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
4	3.27

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1% - 50%	3
51% - 99%	
100%	

#### Percentage of pay bill spent on facility time

Total cost of facility time	£9,134.54
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## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

Total pay bill	£13,013,352.98
Percentage of the total pay bill spend on facility time	0.07%

#### Paid trade union activities

Total spend on paid trade union activities as a percentage of total paid facility time hours	0%
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#### Related Parties and Other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Trust.

#### Engagement with employees (including disabled persons)

The Trust recognises the importance of people as being key to its success. Staff help us maintain our strong reputation for high standards that are fundamental to the delivery of our strategic plan. At Board level, employees are recognised as a key asset to the Trust. The Board receives regular updates on progress against the Trust's Employee strategic objectives including the Key Performance Indicator (KPI) on staff attendance and information related to recruitment and retention. The Trust's annual staff survey also looks at trends around staff satisfaction, understanding of their role in the Trust and ambitions for remaining working in the Academy they are employed to work in. At Academy level, to facilitate engagement, there is an established meeting structure, appraisal system and arrangements for staff representation at the Trust's Joint Consultative Group, which aims to capture and represent staff voice as well as inform strategic direction. Each Academy is committed to supporting employee wellbeing and for that reason follow the Trust's wellbeing policy and procedures, such as not holding any meetings or training sessions during wellbeing week, which usually takes place during the fourth week of each half-term.

Good communication throughout any organisation is key and the Trust holds an Investors in People Gold award - recognising the continuous improvements in leading, supporting and improving the organisation by ensuring staff are valued, supported, and rewarded in their roles. Staff have access to high-quality professional development and feel empowered in their quest to drive continuous improvement. The health, safety and well-being of all of our employees is one of our primary considerations. During November 2021, Investors in People reviewed the Trust's progress and confirmed that the Trust's commitment to developing leadership and management capability continues to be strong; highlighting that a really important feature of the Trust's culture is the ability and willingness of senior leaders to encourage, challenge and support people's development.

Engagement with our people takes many forms with regular and ongoing discussions. This includes presentations to staff groups, annual career discussions via the appraisal meetings and bespoke professional learning pathways. Regular briefings take place throughout the week and e-bulletins are shared to provide key information.

## **Horizons Specialist Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

The Principal of the Trust's Sixth Form provision also leads on professional learning across this Trust with the support of three Assistant Vice Principals who work in different settings. All academies have a ring-fenced staff development budget to invest in their employees – we are seeking to maximise the effective use of this by investing in programmes across our group of schools. There has been a mixture of online, face-to-face, group and off-site training and Continuous Professional Development (CPD) events utilising both in-house and external training. During the session 2021/22, as we emerged from the Coronavirus Pandemic, more internal CPD programmes, peer networks and work groups were able to take place face-to-face.

HSAT staff have continued to be signposted to the full suite of National Professional Qualification (NPQ) leadership qualifications, often utilising funding through the opportunity area. There are specific achievements during 2021-22 such as one member of staff successfully completing the National Professional Qualification for Senior Leaders (NPQSL) and two staff completing National Professional Qualification for Middle Leaders (NPQML). Several staff have also completed the Internal Quality Assurance award.

To support teachers at the early stage of their careers, HSAT delivered two training events for both a cohort of Primary and Secondary Teachers from St John's York University, Sunderland University and Campus Stockton Teaching Alliance. On site placements at Abbey Hill and Green Gates Academy were also able to be re-established.

As part of the Trust's professional learning programme, new staff have access to a bespoke induction offer referred to as "Strive and Thrive at HSAT". The training programme is delivered by a range of HSAT Leads and includes training on GDPR, Safeguarding and Health and Safety; as well as sessions relating to outstanding pedagogy for students with SEND.

As outlined in the Trust Single Equality Policy, the principles of equality of opportunity and positive action have distinctive implications for disability equality, particularly in relation to the concept of reasonable adjustment and the provision of auxiliary aids and services. This is particularly important for a Trust whose academies educate pupils and students with a wide range of Special Educational Needs (SEN) and disabilities. The Trust aims to improve the physical environment to enable those with SEN and disabilities to take better advantage of the facilities and services provided. An example of this is the new addition during 2021/22 of the 'Asher Suite' at Abbey Hill Academy. This comprises 4 teaching spaces which are designed to create a bespoke learning environment for students with Autism Spectrum Disorder (ASD). Mood lighting, sensory equipment and noise-reducing features mitigate against sensory overload for the students.

#### **Engagement with Students**

The pupils, students, parents and carers are given a range of opportunities to comment on how effectively the Trust is supporting the educational and care needs of the Academy communities.

At Academy level, each school has extensive mechanisms to ensure the student voice is heard. For example, all academies have a student council which feeds directly in to Senior Leadership Teams. All academies complete regular student and parent surveys throughout the year. All academies seek to find out what students think about key school themes such as approaches to anti-bullying, safeguarding and the curricular offer.

All academies use a range of resources to ensure that students with various levels of needs are able to communicate their thoughts and feelings: examples include the Incredible 5 Point Scale and Heat Maps. Student feedback informs all areas of Academy planning.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

Questionnaires indicate a high level of satisfaction from pupils, students, parents and carers. Between March and July, feedback from parents and carers was overwhelmingly positive in relation to how well children were supported throughout what was a very difficult and challenging time.

Governors from each Academy Council have the opportunity to regularly visit the schools and talk directly to students to ensure they have their say. During 2021-22 some planned visits took place via virtual platforms due to the Covid risk management procedures in place at the time. There were also some face-to-face visits to the academies.

#### Engagement with suppliers, customers and others in a business relationship with the Trust

Trustees are responsible for the strategic running of the Trust so do not directly interact with suppliers. Matters of importance would be brought to the Board should the need arise. Trustees support high-value procurement of suppliers such as catering and external HR and Finance along with the appointment of auditors. It is the Trust's policy to work openly and transparently in line with ESFA regulations and the Seven Principles of Public Life. The CFO and CEO ensure the Trust submits accurate and timely ESFA returns in line with ESFA requirements throughout the year as follows:

- Annual Report & Financial Statements
- Academies Accounts Return
- Budget Forecast Return – 3 year
- Budget Forecast Return Outturn

The Trustees review the annual report, working closely with the auditors and have the opportunity to discuss any audit findings.

Feedback from the ESFA is normally conducted through annual revisions to the Academy Trust Handbook. These changes are summarised with actions required and reflected in changes to Trust policies and practices.

Ofsted continues to review the education standards within Trust academies which includes direct involvement from Trustees. Ofsted is also engaged in Summary evaluations of Multi-Academy Trusts (MATSE). Stage one of a MATSE involves Ofsted inspections of a 'batch' of academies within a Trust within a short period of time. Stage 2 involves an Ofsted evaluation of the Trust which takes place very close to the end of the period when a 'batch' of academies was inspected. In 2021/22, three of HSAT's academies were inspected by Ofsted as part of stage one of a MATSE. The outcome of these inspections was positive - with all three academies being Ofsted graded as *Good*. At the beginning of the 2022/23 session Ofsted undertook a stage two of MATSE. The evaluation letter is available on the Trust's website. It states that, "Stage one inspection outcomes, pupils' achievements and the proportion of pupils moving into education, employment and training confirm HSAT to be a strong and improving Trust."

The Board of Trustees aims to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of conduct and good governance expected of a Multi-Academy Trust.

Part of the Trust's self-evaluation is that Trustees have a broad range of knowledge, skills and qualities. There is succession planning in place for Trustees that will ensure the maintenance of skills necessary to manage the Trust efficiently and effectively.

# Horizons Specialist Academy Trust

## Trustees' Report for the Year Ended 31 August 2022 (continued)

### Objectives and Activities

#### Objects and Aims

The principal objective of the Trust is the provision of outstanding educational and learning experiences to support children and young people with special educational needs.

Horizons Specialist Academy Trust (HSAT) was established with the aim of providing the best possible education for our children and young people, thus ensuring that they can be all that they can be.

Our vision of 'Providing Infinite Opportunities, ensuring the best education for our children and young people' is a bold one – underpinned by the belief that we can *do more and do it better* at every level for our pupils, students and their families.

Our Trust champions the rights of students with special educational needs. We have 4 non-negotiable outcomes we must secure. These 4 Vitals encompass:

- The **Safety and Wellbeing** of our vulnerable children and young people – thus ensuring they are protected from harm and supported to keep themselves and others safe.
- **Educational Excellence** at all levels - ensuring every child and young person receives a high quality of education.
- **Preparing for Adult Life** - by providing our children and young people with the opportunities they need to become confident in their interaction with others and to fully participate in society.
- **An Effective MAT** – maintaining a strong MAT infrastructure which supports further development.

#### Objectives, Strategies and Activities

The Trust is ambitious 'to do more and to do it better', building on previous achievement and making use of our strengths.

Our **Core Values** include being:

- **Responsive** – Responding to changing contexts, the needs of individuals, families and communities.
- **Inclusive** – Supporting the individual needs of children and young people and embracing diversity.
- **Successful** – Being ambitious for our children and young people and enabling our professionals to achieve the best possible outcomes.
- **Empowering** – Having the confidence to do more and to do it better.

The Coronavirus pandemic brought new meaning to these values and was a unique social problem for us all. From the outset, HSAT was determined to respond appropriately to national and local guidance in order to keep our staff, students and their families safe, which we did. Despite the circumstances relating to the Covid-19 pandemic, our core values remained as a guide to our improvements.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

They continue to be the drivers for the Trust's activities in this post pandemic period. They are achieved through improving the quality of expert teaching, providing a range of teaching and non-teaching professionals, and creating flexible pathways which expand student opportunities to experience success and progress to the next stage in their personal lifetime journey.

Partnership working ensures our students have access to bespoke experiences tailored to their individual needs and life skills. We endeavour to work with other education and funding agencies to adapt and expand our buildings and equipment in order to better serve our student and parent community. We invest in maintaining and improving the quality of our Trust's Estate portfolio and ensure high quality IT infrastructure across our academies.

