

Registration number: 08608287

HORIZONS SPECIALIST ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Horizons Specialist Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 23
Governance Statement	24 to 29
Statement on Regularity, Propriety and Compliance	30
Statement of Trustees' Responsibilities	31
Independent Auditor's Report on the Financial Statements	32 to 34
Independent Reporting Accountant's Report on Regularity	35 to 36
Statement of Financial Activities incorporating Income and Expenditure Account	37 to 38
Balance Sheet	39
Statement of Cash Flows	40
Notes to the Financial Statements	41 to 65

Horizons Specialist Academy Trust

Reference and Administrative Details

Members	M Clinton Dame D Smith Prof. I Cunningham M D Jones B Kirby
Trustees (Directors)	E A Horne CBE C J Whittaker L Laidler Dr B N P Sinha J Bromiley H Dyson (resigned 31 December 2019) M D Jones S Richardson S Wilson D Walker (appointed 1 September 2019)
Company Secretary	A R Ascough
Senior Management Team	E A Horne CBE, Chief Executive R Whelan, Principal K Thompson, Principal M Lyons, Principal D Penny, Executive Principal J Newman, Principal K Fenton, Principal C Thomas, Head of Finance S McHale, Head of Operations (retired 29 February 2020) R Glover, Principal
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	MHA Tait Walker 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 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purpose of both a Trustees' report and a Directors' 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
- Westlands Academy – Eltham Crescent, Thornaby, Stockton on Tees, TS17 9RA
- Green Gates Academy - Melton Road, Stockton on Tees, TS19 0JD
- Hollis Academy – Saltersgill Avenue, Middlesbrough, TS4 3JS
- Mo Mowlam Academy – Tennyson Avenue, Grangetown, Middlesbrough, TS6 7NP

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 2020 (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 three 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 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 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:

Elizabeth Horne CBE

Colin Whittaker

Maurice Jones

Linda Laidler

Dr Baxi Sinha

James Bromiley

Sue Richardson

Sian Wilson

David Walker

Helen Dyson (resigned 31 December 2019).

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

The appointment of new Trustees involves analysis of the present Trustees' skills and identification of any gaps. Robust Trustee recruitment ensures prospective Trustees have the skills required by the Board; this includes potential Trustees being interviewed by the Chair and Chief Executive prior to any recommendation for appointment. Academy Ambassadors have supported the Trust in Trustee and Member recruitment.

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 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 new Ofsted framework is an ongoing process, supported through training and development. A Link Governor role has been established for each academy, focused 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 2019/20 session - ensuring that they are fully updated in terms of the revised 'Keeping Children Safe in Education' document. Training was also provided on the new Ofsted Framework 2019. Due to Covid 19, Trustees' annual self-evaluation was deferred to the 2020/2021 session. Practically wise, individual training was provided on the use of Microsoft Teams to support the move to online meetings.

Organisational Structure

The leadership and management structure of the Trust has been further enhanced during 2019/2020. The Board of Trustees has streamlined the Committee structure – with a Finance, Risk & General Purposes Committee and a Standards Committee. Reporting to the Standards Committee there are three Academy Councils - Academy Council (Complex Needs) for Abbey Hill Academy and Abbey Hill Academy Sixth Form, 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. The previous Academy Council (SEMH) split at the end of the autumn term 2019 to enable a clear focus on Primary and Secondary SEMH provisions.

There is an Education Leadership Team comprising the CEO, Executive Principal and Academy Principals, and an Operational Leadership Team including the CEO, Head of Finance, Head of Operations (until February 2020), HR Manager, IT 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 on an at least 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 Director.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

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 Principal and Academy Principals to account.

Powers are delegated from the Board via the Trust's Terms of Reference, 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 and Executive Leadership Team.

The 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.

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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Trade Union Facility Time - Relevant Union Officials

Number of employees who were relevant union officials during the period	Total full-time equivalent employee number
4	243.96

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1% - 50%	2
51% - 99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	£1,132.21
Total pay bill	£10,176,947.21
Percentage of the total pay bill spend on facility time	0.01%

Paid trade union activities

Total spend on paid trade union activities as a percentage of total paid facility time hours	0%
--	----

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. Good communication throughout any organisation is key and, in October 2019, the Trust received the 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

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 introduction of specialist, colour-coordinated lighting in one academy which is supportive of those with sensory needs, including visual impairment. In addition, the new school building for pupils and students with Social Emotional and Mental Health (SEMH) needs, which will be occupied from January 2021, has been designed to create a learning environment which is bespoke to the large cohort of children and young people who will attend. The skills of the Trust's Facilities and Premises Manager have been invaluable in advising and informing others over this past year on the inclusion of sensory spaces, interactive mood-supporting rooms, and recreational areas which are appropriate for SEMH. Heating, lighting, and the installation of bespoke doors and windows combined together ensure that the school will support the health and safety needs of the school community.