The shared core values of our Trust remain constant and relevant at all times. We pride ourselves in being Responsive, Inclusive, Successful and Empowering not only for our pupils, students and their families but also for our staff, our partners and the wider community. The result being that in 2021/22 Woodlands Academy, a generic special school for pupils age 2–16 in Scarborough, requested to join Horizons Specialist Academy Trust.

The Trust's current Strategic Plan articulates our ambitions: that is to achieve our 4 non-negotiables and all of us – Trustees, Governors, the Chief Executive, Executive Leaders, Principals, senior managers and staff - are excited by its challenges and opportunities.

#### Public Benefit

The Trustees have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

#### Strategic Report

##### Achievements and Performance

The following describes the most recent Ofsted evaluations of each Academy:

- Ofsted evaluated Westlands Academy in November 2021 as *Good* in all categories – maintaining the *Good* grade from the previous Ofsted inspection in December 2016
- Ofsted evaluated Mo Mowlam Academy as *Good* in January 2022. This was a great achievement improving from *Special Measures* just prior to joining the Trust on 1st April 2019.
- Ofsted evaluated Hollis Academy as *Good* in June 2022, an improvement from the Ofsted Inspection in September 2019 when the Academy was graded *Requires Improvement*.
- Ofsted evaluated Abbey Hill in January 2020 as maintaining *Good* in all categories. Its Sixth Form maintained its *Outstanding* evaluation.
- Ofsted evaluated Green Gates Primary Academy in October 2019 as overall *Good*. This was a welcome improvement from the previous *Requires Improvement* judgement in June 2017.
- Archway Academy joined the Trust on 1st September 2021. It was previously Ofsted rated as *Good* in March 2018. The Academy will be due to be inspected sometime after September 2024.

## **Horizons Specialist Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

Ongoing judgements by the Trust's senior leaders show maintained high quality and, improvement, all confirmed by the recent 'batch' of Ofsted inspections during the session 2021/22. The broader and more relevant curriculum and positive engagement by students as a result of very good teaching is having an impact. The consequence is an improvement in the quality of education across all sites.

The Trust's vision of Providing Infinite Opportunities, ensuring the best education for our children and young people and its aim – 'to do more and to do it better' at every level for our pupils, students, families and staff - is articulated through the websites and printed media, including the published Strategic Plan. The Trust-wide staffing structure and range of additional supports such as Finance, Human Resources, Premises, and IT ensure the benefits of economies of scale, allow dissemination of good practice across a wide group of staff, and optimise best value. Specialised professional input from Educational Psychology, Occupational Therapy, Speech and Language Therapy, the Parent Support Advisers, the Safeguarding and Children in Care (CIC) Leads, the Professional Learning and Development Lead, the Quality Assurance Lead, the Executive Principal and the Deputy CEO result in better outcomes for pupils, students, staff and our parent/carer community.

Structures have been further developed during the ninth year of operation of the Trust with additional appointments in 2021/22 to enhance the Finance team, HR team and to support governance operations.

The training and development programme for staff is recognised as robust, relevant and supportive to other schools. The Professional Development Programme Training is delivered across the Trust and to other institutions. The Trust's expertise, and training and development, ensure the continued contribution by the Trust's designated Specialist Leaders of Education (SLEs), and two Ofsted Inspectors. In addition, the Trust's involvement as a Strategic Partner within the Campus Stockton Teaching Alliance is highly-valued - with other schools having access to, and benefitting from, the quality of professional development which can be, and is, on offer within the Trust's Academies.

Management expertise and skills have supported successful capital bids to the Education and Skills Funding Agency (ESFA). The success in the CIF bids during the 2021/22 school session has resulted in securing £131k to improve fire safety in Westlands Academy. Although delays have been experienced in completing capital projects since the Covid-19 pandemic, significant progress has been made during the year.

Horizons' Executive Leadership Team continues to ensure that the self-evaluation of each Academy is effectively scrutinised and validated through internal processes, and external and independent professional scrutiny. The CEO, Deputy CEO and Executive Principal, along with key senior personnel with expertise in evaluating the quality of education, lead the Trust's School Improvement Team. This has resulted in more effective scrutiny of school performance, including more robust challenge of the Trust's Principals. Monitoring of lesson observations, moderation of standards, and scrutiny of achievement and attainment are embedded within the Trust's cycle of Quality Assurance and associated reporting to Trustees. In addition, the support and challenge that was provided by the external School Development Partner - who has a recognised level of expertise in the area of Special Educational Needs and is formally recognised as an Ofsted inspector – has contributed to positive Ofsted outcomes for the Trust's academies.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

Confirmation of the quality of the Trust's leadership and management and, in particular its management of change and development, is reflected in awards gained: Investors in People Gold Award to the Trust, Leading Parent Partnership Award and Rights Respecting Schools status for all Academies; and Abbey Hill Academy and Abbey Hill Academy Sixth Form maintaining the standards for National Autistic Society (NAS) Accreditation, including the Vice-Principal with responsibility for the Autism provision at Abbey Hill Academy completing training as an Assessor with the National Autistic Society (NAS). Abbey Hill Academy was also recognised as a *Silver* organisation as part of the Move Programme which promotes activity-based practice that enables disabled young people to gain independent movement. The Academy was previously recognised by Stockton Council for the work undertaken to support Children and Young People in Care. In recognition of this, the Local Authority awarded Abbey Hill the Premium Plus Award. In addition to these achievements, and of note, is the Safeguarding Initiative Award gained by Abbey Hill Academy. This was awarded by the Global Centre for Safeguarding Excellence. To achieve this for the work undertaken to keep children safe at any time, but particularly when delivering education and care within the context of the Covid-19 (Coronavirus) global pandemic, is extremely noteworthy and commendable. Safeguarding of pupils and students remains a high priority for all staff and the Safeguarding practices continue to be recognised as effective as endorsed by the most recent Ofsted inspections, including the Ofsted Summary Evaluation of Horizons Specialist Academy Trust.

The Trust is recognised as having the leadership personnel required to expand provisions and to support expansion of the Trust while maintaining the high-quality standards currently associated with the Trust. During 2021/22, HSAT expanded from 5 academies with planned places for 677 pupils and students to 6 academies with planned places for 751 pupils and students. The Woodlands Academy in Scarborough also indicated its intention of joining the Trust. This will increase the number of academies to 7 and the total number of planned places to 887.

#### Key Performance Indicators

The key financial performance indicators of the Trust relate to the effectiveness of the use of funds for the benefit of the education of children. The key non-financial performance indicators of the Trust relate to the achievements and performance of its students.

The Trust's Key Performance Indicators highlighted in the Strategic Plan, specifically the objectives for 2021/22 and the progress in achieving these, highlight the key areas of performance. The following KPIs related to the 4 Strategic Objectives within the Strategic Plan were achieved across the Trust during the 2021/22 session:

#### **Strategic Objective 1: to ensure vulnerable children and young people are protected from harm and supported to keep themselves and others safe (*Behaviour and Attitudes and Personal Development*)**

- All Academies were effective in ensuring children feel safe in school
- All children said that any issues or concerns they have are dealt with quickly and effectively when they occur
- Safeguarding was noted as being effective in all recent Ofsted inspections of the Trust's academies during 2021/22
- Pupil/student attendance improved in all academies from the previous year but has yet to return to levels prior to the Coronavirus pandemic

#### **Strategic Objective 2: to ensure every child and young person receives a high quality of education (*Quality of Education*)**

- 75% of primary pupils at the end of Key Stage 1 made progress towards expected standards in Reading, Writing and Maths combined

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

- 65% of pupils at end of Key Stage 2 made good progress in Reading, Writing and Maths
- 100% of leavers in 4 out of 6 Academies at end of Key Stage 4/5 achieved accreditation in English and Maths - with 100% of leavers in one Academy achieving a qualification in either English or Maths
- 100% of leavers at Key Stage 5 have achieved accreditation in English, Maths and Personal and Social Development.
- There was evidence of 90% satisfaction of pupil outcomes from student/parent/carer questionnaires

#### **Strategic Objective 3: to provide opportunities for children and young people to become confident in their interaction with others and to fully participate in society. (*Personal Development*)**

- All Academies achieved above the national average of the Gatsby Benchmarks
- 100% students received high-quality careers education
- 100% secondary students offered, and majority engaged in, at least one employer encounter-in some cases this was virtual.
- Across the Trust, 94% of leavers are engaged in learning, training and employment.
- 100% students became more equipped for their role as British citizens resulting from developing their awareness of spiritual, social, moral, and multi-cultural understanding.

#### **Strategic Objective 4: to maintain a strong MAT infrastructure and leadership which supports further development (*Leadership and Management*)**

- 100% of professionals engaged in bespoke professional development.
- 100% of Executive and senior leaders have been deployed in Quality Assurance and Support and Challenge roles.
- 100% of subject leaders were deployed in Quality Assurance roles.
- 2 Senior Leaders engaged as Ofsted inspectors.
- 90% of staff reported that they feel well supported in terms of their wellbeing.
- IIP Gold retained at the last evaluation.
- LPPA accreditation awarded across the Trust
- ASD accreditation within the Trust was maintained.
- Staff attendance across the Trust was 93.75%, just below the KPI of 95%. Of note is improvement from 2020/21(92%) and that staff were still absent due to Coronavirus pandemic regulations for part of the 2021/22 session.
- Zero Red flags regarding probity measures and positive internal and external Assurance.
- Trust has maintained 2 months operation costs in reserves.
- Trust had more than 2% surplus at the end of the 2021/22 session – it was 2.59%.
- No more than 84% of total income of all academies was spent on staffing it was 82.49%.
- Trust Board skills coverage was maintained and evidenced in Trust skills audit



## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

- Trust expansion was realised with the addition of Archway Academy during the 2021/22 session and the identification of an additional Academy in the pipeline to join HSAT in 2022/23.

The session 2021/22 involved a measured approach to removing Covid restrictions and returning to operations pre-pandemic. Pupils and students moved more freely around the academies and self-evaluation returned to face-to face and involved direct engagement in classes with pupils and students. Interactions with parents and carers on site in our academies became more evident. Attendance at school events such as celebrations, Primary graduations and Leavers' Prom for secondary students resumed. The Trust is proud of all the achievements detailed above during this period.

#### Abbey Hill Academy and Sixth Form

##### Background

- Abbey Hill Academy and Sixth Form is a specialist secondary school based in Stockton-on-Tees for children and young people aged 11-19 with a wide range of learning difficulties and disabilities.
- Abbey Hill Academy and Sixth Form converted to Academy status in August 2013 as one of the founding academies of Horizons Specialist Academy Trust.
- Number on roll: 351

The current site has three buildings: Stephenson, Walker and the Sheraton building (Sixth Form provision). Over the past few years, demand for places has increased significantly. The Walker Building which was built in 2008 was originally created for 40 students with needs relating to a diagnosis of autism. We currently have 90 students accessing the space. To ensure that we could continue to meet the needs of this cohort, the Directors approved an extension to the existing Walker Building with a modular building providing an additional two classrooms. Additional funding was then sourced to create a further four classrooms as part of a conversion project. The project ran from the start of the Autumn Term of 2021 until the beginning of the Summer Term (May) 2022, during which time students and staff were able to access the space for learning.

- The Academy also works in partnership with a local mainstream Secondary School in Stockton, to provide an inclusive base for students with moderate learning difficulties. The base currently caters for 8 students. There are plans in place to extend this provision in 2023.
- All students on the roll of Abbey Hill Academy and Sixth Form have an Education, Health and Care plan.

- Abbey Hill Academy and Sixth Form currently has the Investors in People Gold Award, Leading Parent Partnership Award, Pupil Premium Plus Award and The Anti-Bullying Quality Mark. The Academy is also registered as a MOVE School and is recognised as a 'Silver' organisation, working towards 'Gold'. In August 2018, and subsequently in June 2021, the Academy was recognised by the National Autism Society and retained the NAS Award. The Academy has also been recognised by UNICEF for its commitment to embedding The Rights Respecting Schools programme and received the Gold Award November 2020.

##### Most recent Ofsted judgement

The Academy was last inspected by Ofsted in January 2020 and was graded as a school that continues to be a 'good' school.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

"Leaders ensure that pupils' learning is not limited to academic subjects. Pupils told us about the different lunchtime and after-school clubs they belong to, such as those for music, computers, hydrotherapy, and sport. These clubs broaden their learning and support their physical development. Pupils also spoke with enthusiasm about trips and visits to the local library and the activities they take part in on a Wednesday afternoon, including judo and gardening".

"Leaders have made sure that the system to assess pupils' progress closely matches their needs. This system links with the pupil's education, health, and care (EHC) plan. Teachers use these assessments to plan work that challenges pupils to learn and develop further".

"Safeguarding has a high priority. Staff are well-trained and knowledgeable in this area. Staff spoke confidently about procedure and policies relating to keeping children safe". (January 2020)

#### Headline Outcomes:

##### *Secondary Provision*

93% of Formal Curriculum students achieved a qualification in English, Maths, Science, Art, P.E. and vocational option subjects.

100% of Pre-Formal and Semi-Formal learners achieved the Personal Progress Extended Certificate.

95% of Formal Curriculum students achieved an RQF recognised qualification in Preparation for Adulthood at appropriate level.

##### *Post-16*

100% of students gained an English qualification.

100% of students gained a Maths qualification.

100% of Pathway 4 students achieved 5 GCSE/Level1-2 qualifications.

75% of Pathway 4 students achieved 7 GCSE/Level 1-2 qualifications.

100% of Pathway 3 achieved 5 Entry Level 3 or Level 1 qualifications.

100% of Pathway 2 achieved 4 Entry Levels at target grades.

100% of Pathway 1 achieved Diploma in Personal Progress.

#### Archway Academy

##### Background

- Archway Academy is a Pupil Referral Unit for students in Key Stage 3 and 4 from across the Borough of Redcar and Cleveland.
- Archway Academy, Ofsted graded as Good, joined Horizons Specialist Academy Trust on 1st September 2021.
- Number on roll: 75

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

- Archway provides placements according to individual needs, inclusive of ability and disability. These may be time-limited where pupils are supported to return to their own or another school or longer term, where pupils require a multi-agency assessment of their needs or are unable to return to school as a result of continued anxiety.

Most recent Ofsted judgement

The Academy was last inspected in April 2018 and was evaluated as a 'good' school.

"There is a strong culture of respect throughout the school. Pupils show this to teachers, visitors and each other."

"Behaviour management across the school is consistent."

"Assessment is used to support teaching and learning within the classroom. Personalised learning is apparent and is clear in pupils' books. More accurate assessment on entry to the school is starting to have a positive impact on pupils' progress in all subjects."

#### **Headline Outcomes:**

80% of students gained an English qualification

66% of students gained a Maths qualification

63% of students achieved a qualification in English and Maths

(88% when removing those not able to sit and attend the exams)

43% of students achieved at least 5 GCSE/Level 1-2 qualifications

12% of students achieved at least 6 GCSE/Level 1-2 qualifications

9% of students achieved at least 7 GCSE/Level 1-2 qualifications

9% of students achieved at least 8 GCSE/Level 1-2 qualifications

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Green Gates Academy

##### Background

- Green Gates Academy is a primary special school for pupils with social, emotional, and mental health difficulties. The age range of pupils attending is 5 -11 years.
- Green Gates Academy is based in Stockton-on-Tees and most pupils reside in Stockton, with pupils also travelling from Middlesbrough, Darlington, and Redcar and Cleveland.  
Green Gates Academy was originally the primary department within Westlands Academy - one of the two founding Academies of Horizons Specialist Academy Trust. In September 2014 Westlands Academy was officially redesignated into a primary and secondary forming two separate Academies – Green Gates Primary Academy and Westlands Secondary Academy.
- Number on roll: 47.
- Pupil numbers have steadily increased since September 2014 although fluctuate throughout the year.
- All the pupils attending the Academy now have an Education Health and Care plan.

##### Most recent Ofsted judgement

Green Gates was inspected by Ofsted as 'good' overall in October 2020. The most recent Validated Self-Evaluation was carried out in March 2019 and judged the Academy as 'good' overall. The next Validated Self-Evaluation is due to take place January 2023.

#### Headline Outcomes:

##### End of Key Stage 2 Results

##### Reading (14 pupils in total):

Pupils meeting CAT score target - 79%.

Pupils meeting DFE target - 78%.

##### Maths (17 pupils in total):

Pupils meeting CAT score target - 76%.

Pupils meeting DFE target – 71%

##### Writing (14 pupils in total):

Pupils meeting CAT score target - 73%.

Pupils meeting DFE target - 80%

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Hollis Academy

##### Background

- Hollis Academy is a secondary SEMH school for children aged 11-16 years.
- Hollis Academy is based in Middlesbrough and is the only secondary SEMH school within the Borough. The majority of students reside in the Middlesbrough area - with students also travelling from Stockton, Redcar, Darlington and Hartlepool.
- The school moved into a new building in April 2011 on the original site which is shared with another special school within Middlesbrough.
- Hollis Academy became a sponsored Academy and part of Horizons Specialist Academy Trust on 1st October 2016.
- Number on roll: 85.
- Almost all the students attending the Academy have statements of SEN or have an Education Health and Care plan.

##### Most recent Ofsted judgement

The Academy was last inspected by Ofsted in June 2022 and was graded as 'good' overall.

"Hollis Academy is an improving school. Senior leaders have raised expectations as to how well pupils can achieve. The staff work hard to provide a good quality of education. Leaders offer a range of pathways designed to meet the needs of pupils who have not been suited to mainstream education. Over time, most pupils improve their attendance and attitude because of the care they receive."

(Ofsted 2022)

##### Headline Outcomes:

93% of students received a qualification in either English or Maths.

100% of students received a Maths qualification.

93% students received an English qualification.

77% of students received a Level 1 qualification or higher.

23% of students received a Level 2 qualification.

23% of students received 5+ at GCSE, L1 and or L2 qualifications.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Mo Mowlam Academy

##### Background

- Mo Mowlam Academy is an all-through SEMH school for children aged 5-16 years.
- Mo Mowlam Academy became a sponsored Academy and part of Horizons Specialist Academy Trust on 1st April 2019.
- Mo Mowlam Academy is based in Redcar and Cleveland and is the only SEMH school within the Borough. The majority of students reside in the Redcar and Cleveland area with students also travelling from Middlesbrough.
- The school building was previously deemed not-fit-for-purpose and the DfE agreed to fund a new building. The building was completed in February 2020.
- Number on roll: 100- 70 Secondary, 30 Primary  
(a rapid increase from 66 the previous year)
- All the students attending the Academy have an Education Health and Care plan.

##### Most recent Ofsted judgement

The Academy was last inspected by Ofsted in January 2022 and was graded as 'good' overall.

The predecessor school was judged to have serious weaknesses in March 2018.

"Pupils are valued as individuals. Staff encourage them to aim high. By the time they leave, pupils gain a good grounding in English, mathematics, science and vocational subjects. This helps them to succeed in their next steps."

"Staff are attuned to the specific learning needs of each pupil. They go the 'extra mile' to meet these needs."

"Pupils are safe in school. They feel secure around the school site...The effective careers programme enables pupils to gradually build confidence."

"The curriculum is generally strong and ambitious."

"Staff feel tremendously well supported by senior leaders and the principal. Leaders ensure that staff have the expertise they need to assist pupils with behavioural needs."

"The school is well supported by leaders from the Multi-Academy Trust (MAT)."

##### Headline Outcomes:

67% of students received at least 2 qualifications.

100% of students received a qualification in either English or Maths.

100% of students received a Maths qualification.

67% of students received an English qualification.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

58% of students achieved 4 or more qualifications including English and Maths.

#### Westlands Academy

##### Background

- Westlands Academy is an 11-16 Secondary SEMH school with places for 85 students. The Trust received £1.25m capital funding for a major refurbishment which was completed in 2015 on the original site.

- Westlands Academy converted to Academy status in August 2013 as one of the two founding academies of Horizons Specialist Academy Trust and originally catered for primary and secondary-aged students over a split site. In September 2014, Westlands Academy was officially redesignated into a primary and secondary forming two separate academies – Green Gates Primary Academy and Westlands Secondary Academy.