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

The Board of Directors 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 for a multi academy trust. In light of Covid-19 and government guidance (PPN 02/20), suppliers affected by the closure of our academies were contacted and where necessary, payments continued to be made. Consideration was also given to our staff during this period ensuring no individual was in a detrimental position due to the pandemic.

The pupils, students, parents and carers are given a range of opportunities to comment on how effectively the Trust is in supporting the educational and care needs of the academy communities. Student voice informs practice at all levels at every academy. 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.

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.

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:

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

- 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*.

These Core Values guide us and lead to the identification of our improvement priorities. They are the drivers for the Trust's activities. 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 and 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 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 Trust's Strategic Plan articulates our ambitions; that is to achieve our 4 non-negotiables and all of us – Directors, the Chief Executive, Principals, senior managers and staff – are excited by its challenges and opportunities.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

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 Abbey Hill in January 2020 as maintaining Good in all categories. Its Sixth Form maintained its Outstanding evaluation.
- Ofsted evaluated Westlands Academy in December 2016 as Good in all categories. This is the first Ofsted evaluation since the Academy was established as a secondary-only provision in September 2014.
- Ofsted evaluated Green Gates Primary Academy in October 2019 as overall Good. This is a welcome improvement from the previous Requires Improvement judgement in June 2017.
- Ofsted evaluated Hollis Academy as Requires Improvement in September 2019. This indicates that the academy is on an improvement journey and that it is no longer a school in special measures.
- Mo Mowlam Academy joined the Trust on 1st April 2019 and will be evaluated by Ofsted within 3 years of joining the Trust.

Ongoing judgements by the Trust's senior leaders show maintained high quality and, in some cases, improvement. 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 and the Executive Principal result in better outcomes for pupils, students, staff and our parent/carer community.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Structures have been further developed during the seventh year of operation of the Trust with the establishment of the post of Assistant Facilities and Premises Manager and an additional appointment to enhance the Finance team. The training and development programme for staff is recognised as robust, relevant and supportive to other schools. The appointment of an Assistant Vice-Principal for Professional Learning to enhance the focus on professional development which specifically enhances the skills of staff engaged with pupils and students with Social Emotional and Mental Health (SEMH) needs, has been particularly effective in contributing to improved practice within the SEMH Academies. This is evidenced in the improved Ofsted gradings for those academies receiving Ofsted visits during the 2019/20 session. 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 2019- 2020 school session has resulted in the improvement in provision of facilities for students across the Trust. The addition of secure external doors at both Westlands Academy and Hollis Academy has ensured the safety and wellbeing of the students. In addition, funding received will result in around £150K being utilised to enhance the sports facilities at Abbey Hill Academy and approximately £350K will enable the addition of two new teaching areas at Green Gates Academy – very much required to support the increasing number of pupils at the academy. Furthermore, Investment in capital projects from the Trust resulted in the addition of two additional class teaching areas on our Abbey Hill Academy campus which are specifically designed to support the learning and sensory needs of students with a diagnosis of Autism. This is essential for provisions which meet the needs of very vulnerable students.

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 Executive Principal, along with key senior personnel with expertise in evaluating the quality of education, leads 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 outstanding level of expertise in the area of Special Educational Needs and is formally designated as a National Leader of Education - gives the Trustees confidence in the validation of standards within the Trust's Academies.

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 was awarded to the Trust in November 2019; the renewal of the *Leading Parent Partnership Award* for all four 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). 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

The Trust is recognised as having the leadership personnel required to expand provisions and to maintain the high quality standards currently associated with the Trust. During 2019/20 approval was provided from DfE for an expansion of numbers at Green Gates Academy from 40 planned places to 50 planned places. The Significant Change request and the outcome of the consultation all supported this development and recognised the strength of the Trust in its ability to deliver high-quality standards to even more children and young people.

There has also been further expansion of the provision for students with Autism with the establishment of an Abbey Hill Academy Satellite class group at the Hollis Academy site in Middlesbrough. The setting-up of this provision, in conjunction with Middlesbrough Borough Council, was undertaken efficiently and effectively, including ensuring appropriate adaptation of teaching spaces and allocation of appropriately skilled staff. Parents and Carers, and students associated with the Satellite provision, have been extremely positive regarding this development. There is scope for further development during the 2020/21 session.