- Westlands Academy is based in Stockton, and the majority of students reside in the Stockton area with students also travelling from Middlesbrough, Redcar, Darlington, and Hartlepool.
- Number on roll: 84.
- Almost all the students attending Westlands Academy have an Education, Health, and Care plan with a specific need of Social, Emotional and Mental Health.

##### Most recent Ofsted judgement

“Leaders and teachers provide pupils with a very orderly and safe environment in which to learn. They have high expectations of pupils.”

“Leaders, including Multi-Academy Trust (MAT) leaders, ensure that the school runs smoothly.”

“Subject leaders, supported by senior leaders, have developed the curriculum well in the subjects that they manage. Curriculum plans identify the most important knowledge within each subject that pupils need to master in order to move on. Teaching methods Inspection report: Westlands Academy 23 and 24 November 2021 2 enable pupils to acquire this knowledge well.”

“Pupils benefit from the range of vocational subjects offered in key stage 4.”

(Ofsted 2021)

#### Headline Outcomes:

100% of students gained an English qualification.

100% of students gained a Maths qualification.

50% of students achieved at least one Level 2 qualification.

78% of students achieved at least one Level 1 qualification.

50% of students received 6+ L1 and/or L2 qualifications.

## **Horizons Specialist Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Impact of Covid**

During the 2021/22 academic year the day-to-day functioning of schools returned to normal, with the suspension of Covid secure recommendations such as one way systems, the teaching of student 'bubbles' etc. However, pupils, staff and leaders continued to be affected in a number of ways. Academies within the Trust used a range of effective strategies to help pupils catch up and recover from the pandemic.

Leaders said that fewer pupils were absent from school because of COVID-19 compared with the year. However, COVID-19-related anxiety was still an issue for a few parents in some schools. Some leaders also noted an increase in pupil absence due to families taking rescheduled holidays.

Leaders continued to mention the negative impact of the pandemic on pupils' well-being and behaviour. Schools had resumed many curriculum enrichment activities. This included clubs, inviting external speakers into school, day trips and residential trips.

HSAT schools had strong systems in place before COVID-19 therefore, were able to continue to meet the needs of our pupils with SEND. Effective support happened because HSAT schools had a clear understanding of pupils' individual needs and what extra help was required to meet the curriculum expectations. The pandemic has delayed some pupils receiving support from external or specialist services, and staff teams worked hard with lead professionals to ensure this support is was put in place.

In summer 2022, pupils sat external tests for the first time since the pandemic began. Staff said that exam anxiety was higher than usual and they supported pupils in a variety of ways. We saw good practice in schools that had balanced helping pupils to develop and revise their subject knowledge with preparing them for exams.

Schools were also identifying pupils who needed additional, bespoke support to help them to catch up. Some schools were using the National Tutoring Programme, often to pay their own staff or supply staff to tutor. We saw tutoring being used effectively when it targeted specific gaps in knowledge and was clearly linked to the school's curriculum.

In the summer term, fewer staff were absent due to COVID-19. However the pandemic has highlighted the broader issue of staff shortages in the sector, with HSAT leaders saying turnover has been higher and recruitment more difficult than pre-pandemic.

The pandemic has exacerbated other existing challenges for our schools. These include persistent pupil absence and access to specialist services. It is clear that many leaders and staff have worked tirelessly and creatively across the year to settle pupils back into school routines and help them catch up academically. For some pupils, this has been successful. However, some pupils are still behind both academically and in terms of wider development, which will affect them in future. This will be a challenge for our academies and these pupils as they take their next step.

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going-concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found within note 1 to the Finance Statements – Accounting Policies.



## **Horizons Specialist Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

There continues to be uncertainties when budgeting - with several pay factors unknown at the time of budgetary approval. Trustees take a prudent position in assuming funding before it is confirmed to be available, including the rate of growth for growing academies. Trustees are fully aware of all assumptions that have taken place in the production of the Trust budget. Unfunded pay rises, high levels of inflation and the impact of future changes to high-needs funding make it increasingly difficult to forward plan with certainty.

#### **Promoting the success of the company**

The Trustees believe that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Trust for the benefit of its members as a whole.

The Trust comprises 6 special schools in the North-East of England and delivers a high quality education provision ensuring the on-going confidence of its stakeholders to operate sustainably in the long-term. The Trust invests in its employees and the infrastructure in which it operates to ensure standards remain high for its student population. Opportunities are sought to expand and work in partnership with Local Authorities and neighbouring schools to enhance our offer and actively promote the success of the organisation. This is evident in the Fairfax Provision and Asher Annexe, both areas of expansion involving two Local Authorities.

#### **Financial Review**

Upon joining Horizons Specialist Academy Trust, each Academy brought income into the Trust as a result of its school surplus balance when it converted to Academy status, in addition to private school funds. This, plus additional income generated during the eight years of operating, is shown as unrestricted funds to the Trust. As such, this is not a conditional spend on specific purposes other than those as described in the relevant governing documents.

The majority of the Trust's income for the period of account is obtained from either the ESFA (Education and Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period 1 September 2021 to 31 August 2022 total expenditure of £18,716,000 was in excess of grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £75,000.

At 31 August 2022 the net book value of fixed assets was £23,286,000. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund. This resulted in the pension fund showing a deficit of £187,000 which has been carried forward to 2022/23. It should be noted that this does not present a liquidity problem for the Trust but may result in increased contributions in future years. At the request of the Secretary of State for Education, Parliament agreed to meet any outstanding Local Government Pension liabilities in the event of an Academy closure.

## **Horizons Specialist Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2022 (continued)**

#### **Reserves Policy**

One of the main financial risks to The Trust is that of managing its short-term cash flow effectively. To mitigate this risk, the Board agreed that an appropriate minimum reserves balance would equate to 2 months' worth of expenditure, both in terms of salaries and invoices. This is subject to regular review.

The Resources and Audit & Risk Committee reviews reserve levels on a termly basis in line with the budget monitoring information and forecasts presented to Trustees. At 31 August 2022, the value of unrestricted reserves (freely available to the Trust) was £1,394,000. Restricted funds as at 31 August 2022 were £1,256,000 (excluding pension and fixed assets) - making the total reserves £2,650,000. Trustees are committed to implementing an estate improvement plan along with annual capital investments from reserves to make use of reserves above the agreed minimum.

#### **Investment Policy**

The Trust operates a current account with Lloyds Bank as approved by the Board of Trustees. Sufficient balances are maintained to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including sufficient contingency for unexpected payments. The Trust will not take out any long-term investments exceeding twelve months. Funds have been placed in multiple, staggered, deposit accounts during the year to maximise interest generation. In addition, 32-day and 95-day deposit accounts have been in operation for a number of years.

#### **Financial and Risk Management Objectives and Policies**

The Trust has developed a Risk Management Strategy and has a Risk Register that includes potential financial risks. As part of developing the register, key risks to which the Trust may be exposed were identified and reviewed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

Key financial policies have been reviewed throughout the year. These detail the framework for financial management, including financial responsibilities of the Board, Chief Executive, and budget holders - as well as outlining the authority for spending. The Resources and Audit & Risk Committee - evaluating performance against budgets and overall expenditure - reviews finances each term.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the financial statements, represents a significant potential liability. However, the Trust considers that, as each individual Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. Also, Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, the Department would meet outstanding local government pension scheme liabilities for Education. The guarantee came into force on 18 July 2013.

#### **Risk Management**

The Trustees have adopted the Statement of Recommended Practice (SORP) approach to identifying and managing the risks of the Trust. The schedule of risks is reviewed on an annual basis at meetings of the Audit Committee and mitigating actions agreed as required. The risk register is reviewed on an annual basis by the Audit Committee and an internal audit and assurance work plan agreed to review the controls in place to mitigate and manage such risks effectively.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

Where significant financial risks remain, the Trust has ensured it has adequate insurance cover in place. The Trust has an effective system of internal financial controls, and this is explained in more detail in the Statement of Internal Control.

The Trust has fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received the appropriate training and guidance.

#### Fundraising

Limited fundraising events took place during the year. Where possible, the Trust seek opportunities to raise funds from recognised charities for the benefit of its students.

#### Streamlined Carbon Energy Reporting

	Year End 31 August 2022	Year End 31 August 2021
UK Greenhouse gas emissions and energy use data for the period 1 September to 31 August		
Energy consumption used to calculate emissions (kWh)	2,884,603	2,378,933
Energy consumption break down (kWh)		
• gas,	1,923,622	1,696,519
• electricity,	857,025	640,039
• transport fuel	66,107	73,675
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
Gas consumption	346.25	319.73
Owned transport – mini-buses	16.49	8.76
Total scope 1	362.74	328.49
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Purchased electricity	154.26	135.89
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee-owned vehicles	12.5	9.39
Total gross emissions in metric tonnes CO <sub>2</sub> e	529.5	473.77
Intensity ratio Tonnes CO <sub>2</sub> e per pupil	0.72	0.82

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Quantification and reporting methodology

We have followed the HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

- Further LED lights replacing old lighting as part of on-going program across multiple sites.
- New boilers installed at academies (successful CIF bids).
- New insulated roof and added insulation re gym conversion at Abbey Hill.
- Improved BMS software for improved control of heating in new build.
- New insulated gym roof (successful CIF bid).
- Timings and temperature reviews undertaken where needed.

#### Plans for Future Periods

HSAT has a three-year strategic plan covering 2020-2023, with specific aims and objectives for the session 2022/23. There are 4 Key Objectives and Key Performance Indicators (KPIs) which have been set and should be achieved. Specific KPIs, with those new for 2022/23 are highlighted below.

**Strategic Objective 1: to ensure vulnerable children and young people are protected from harm and supported to keep themselves and others safe. (*Health and Safety, Behaviour and Attitudes and Personal Development*) KPIs as follows -**

- Pupil and student attendance across the Trust improves to pre-Coronavirus pandemic levels.
- Personal Development of our children and young people will be supported through the development of whole-school culture, underpinned by Attachment Awareness and Trauma Informed (AAT) values, beliefs and practice.
- Academies are effective in ensuring pupils and students feel safe at school.
- Safeguarding audits undertaken by the Trust safeguarding Lead indicate that Safeguarding across the Trust is effective.

**Strategic Objective 2: to ensure every child and young person receives a high quality of education. (*Quality of Education*) KPIs are as follows-**

- 75% of pupils at the end of Key Stage 1 make progress towards expected standard (Reading/Writing and Maths combined).
- 75% of pupils at the end of Key Stage 2 achieve targets based upon Key Stage 1 data and/or CAT 4 tests in final SAT Tests (Reading, Writing and Maths combined).
- 100% leavers at the end of Key Stage 4 and Key Stage 5 achieving appropriate accreditation in English and Maths.
- Evidence that pupils engaged in early reading are supported to read at an age-appropriate level with fluency through the teaching of systematic and synthetic phonics.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

**Strategic Objective 3: To provide opportunities for children and young people to become confident in their interaction with others and to fully participate in society. (Personal Development) KPIs are as follows-**

- National Gatsby benchmarks being achieved, and
- 100% of students receiving high-quality careers education, including having encounters with employers.
- At least 85% of leavers being engaged in learning, training, or employment.
- Implementation of an enriched pilot SEMH curriculum at one secondary Academy – Westlands Academy - which could potentially inform further development across the Trust.

**Strategic Objective 4: To maintain a strong MAT infrastructure which supports further development. (Leadership and Management) KPIs are as follows-**

- Retaining IIP Gold Award will evidence that 100% professionals are supported in their professional development and that senior and subject leaders are equipped to be deployed in QA roles.
- Evidence that staff attendance is at least 95% and that this percentage also report that they are satisfied being part of the Trust.

- Financial probity and effective management of funding will ensure that no more than 84% of income is spent on staffing and there is sufficient funds in reserves to cover at least two months of operating costs of the Trust, as well as enabling surplus of at least 2% of all income to be accumulated at the end of each academic session.

- Expansion of the Trust continues to take place in 2022-23 with an increase in the overall number of pupils and students within the Trust. This will arise from the development of provision for students with ASD at the Fairfax provision. The Fairfax base for students with Autism, based in Hollis Academy, has been a success. During the session 2021/22 numbers increased from 8 students to 24. Three class areas are being utilised. However, demand for places during the year has resulted in Middlesbrough Council seeking additional accommodation to enable further expansion of the provision.

- Expansion of the Trust with the addition of one new special school - Woodlands Academy in Scarborough. Approval has been given by the DfE for this to take place and it is hoped that Woodlands will become part of the Trust during the Spring term of the 2022/23 session.

Outstanding Leadership and Governance will continue to build capacity for growth and support our academies. Key leaders will continue to engage at a local and national level. In particular, the CEO will continue to be a member of the Regional Director's Advisory Board for the North of England and will also contribute to SEND Reference Group which informs and supports the work of the DfE in implementing developments for Special Educational Needs provision across England. In addition, the CEO has been invited to join the North Yorkshire Coast Priority Board. Trustees have also contributed to the under development of the system, with the chair and vice chair both being asked by the Regional Director to provide interim support to Trusts in the region that were experiencing local difficulties.

Past experience has demonstrated that external confidence in the Trust's ability 'to do more and to do it better' arises when there is firm evidence of success and high standards of performance within the Trust. In successfully implementing the strategic plan, the Trust will continue to prudently invest its finances and work to achieve the best return for future developments.

## Horizons Specialist Academy Trust

### Trustees' Report for the Year Ended 31 August 2022 (continued)

#### Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are centred on the on-going changes to High Needs Funding - the processes by which the Academies receive their primary source of income from the ESFA and local commissioners of Special Educational Needs places. This is a key area that is being strictly monitored, reviewed, and managed by the Trust to understand the financial implications and take action to address this if and when this may arise. Significant uncertainty surrounds rising costs in terms of inflation and unfunded pay awards. Medium term forecasts will be revisited to ensure financial pressures can be managed and appropriate and timely action taken.

In addition, the Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant liability on the Trust's balance sheet.

#### Auditor

Insofar as the Trustees are aware:

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

#### Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

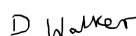
In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved and authorised for issue by order of the members of the Board on 9 December 2022 and signed on its behalf by:



Elizabeth Horne 14 Dec 2022 11:03:28 GMT (UTC +0)

E A Horne CBE  
Trustee



David Walker 14 Dec 2022 10:54:42 GMT (UTC +0)

D Walker  
Trustee

# Horizons Specialist Academy Trust

## Governance statement

### Governance Statement

#### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Trust's Chief Executive, as Accounting Officer, for ensuring financial controls conform to 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 the Trust and the Secretary of State for Education. The CEO is responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met eight times during the year and attendance was as follows:

Trustee	Meeting attended	Out of a possible
Elizabeth Horne CBE	8	8
Colin Whittaker	6	8
Maurice Jones	7	8
Dr Baxi Sinha	6	8
James Bromiley	7	8
Sian Wilson	3	6
David Walker	6	8
David New	6	8
Rosemary Nicholls	8	8

There is a whole host of data utilised by the Board, its Committees, and the Academy Councils throughout the course of its business. As requested by the Board, the way in which data is presented to Trustees - and in particular the Standards Committee - has been further developed, and Trustees agree that the information provides robust evidence to support their review of, and challenge to, the academies by both Trustees via the Standards Committee, and local governors through the Academy Councils. With regard to the provision of financial information and, as requested by Trustees, monthly management accounts and cash flow reports are provided to all Trustees in addition to detailed termly reports to the Resources and Audit & Risk Committee.

## Horizons Specialist Academy Trust

### Governance statement (continued)

The Board's succession planning model is firmly embedded and opportunities to chair the Board, Committees and Academy Councils continue to be reviewed on an annual basis in the autumn term. Committee membership is also reviewed annually, and Trustees ensure their skills are utilised to bring challenge and support. Trustees may choose to attend any Academy Council meeting, but this is not part of the Trust's governance structure.

Trustees' annual self evaluation was undertaken in February 2022, supported by an external adviser who previously chaired the Advisory Board for the North East. This resulted in an Action Plan for the Board of Trustees. Points highlighted inform strategic planning and are addressed as part of the implementation of the Strategic Plan.

The Resources and Audit & Risk Committee is a sub-committee of the main board of Trustees. Its purpose is to assist the decision-making of the Trust by enabling more detailed consideration to be given, and to ensure the sound management of the Trust's finances, staffing and resources, as well as to advise on the adequacy and effectiveness of the systems of internal control and the arrangements for risk management, control, and governance processes. During the year, alongside the continued robust monitoring of the Trust's budget, the Committee approved CIF bids to the DfE and received updates on the implementation of the successful bids; considered and approved policy documents and continued the drive to improve Trust buildings. Also, the Committee fulfilled its Pay Review function with regard to teachers, senior leaders and the CEO and continued to monitor staffing and staff absence throughout the course of the year. The Committee's role to scrutinise risk and internal/external audit reporting was undertaken.

During the 20201-2022 session, the Committee continued to scrutinise the impact of Covid-19 regarding risk management, health and safety, staffing and specific expenditure.

Attendance during the year at meetings of the Resources and Audit and Risk Committee was as follows:

Trustee	Meetings attended	Out of a possible
Elizabeth Horne CBE	6	6
Maurice Jones	7	7
Colin Whittaker	5	7
Dr Baxi Sinha	5	7
James Bromiley	6	7
David New	5	7

#### Conflicts of interest

Declaration of interests are obtained from Trustees and Governors on an annual basis and published on the Trust website. Declarations are requested at every Trustee or Governor meeting and any mid-year changes updated on the register accordingly. As part of the Staff Code of Conduct, all staff are required to declare any other paid employment outside of the Trust. Declarations are also requested from budget holders to ensure a comprehensive register is kept of all potential related parties. To date, no related party transactions have taken place and none are planned for the future.



# Horizons Specialist Academy Trust

## Governance statement (continued)

### Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social 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 available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

### Improving Educational Outcomes

During the year, the Trust ensured educational outcomes improved for students by achieving the following:

- Offering a diverse curriculum ensuring all students have had the opportunity to raise their individual levels of attainment as well as accessing a greater range of qualifications
- Positive feedback from external awarding bodies with regards to student work and teacher assessment. Grades awarded reflected predicted grades.  
Providing regular and robust training and development which underpinned the appraisal process and whereby staff continued to be encouraged and supported in their personal professional development. The Professional Learning Lead for the Trust planned programmes across all academies, ensuring best value in terms of economies of scale in relation to the cost of professional development opportunities.
- Use of external benchmarks such as the National Autistic Society quality mark, MOVE programme and Rights Respecting Schools Award ensures that each school offer is pertinent to the needs of the students and demonstrates high standards for student achievement with an effective curriculum, good use of resources, successful staff teams and strong partnerships.
- Enabling two members of staff to continue to access training as OFSTED inspectors – increasing future income-generation alongside improved knowledge.
- Supporting the Chief Executive's continued involvement in the Head Teachers Board – generating additional income for the Trust as well as providing a valuable contribution to the Regional Schools Commissioner.

### Financial Performance

With increasing budget pressures, the Trust strives to focus on value for money – appreciating the value of assets and how they can increase our students' rate of progress. During the year, the following was achieved:

- Staffing costs were reviewed and the need for specific posts challenged when vacancies arose - and only filled if necessary and affordable. As a result, a number of support staff posts were advertised at different grades or newly-defined posts appointed, resulting in cost savings.
- Existing Trust and Academy staff were utilised in supporting individual academies in key areas during the year. Certain roles are shared with staff employed to work across multiple sites. This has been a particular success - providing cost savings and opportunities for staff development.