The Trust's Key Performance Indicators highlighted in the Strategic Plan for 2017-2020, specifically the objectives for 2019/20 and the progress in achieving these highlight the key areas of performance. The following KPIs related to the 5 Strategic Objectives within the Strategic Plan were achieved across the Trust during the 2019/20 session :-

Strategic Objective 1 – Support and Protect Vulnerable Children

- All Academies achieved Rights Respecting Schools Status
- 100% of students engaged in health and wellbeing programmes and accessed services as appropriate
- 100% students engaged in E-safety programmes

The Strategic Objective 2 – Strengthen MAT infrastructure and Leadership resulted

- 100% of professionals engaged in bespoke professional development
- 100% of senior, and subject leaders were deployed in Quality Assurance roles
- 2 Senior Leaders engaged as Ofsted inspectors
- 95% retention rate of high-performing teachers
- Initial Teacher Training (ITT) students reported 100% satisfaction with support received
- 90% staff reported high levels of wellbeing
- The Trust (all academies) achieved IIP Gold Award
- 92% of staff attendance across the Trust – in the midst of a global pandemic

Strategic Objective 3 – Ensure Achievement, Raise Attainment and Improve Progression and Strategic Objective 4 – Support Outstanding standard of teaching and Learning-

- 65% of pupils achieved or made good progress to achieving the standard of phonics at the end of Key stage 1
- 65% of pupils at end of Key Stage 2 made good progress in core subjects
- 100% of leavers in 3 out of 4 Academies at end of Key Stage 4/5 achieved accreditation in English and Maths
- All Academies achieved above the national average of the Gatsby Benchmarks
- 100% pupils and students engaged in Learner Charter activities

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

- 100% secondary students offered, and majority engaged in at least one employer encounter
- 100% students received high-quality careers education
- 100% students became more equipped for their role as British citizens resulting from developing their awareness of spiritual, social, moral and multi-cultural understanding
- Almost 90% satisfaction of pupil outcomes from student/parent/carers questionnaires
- ASD Accreditation maintained by Abbey Hill Academy
- Ofsted Inspections undertaken during 2019/20 confirm support from the Trust and improvement

Strategic Objective 5- Strategy for Growth Articulated, Supported by Good Governance and Achieved-

- 100% Skills coverage maintained in MAT Board
- Excellent Financial probity measures – 0 red flags
- Trust maintained at least 2 months operating costs in reserves
- No more than 84% of total income was spent on all staffing
- Every academy achieved a minimum of 2% surplus on spending at the end of the year
- Leading Parent Partnership Award gained across the Trust

All the KPIs were achieved at a time when Education was dealing with the effects of the global pandemic and a national lockdown. The Trust's Academies remained open throughout the summer term of 2020, continuing to provide education and support to all its pupils and students. Changes in how we managed our provisions were adopted in response to national Government guidance and that issued by Public Health England. The Trust's Risk Register was updated, and Academy Risk Assessments established to guide and direct practice at all levels required to ensure the school learning environments were as Covid-secure as possible. These measures continue to be in place and are kept under review in response to further developments and governmental advice.

In addition, during this time, The Trust made every effort to ensure that students remained safe and were still able to access learning opportunities during the Covid-19 (Coronavirus) pandemic from March – July 2020. The Trust made every effort to limit any negative impact that this may have had on its students. We followed the guidance provided to us by Ofqual and the exam boards to ensure that all of our students received the grades and qualifications that they deserved. Our results' analysis has highlighted that this was achieved, and no Year 11 or Year 13 student was disadvantaged by the cancellation of the exams. Although the SATS did not take place for our primary pupils during the last academic year nationally due to Covid-19, we continue to monitor pupil progress through teacher assessments and pupil attainment through internal pupil tests.

Over the period of lockdown many students were invited into school and systems were revised to ensure the safety of staff and students. Education continued to take place for all pupils and students. For those who were unable to attend, or for times when young people were not in school, remote learning activities were provided including regular Home Learning work packs and resources being shared with students and their families on a regular basis to limit any negative impact that this may have had on the students' academic and social progress.

The safety and wellbeing of our children and young people was paramount and regular contact to ensure the safeguarding of pupils and students was undertaken. Indeed, one of the academies in the Trust, Abbey Hill Academy and Sixth Form was awarded the '**Safeguarding Initiative Award**' from *The Safeguarding Alliance* in October 2020 in recognition of the '*exceptional safeguarding initiatives carried out during COVID-19 to keep children and young people safe*'.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

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: 317

- 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 72 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.

- 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 12 students.

- All of the 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, Inclusion Quality Mark (Silver level), and The Anti-Bullying Quality Mark. The Academy is also registered as a MOVE School. In August 2018 the Academy was recognised by the National Autism Society and received the NAS Award. The Academy has also been recognised by UNICEF for its commitment to embedding The Rights Respecting Schools programme and received the Silver Award in June 2018. The Academy is set to achieve 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.