## Horizons Specialist Academy Trust

### Governance statement (continued)

- Trustees agreed to significant financial contributions to support four Academy CIF applications, of which one was successful - resulting in £133k grant income to improve Westlands Academy.
- Boliers were replaced at two academies (from CIF awards) which should result in efficiency savings.
- Grant opportunities explored resulting in £74k capacity grant funding.
- The Trust has continued to employ and expand the team of specialist staff such as Speech & Language Therapists, Educational Psychologist and Safeguarding experts - ensuring qualified, enthusiastic professionals are in place to benefit all academies within the Trust.
- A centralised accounts function continues to provide a cost-effective service and caters for six academies from its base on-site at the registered office.
- Investment in ICT continued during the year across the Trust. Effective procurement and use of frameworks ensured value for money was obtained in the purchasing of 40 touch screens benefiting all six academies.
- Telephone lines were upgraded from ISD to SIP, resulting in on-going savings.
- Sharing assets across the Trust has ensured more efficient use of resources, resulting in saving money and giving maximum returns for the Trust. Over the year, in addition to staffing, this has included sharing resources, vehicles and utilising vacant rooms.
- All staff with budget responsibility, regardless of the amounts involved, were supported and encouraged to achieve value-for-money from the Finance team. The Finance Policy continues to be regularly reviewed and clearly outlines ways to ensure the integrity of public funds and how they can be maintained by following the principles of probity, accountability, and fairness.
- The Trust continues to benchmark its costs against similar organisations to identify potential areas for savings. High-level information from published annual accounts for other Trusts has been reviewed and compared with our data, along with data extracted from the DfE 'View My Financial Insights' tool, to aid us in this process.

### 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 Trust policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the Trust for the period ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal, on-going, process for identifying, evaluating, and managing the Trust's significant risks that has been in place for the period commencing with trading on 1 September 2021 and ending 31 August 2022, and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process.

# Horizons Specialist Academy Trust

## Governance statement (continued)

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems - an annual budget and three-year plan, monthly management accounts emailed to the Board, and detailed termly financial reports reviewed and agreed by the board of Trustees.
- regular reviews by the Resources and Audit & Risk 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 (KPIs).
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustee's has decided:

- to employ Azets as internal auditor
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

Following the revised FRC Ethical Standards which prohibited a firm providing external audit to an entity to also provide internal audit services, Clive Owen has been appointed as internal auditors for the upcoming financial year.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Bank procedures
- Staff expenses
- Capital expenditure
- Schedule of requirements
- Self-evaluation of financial competencies
- Compliance and governance
- Related party transactions
- Budgeting and cashflows
- GAG income
- VAT and corporation tax
- Other income

## Horizons Specialist Academy Trust

### Governance statement (continued)

On a two-termly basis, the auditor reports to the board of trustees, through the Resources and Audit & Risk Committee via formal reports, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities, and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year-on-year progress.

#### Review of Effectiveness

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- the work of internal assurance.
- the work of the external auditor.
- the financial management and governance self-assessment process.
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.


The accounting officer has been advised of the implications of the result of its review of the system of internal control by the Resources and Audit & Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved and authorised for issue by order of the members of the Board on 9 December 2022 and signed on its behalf by:



Elizabeth Horne 14 Dec 2022 11:03:28 GMT (UTC +0)

E A Horne CBE  
Trustee



David Walker 14 Dec 2022 10:54:42 GMT (UTC +0)

D Walker  
Trustee

## Horizons Specialist Academy Trust

### Statement of regularity, propriety and compliance

As Accounting Officer of Horizons Specialist Academy Trust I have considered my responsibility to notify the academy trust Board 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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

*Elizabeth Horne*

Elizabeth Horne 14 Dec 2022 11:03:28 GMT (UTC +0)

E A Horne CBE  
Accounting officer

9 December 2022

## Horizons Specialist Academy Trust

### Statement of Trustees' Responsibilities

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:

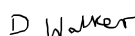
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved and authorised for issue by order of the members of the Board on 9 December 2022 and signed on its behalf by:



David Walker 14 Dec 2022 10:54:42 GMT (UTC +0)

D Walker  
Trustee

## Horizons Specialist Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Horizons Specialist Academy Trust

#### Opinion

We have audited the financial statements of Horizons Specialist Academy Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

#### 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 auditor 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 UK, including the FRC'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 original financial statements were 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.

## Horizons Specialist Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Horizons Specialist Academy Trust (continued)

#### **Other information (covers the Reference and administrative details, the Trustees' Report and the Governance statement)**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 36], the Trustees 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.



## Horizons Specialist Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Horizons Specialist Academy Trust (continued)

#### **Auditor 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 auditor's 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:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- enquiries of management about any actual or potential litigation and claims;

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Horizons Specialist Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Horizons Specialist Academy Trust (continued)

#### Use of our report

This report is made solely to the Academy's Trustees, 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 trustees those matters we are required to state to them in an auditor's 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

.....  
Brian Laidlaw 15 Dec 2022 10:32:59 GMT (UTC +0)  
.....

Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Chartered Accountants

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 15 December 2022  
.....

Azets Audit Services is a trading name of Azets Audit Services Limited

## **Horizons Specialist Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Horizons Specialist Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 22 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizons Specialist Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Board's funding agreement with the Secretary of State for Education dated 1 August 2013 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 from 1 September 2021 to 31 August 2022 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available internal assurance reports;
- Completion of self assessment questionnaire by the Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting our responsibilities;
- Obtained a formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expense claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

## Horizons Specialist Academy Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Horizons Specialist Academy Trust and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- Consideration of governance issues.

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

*Azets Audit Services*

Brian Laidlaw 15 Dec 2022 10:32:59 GMT (UTC +0)

.....  
Azets Audit Services  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date:.....15 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

## Horizons Specialist Academy Trust

### Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2022 £ 000
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	3	-	572	575
Transfer from local authority on conversion		186	(325)	7,417	7,278
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	16	16,699	-	16,715
Other trading activities	4	78	44	-	122
Investments	5	2	-	-	2
<b>Total</b>		<b>285</b>	<b>16,418</b>	<b>7,989</b>	<b>24,692</b>
<b>Expenditure on:</b>					
Raising funds	6	-	11	-	11
<i>Charitable activities:</i>					
Academy trust educational operations	7	55	18,061	589	18,705
<b>Total</b>		<b>55</b>	<b>18,072</b>	<b>589</b>	<b>18,716</b>
Net income/(expenditure)		230	(1,654)	7,400	5,976
Transfers between funds		(108)	(354)	462	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	26	-	12,301	-	12,301
Net movement in funds		122	10,293	7,862	18,277
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		1,272	(9,224)	16,229	8,277
Total funds carried forward at 31 August 2022		1,394	1,069	24,091	26,554

## Horizons Specialist Academy Trust

### Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	8	-	888	896
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	10	13,391	-	13,401
Other trading activities	4	103	58	-	161
Investments	5	3	-	-	3
<b>Total</b>		<b>124</b>	<b>13,449</b>	<b>888</b>	<b>14,461</b>
<b>Expenditure on:</b>					
Raising funds	6	-	13	-	13
<i>Charitable activities:</i>					
Academy trust educational operations	7	42	14,367	603	15,012
<b>Total</b>		<b>42</b>	<b>14,380</b>	<b>603</b>	<b>15,025</b>
Net income/(expenditure)		82	(931)	285	(564)
Transfers between funds		-	(339)	339	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	26	-	878	-	878
Net movement in funds/(deficit)		82	(392)	624	314
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		1,190	(8,832)	15,605	7,963
Total funds/(deficit) carried forward at 31 August 2021		1,272	(9,224)	16,229	8,277

# Horizons Specialist Academy Trust

(Registration number: 08608287)

## Balance Sheet

	Note	2022 £ 000	2021 £ 000
<b>Fixed assets</b>			
Tangible assets	12	23,286	15,101
<b>Current assets</b>			
Stocks	13	5	5
Debtors	14	1,231	1,231
Current asset investments	15	1,000	-
Cash at bank and in hand		2,297	3,262
		<u>4,533</u>	<u>4,498</u>
Creditors: Amounts falling due within one year	16	<u>(1,078)</u>	<u>(795)</u>
Net current assets		<u>3,455</u>	<u>3,703</u>
Total assets less current liabilities		<u>26,741</u>	<u>18,804</u>
Net assets excluding pension liability		26,741	18,804
Pension scheme liability	26	<u>(187)</u>	<u>(10,527)</u>
Net assets including pension liability		<u>26,554</u>	<u>8,277</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted income fund	17	1,256	1,303
Restricted fixed asset fund	17	24,091	16,229
Pension reserve	17	<u>(187)</u>	<u>(10,527)</u>
		25,160	7,005
<b>Unrestricted funds</b>			
Unrestricted income fund	17	<u>1,394</u>	<u>1,272</u>
Total funds		<u>26,554</u>	<u>8,277</u>

The financial statements on pages 43 to 70 were approved and authorised for issue by the Trustees, on 9 December 2022 and signed on their behalf by:

*Elizabeth Horne*

Elizabeth Horne 14 Dec 2022 11:03:28 GMT (UTC +0)

E A Horne CBE  
Trustee

*D Walker*

David Walker 14 Dec 2022 10:54:42 GMT (UTC +0)

D Walker  
Trustee

## Horizons Specialist Academy Trust

### Statement of Cash Flows

	Note	2022 £ 000	2021 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	21	818	(199)
<b>Cash flows from investing activities</b>			
	22	<u>(1,783)</u>	<u>433</u>
<b>Change in cash and cash equivalents in the year</b>		(965)	234
<b>Cash and cash equivalents at 1 September</b>		<u>3,262</u>	<u>3,028</u>
<b>Cash and cash equivalents at 31 August</b>	23	<u><u>2,297</u></u>	<u><u>3,262</u></u>



# Horizons Specialist Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 1 Accounting policies

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

#### Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

#### 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 company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

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

#### Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

# Horizons Specialist Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Donations

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

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### Donated fixed assets

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Investment income

Interest receivable is included in the statement of financial activities on an accrual basis.

#### 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.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the academy trust 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 trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

# Horizons Specialist Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

#### Asset class

Leasehold land and buildings  
Leasehold improvements  
Furniture and equipment  
Computer equipment  
Motor vehicles

#### Depreciation method and rate

50 years straight line  
up to 20 years straight line  
7 years straight line  
3 years straight line  
7 years straight line

#### Liabilities

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

#### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

# Horizons Specialist Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

#### Taxation

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

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

#### Pension benefits

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

# Horizons Specialist Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

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

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

### Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education Skills and Funding Agency and the Department for Education Group.

### Critical accounting estimates and areas of judgement

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

### Critical accounting estimates and assumptions

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

#### Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# Horizons Specialist Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £589,000 (2021 - £603,000).

#### Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

#### Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
<b>Other voluntary income</b>					
Capital grants	-	-	572	572	851
Other donations	3	-	-	3	8
Donated fixed assets	-	-	-	-	37
	<u>3</u>	<u>-</u>	<u>572</u>	<u>575</u>	<u>896</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	
Total 2021	<u>8</u>	<u>-</u>	<u>888</u>	<u>896</u>	

Included within Capital Grants above is £131,222 (2021 - £805,594) of Condition Improvement Funding ('CIF') which had not been received at the balance sheet date.

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
<b>DfE/ESFA revenue grants</b>					
General Annual Grant GAG	-	6,810	-	6,810	5,990
Other ESFA Group grants	-	1,306	-	1,306	832
	<u>-</u>	<u>8,116</u>	<u>-</u>	<u>8,116</u>	<u>6,822</u>
<b>Other government grants</b>					
Local authority grants	-	8,400	-	8,400	6,265
	<u>-</u>	<u>8,400</u>	<u>-</u>	<u>8,400</u>	<u>6,265</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>					
Catch-up Premium	-	-	-	-	145
Other DfE/ESFA COVID-19 funding	-	102	-	102	21
	<u>-</u>	<u>102</u>	<u>-</u>	<u>102</u>	<u>166</u>
<b>COVID-19 additional funding (non-DfE/ESFA)</b>					
Other Coronavirus funding	-	-	-	-	85
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85</u>
<b>Non-government grants and other income</b>					
Other income from the academy trusts educational operations	16	81	-	97	63
Total grants	<u>16</u>	<u>16,699</u>	<u>-</u>	<u>16,715</u>	<u>13,401</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000
Total 2021	<u>10</u>	<u>13,391</u>	<u>-</u>	<u>13,401</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under COVID-19 additional funding."

	2022 £ 000	2021 £ 000
<b>Other DfE/ESFA Grants</b>		
Student Support Services (per statement) (also known as Academy Post 16 Bursary Funding)	18	14
Pupil Premium and Service Premium	381	327
PE and Sports Grant	29	31
Other	381	25
Teachers' Pay Grant	497	435
	<u>1,306</u>	<u>832</u>

#### 4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
Catering income	42	-	-	42	31
Other sales	-	44	-	44	58
Sundry income	17	-	-	17	66
School fund	19	-	-	19	6
	<u>78</u>	<u>44</u>	<u>-</u>	<u>122</u>	<u>161</u>

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000
Total 2021	<u>103</u>	<u>58</u>	<u>-</u>	<u>161</u>

#### 5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2022 £ 000	Total 2021 £ 000
Short term deposits	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>3</u>



## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 5 Investment income (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000
Total 2021	3	-	-	3

#### 6 Expenditure

	Non Pay Expenditure			2022/21	2021/20
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
<b>Expenditure on raising funds</b>					
Direct costs	-	-	11	11	13
<b>Academy's educational operations</b>					
Direct costs	11,922	-	699	12,621	10,048
Allocated support costs	3,533	1,212	1,339	6,084	4,964
	<u>15,455</u>	<u>1,212</u>	<u>2,049</u>	<u>18,716</u>	<u>15,025</u>

	Non Pay Expenditure			Total
	Staff costs £ 000	Premises £ 000	Other costs £ 000	2021 £ 000
Total 2021	<u>12,266</u>	<u>1,093</u>	<u>1,666</u>	<u>15,025</u>

#### Net income/(expenditure) for the year includes:

	2022 £ 000	2021 £ 000
Operating lease rentals	26	21
Depreciation	589	603
Fees payable to auditor - audit	7	7
Fees payable to auditor - other audit services	<u>3</u>	<u>2</u>

#### 7 Charitable activities

	2022 £ 000	2021 £ 000
Direct costs - educational operations	12,621	10,048
Support costs - educational operations	<u>6,084</u>	<u>4,964</u>
	<u>18,705</u>	<u>15,012</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 7 Charitable activities (continued)

	Educational operations £ 000	Total 2022 £ 000	Total 2021 £ 000
<b>Analysis of support costs</b>			
Support staff costs	3,533	3,533	2,698
Depreciation	589	589	603
Technology costs	332	332	294
Premises costs	623	623	490
Legal costs	29	29	1
Other support costs	904	904	797
Governance costs	74	74	81
Total support costs	<u>6,084</u>	<u>6,084</u>	<u>4,964</u>

#### 8 Staff

##### Staff costs

	2022 £ 000	2021 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	10,100	8,402
Social security costs	978	776
Operating costs of defined benefit pension schemes	<u>3,405</u>	<u>2,721</u>
	14,483	11,899
Supply staff costs	963	363
Staff restructuring costs	<u>9</u>	<u>4</u>
	<u>15,455</u>	<u>12,266</u>
	<b>2022</b> <b>£ 000</b>	<b>2021</b> <b>£ 000</b>

##### Staff restructuring costs comprise:

Severance payments	<u>9</u>	<u>15</u>
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##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,221 (2021: £4,162). Individually, the payments were:

Non-contractual payments £3,221

##### Severance payments

The Academy trust paid 1 severance payments in the year disclosed in the following bands:

	2022/21 No.	2021/20 No.
0 - £25,000	<u>1</u>	<u>1</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable Activities</b>		
Teachers and teaching assistants	252	203
Administration and support	120	113
Management	11	9
	<u>383</u>	<u>325</u>

##### Higher paid staff

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	10	6
£70,001 - £80,000	6	4
£90,001 - £100,000	2	2
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1
	<u>-</u>	<u>1</u>

Employee benefits includes only: gross pay; employers national insurance contributions; and employers pension contributions.

##### Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £777,033 (2021 - £884,021).

#### 9 Central services

The academy trust has provided the following central services to its academies during the year:

- Finance;
- HR;
- ICT;
- Health & Safety; and
- Safeguarding.

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 9 Central services (continued)

The academy trust charges for these services on the following basis:

Each academy also receives support from the Chief Executive, Executive Principal and Head of Finance.

The academy trust charges for these services using a 6% top-slice. As all academies reserves are held centrally by the trust, discretion can be applied to reduce this percentage on an exceptional basis.

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Abbey Hill	371	363
Westlands	97	54
Green Gates	45	59
Hollis	105	109
Mo Mowlam	113	102
Archway	69	-
	<u>800</u>	<u>687</u>

#### 10 Related party transactions - trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows:

E A Horne CBE (Chief Executive):

Remuneration: £120,000 - £125,000 (2021 - £145,000 - £150,000)

Employer's pension contributions: £Nil (2021 - £35,000 - £40,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £170 (2021 - £46) were reimbursed or paid directly to 1 Trustees (2021 - 1).

Other related party transactions involving the Trustees are set out in note 27.

#### 11 Trustees' and officers' insurance

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

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>							
At 1 September 2021	16,585	489	128	928	175	35	18,340
Additions	265	115	-	226	12	739	1,357
Inherited assets	7,417	-	-	-	-	-	7,417
	<u>24,267</u>	<u>604</u>	<u>128</u>	<u>1,154</u>	<u>187</u>	<u>774</u>	<u>27,114</u>
<b>Depreciation</b>							
At 1 September 2021	2,068	220	112	732	107	-	3,239
Charge for the year	351	60	7	147	24	-	589
	<u>2,419</u>	<u>280</u>	<u>119</u>	<u>879</u>	<u>131</u>	<u>-</u>	<u>3,828</u>
<b>Net book value</b>							
At 31 August 2022	<u>21,848</u>	<u>324</u>	<u>9</u>	<u>275</u>	<u>56</u>	<u>774</u>	<u>23,286</u>
At 31 August 2021	<u>14,517</u>	<u>269</u>	<u>16</u>	<u>196</u>	<u>68</u>	<u>35</u>	<u>15,101</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 13 Stock

	2022 £ 000	2021 £ 000
Stock	<u>5</u>	<u>5</u>

#### 14 Debtors

	2022 £ 000	2021 £ 000
Trade debtors	8	11
VAT recoverable	119	71
Prepayments and accrued income	97	96
Accrued grant and other income	<u>1,007</u>	<u>1,053</u>
	<u>1,231</u>	<u>1,231</u>

#### 15 Current asset investments

	2022 £ 000	2021 £ 000
Fixed term deposits	<u>1,000</u>	<u>-</u>

#### 16 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Trade creditors	178	121
Other taxation and social security	242	196
Accruals	389	198
Deferred income	35	81
Pension scheme creditor	<u>234</u>	<u>199</u>
	<u>1,078</u>	<u>795</u>

#### Deferred income

	2022 £ 000	2021 £ 000
Deferred income at 1 September 2021	81	47
Resources deferred in the period	35	81
Amounts released from previous periods	<u>(81)</u>	<u>(47)</u>
Deferred income at 31 August 2022	<u>35</u>	<u>81</u>

Deferred income was held in respect of Recovery Fund, Tutor Fund Income, catering income and trip income.

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds

	Balance at 1 September 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2022 £ 000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,303	6,810	(6,503)	(354)	1,256
Other DfE/EFA	-	1,306	(1,306)	-	-
COVID-19	-	102	(102)	-	-
Other Government grants	-	8,400	(8,400)	-	-
Other income	-	125	(125)	-	-
	<u>1,303</u>	<u>16,743</u>	<u>(16,436)</u>	<u>(354)</u>	<u>1,256</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	12,210	7,417	(274)	-	19,353
DfE/EFA capital grants	3,445	572	(315)	-	3,702
Capital expenditure from GAG	574	-	-	462	1,036
	<u>16,229</u>	<u>7,989</u>	<u>(589)</u>	<u>462</u>	<u>24,091</u>
<b>Pension Reserve</b>					
Pension reserve	<u>(10,527)</u>	<u>(325)</u>	<u>(1,636)</u>	<u>12,301</u>	<u>(187)</u>
Total restricted funds	7,005	24,407	(18,661)	12,409	25,160
<b>Unrestricted funds</b>					
Unrestricted funds	<u>1,272</u>	<u>285</u>	<u>(55)</u>	<u>(108)</u>	<u>1,394</u>
Total funds	<u><u>8,277</u></u>	<u><u>24,692</u></u>	<u><u>(18,716)</u></u>	<u><u>12,301</u></u>	<u><u>26,554</u></u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds (continued)

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

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,350	5,990	(5,698)	(339)	1,303
Other DfE/EFA	-	832	(832)	-	-
COVID-19	-	251	(251)	-	-
Other Government grants	-	6,265	(6,265)	-	-
Other income	-	111	(111)	-	-
	<u>1,350</u>	<u>13,449</u>	<u>(13,157)</u>	<u>(339)</u>	<u>1,303</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	12,484	-	(274)	-	12,210
DfE/EFA capital grants	2,546	888	(328)	339	3,445
Capital expenditure from GAG	575	-	(1)	-	574
	<u>15,605</u>	<u>888</u>	<u>(603)</u>	<u>339</u>	<u>16,229</u>
<b>Pension Reserve</b>					
Pension reserve	<u>(10,182)</u>	-	<u>(1,223)</u>	<u>878</u>	<u>(10,527)</u>
Total restricted funds	6,773	14,337	(14,983)	878	7,005
<b>Unrestricted funds</b>					
Unrestricted funds	<u>1,190</u>	<u>124</u>	<u>(42)</u>	<u>-</u>	<u>1,272</u>
Total funds	<u><u>7,963</u></u>	<u><u>14,461</u></u>	<u><u>(15,025)</u></u>	<u><u>878</u></u>	<u><u>8,277</u></u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at the balance sheet date.

A start up grant was received from the ESFA as a result of the conversion to academy status. The full grant was allocated.

Other DfE/ESFA grants include teachers pay and pension grants, pupil premium, PE and sports grant and other DfE/ESFA grants.

Other government grants comprise funding received from the Local Authority.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to Local Government Pension Scheme ('LGPS') and the pension liability has therefore been aligned with these funds. The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.



## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds (continued)

The inherited fixed asset fund reflects the fixed assets acquired from the Local Authority on conversion to academy status. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants received in year consist of capital grants received in the year which have been received for expenditure on acquisition and maintenance of fixed assets.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

#### Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Central services	2,650	2,575
Total before fixed assets and pension reserve	2,650	2,575
Fixed asset reserve	24,091	16,229
Pension reserve	(187)	(10,527)
Total	<u>26,554</u>	<u>8,277</u>

The Trustees have made the decision with effect from 31 August 2018, that any funds held by an individual Academy will be transferred to the central fund to carry forward into future periods.

#### Total cost analysis by academy

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

	<b>Teaching and educational support staff costs</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs (excluding depreciation)</b>	<b>Total 2022</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Abbey Hill	5,679	245	121	686	6,731
Westlands	1,291	158	183	234	1,866
Green Gates	887	91	15	112	1,105
Hollis	1,411	176	126	269	1,982
Mo Mowlam	1,713	213	64	383	2,373
Archway	1,231	113	32	198	1,574
Central Services	803	2	7	48	860
Academy Trust	<u>13,015</u>	<u>998</u>	<u>548</u>	<u>1,930</u>	<u>16,491</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds (continued)

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

	<b>Teaching and educational support staff costs £ 000</b>	<b>Other support staff costs £ 000</b>	<b>Educational supplies £ 000</b>	<b>Other costs (excluding depreciation) £ 000</b>	<b>Total 2021 £ 000</b>
Abbey Hill	5,097	91	117	581	5,886
Westlands	1,330	146	139	178	1,793
Green Gates	890	38	16	122	1,066
Hollis	1,407	73	100	233	1,813
Mo Mowlam	1,410	47	38	279	1,774
Central Services	682	-	-	185	867
Academy Trust	<u>10,816</u>	<u>395</u>	<u>410</u>	<u>1,578</u>	<u>13,199</u>

#### 18 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	<b>Unrestricted Funds £ 000</b>	<b>Restricted General Funds £ 000</b>	<b>Restricted Fixed Asset Funds £ 000</b>	<b>Total Funds £ 000</b>
Tangible fixed assets	-	-	23,286	23,286
Current assets	1,394	2,334	805	4,533
Current liabilities	-	(1,078)	-	(1,078)
Pension scheme liability	-	(187)	-	(187)
Total net assets	<u>1,394</u>	<u>1,069</u>	<u>24,091</u>	<u>26,554</u>

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

	<b>Unrestricted Funds £ 000</b>	<b>Restricted General Funds £ 000</b>	<b>Restricted Fixed Asset Funds £ 000</b>	<b>Total Funds £ 000</b>
Tangible fixed assets	-	-	15,101	15,101
Current assets	1,272	2,098	1,128	4,498
Current liabilities	-	(795)	-	(795)
Pension scheme liability	-	(10,527)	-	(10,527)
Total net assets	<u>1,272</u>	<u>(9,224)</u>	<u>16,229</u>	<u>8,277</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 19 Capital commitments

	2022 £ 000	2021 £ 000
Contracted for, but not provided in the financial statements	<u>974</u>	<u>566</u>

#### 20 Long-term commitments, including operating leases

##### Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £ 000	2021 £ 000
Amounts due within one year	26	21
Amounts due between one and five years	<u>44</u>	<u>165</u>
	<u>70</u>	<u>186</u>

#### 21 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

		2022 £ 000	2021 £ 000
Net income/(expenditure)		5,976	(564)
Depreciation	6	589	603
Capital grants from DfE and other capital income		(572)	(851)
Assets transferred on conversion from Local Authority		(7,417)	-
Interest receivable	5	(2)	(3)
Defined benefit pension scheme obligation inherited	26	325	-
Defined benefit pension scheme cost less contributions payable	26	1,440	1,055
Defined benefit pension scheme finance cost	26	196	168
Increase in debtors		-	(804)
Increase in creditors		<u>283</u>	<u>197</u>
Net cash provided by/(used in) Operating Activities		<u>818</u>	<u>(199)</u>

#### 22 Cash flows from investing activities

		2022 £ 000	2021 £ 000
Dividends, interest and rents from investments		2	3
Purchase of tangible fixed assets		(1,357)	(421)
(Increase)/decrease in fixed term deposits		(1,000)	-
Capital funding received from sponsors and others		<u>572</u>	<u>851</u>
Net cash (used in)/provided by investing activities		<u>(1,783)</u>	<u>433</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 23 Analysis of cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash at bank and in hand	<u>2,297</u>	<u>3,262</u>
Total cash and cash equivalents	<u><u>2,297</u></u>	<u><u>3,262</u></u>

#### 24 Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash	<u>3,262</u>	<u>(966)</u>	<u>2,297</u>
Total	<u><u>3,262</u></u>	<u><u>(966)</u></u>	<u><u>2,297</u></u>

#### 25 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

#### 26 Pension and similar obligations

The academy trust'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 Middlesbrough Borough 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 £233,687 (2021 - £199,218) were payable to the schemes at 31 August 2022 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 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 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.

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 26 Pension and similar obligations (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 employer's pension costs paid to TPS in the period amounted to £1,200,704 (2021: £1,027,234).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

##### Local government pension scheme

###### Teesside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £987,000 (2021 - £841,000), of which employer's contributions totalled £737,000 (2021 - £628,000) and employees' contributions totalled £250,000 (2021 - £213,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

##### Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.10	3.60
Rate of increase for pensions in payment/inflation	3.10	2.60
Discount rate for scheme liabilities	4.30	1.70
Inflation assumptions (CPI)	3.10	2.60

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 26 Pension and similar obligations (continued)

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

	2022	2021
<b>Retiring today</b>		
Males retiring today	21.70	21.90
Females retiring today	23.50	23.60
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.90	23.30
Females retiring in 20 years	<u>25.30</u>	<u>25.40</u>
<b>Sensitivity analysis</b>		
	<b>At 31 August</b>	<b>At 31 August</b>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	17,887	25,858
Discount rate -0.1%	18,617	27,130
Mortality assumption – 1 year increase	18,982	27,501
Mortality assumption – 1 year decrease	17,522	25,487
CPI rate +0.1%	17,887	26,600
CPI rate -0.1%	<u>18,617</u>	<u>26,388</u>

The academy trust's share of the assets in the scheme were:

	2022	2021
	£ 000	£ 000
Equities	12,284	12,630
Property	3,252	1,166
Cash and other liquid assets	2,529	1,325
Other	-	846
Total market value of assets	<u>18,065</u>	<u>15,967</u>

The actual return on scheme assets was £1,013,000 (2021 - £2,753,000).

#### Amounts recognised in the statement of financial activities

	2022	2021
	£ 000	£ 000
Current service cost	2,177	1,683
Interest income	283	219
Interest cost	479	387
Total amount recognised in the SOFA	<u>2,939</u>	<u>2,289</u>

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 26 Pension and similar obligations (continued)

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

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
At start of period	26,494	22,770
Transferred in on existing academies joining the trust	617	-
Current service cost	2,177	1,683
Interest cost	479	387
Employee contributions	250	213
Actuarial (gain)/loss	(11,571)	1,656
Benefits paid	<u>(194)</u>	<u>(215)</u>
At 31 August	<u>18,252</u>	<u>26,494</u>

Changes in the fair value of academy trust's share of scheme assets:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
At start of period	15,967	12,588
Transferred in on existing academies joining the trust	292	-
Interest income	283	219
Actuarial gain/(loss)	730	2,534
Employer contributions	737	628
Employee contributions	250	213
Benefits paid	<u>(194)</u>	<u>(215)</u>
At 31 August	<u>18,065</u>	<u>15,967</u>

#### 27 Related party transactions

Owing to the nature of the academy trust 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 AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain Trustees' remuneration and expenses already disclosed in note 10.

#### 28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £17,821 and disbursed £11,100 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £13,724 received, £13,372 disbursed and £Nil included in other creditors.

## Horizons Specialist Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 29 Conversion to an Academy Trust

On 1 September 2021 the Archway converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Horizons Specialist Academy Trust from the Redcar and Cleveland Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	<b>Unrestricted fund £ 000</b>	<b>Restricted general fund £ 000</b>	<b>Restricted fixed asset fund £ 000</b>	<b>Total £ 000</b>
Tangible fixed assets				
Leasehold land and buildings	-	-	557	557
Budget surplus on LA funds	186	-	-	186
LGPS pension deficit	-	(325)	-	(325)
Net assets/(liabilities)	<u>186</u>	<u>(325)</u>	<u>557</u>	<u>418</u>

The above net assets include £186,349 that were transferred as cash.