"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)

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

COVID-19

Abbey Hill Academy made every effort to ensure that students remained safe and were still able to access learning opportunities during the coronavirus pandemic.

Home learning packs and resources were shared with students and their families on a regular basis to limit any negative impact that this may have had on the students' academic and social progress. We followed the guidance provided to us by Ofqual and the exam boards to ensure that all of our students received the grades and qualifications that they deserved. Our results analysis has highlighted that this was achieved and no Year 11 or Y13 student was disadvantaged by the cancellation of the exams.

The academy was awarded the '**Safeguarding Initiative Award**' from *The Safeguarding Alliance* in October 2020 in recognition of the '*exceptional safeguarding initiatives carried out during COVID-19 to keep children and young people safe*'.

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.
- 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: 85
- Almost all of 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

The Academy was last inspected by Ofsted in December 2016 and was graded as 'good' overall.

"Senior Leaders set high expectations for all pupils"

"Academy trust directors make an important contribution to the school's leadership and management"

"Pupils develop the positive attitudes they need to be increasingly successful learners"

(Ofsted 2016)

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

COVID-19

Westlands Academy made every effort to limit any negative impact that this may have had on our students. We followed the guidance provided to us by Ofqual and the exam boards to ensure that all of our students received the grades and qualifications that they deserved. Our results analysis has highlighted that this was achieved, and no Year 11 student was disadvantaged by the cancellation of the exams.

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.
- Number on roll: 48
- 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.

COVID-19

Green Gates Academy made every effort to limit any negative impact that this may have had on our pupils. We have a robust risk assessment in place to ensure the safety of our pupils. Although the SATS did not take place last academic year nationally due to Covid-19, we continue to monitor pupil progress through teacher assessments and pupil attainment through internal pupil tests.

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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

- Number on roll: 85
- Almost all of 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 September 2019 and was graded as 'requires improvement' overall.

"Strong leadership from the very top is transforming the school for the better"

"School leaders have improved pupils' behaviour and attitudes"

"The standards that pupils reach are rising"

(Ofsted 2019)

COVID-19

From March, Hollis Academy made every effort to limit any negative impact that this may have had on our students through our regular contacts with parents and carers. Over the period of lockdown many students were invited into school and for those who were unable to attend, regular work packs were sent out. Our Year 11 students doing qualifications were not affected as we followed the guidance provided to us by Ofqual and the exam boards to ensure that they all received the grades and qualifications that they deserved. Our results analysis has highlighted that this was achieved, and no Year 11 student was disadvantaged by the cancellation of the exams.

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 has been deemed not fit-for-purpose and the DfE has agreed to fund a new building. Redcar and Cleveland LA will subsidise this building to create more spaces, increasing capacity to 100, and relocate to the centre of the Borough. The building is due to be completed in December 2020.
- Number on roll: 66
- All of the students attending the Academy have an Education Health and Care plan.

Most recent Ofsted judgement

Since the school converted to an academy in April 2019, the school has not received an Ofsted inspection. The predecessor school was judged to have serious weaknesses in March 2018.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

COVID-19

Due to the Covid 19 Pandemic, from March–July 2020 the school's operating hours and systems were revised to ensure the safety of staff and students. All young people were invited to attend education and flexible timetables were in place to manage this safely. Education continued to take place, and remote learning activities were provided for times when young people were not in school. The national guidance around end of KS4 exams was followed, and all young people leaving the school in summer 2020 achieved the qualifications they were on track to achieve prior to the pandemic.

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. Please see the Achievements and Performance section for further details.

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.

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 5 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 their 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.

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 first seven 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

During the period 1 September 2019 to 31 August 2020 total expenditure of £13,866,000 was in excess of grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of expenditure over income for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £222,000.

At 31 August 2020 the net book value of fixed assets was £15,283,000. 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 £10,182,000 which has been carried forward to 2020/21. It should be noted that this does not present a liquidity problem for the Trust, and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

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 Finance, Risk and General Purposes Committee review reserve levels on a termly basis in line with the budget monitoring information and forecasts presented to Trustees. At 31 August 2020, the value of unrestricted reserves (freely available to the Trust) was £1,190,000. Restricted income funds as at 31 August 2020 were £1,350,000 (excluding pension and fixed assets) making the total reserves £2,540,000.

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, a 32-day, interest generating deposit account has been in operation for a number of years and during 2019/20, a 95-day account was opened to maximise interest generated as rates decreased.

Financial and Risk Management Objectives and Policies

The Trust has developed a Risk Management Strategy and has a Risk Register that includes the 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 Finance, Risk and General Purposes 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

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.

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

As well as fundraising events involving the students in order to benefit other organisations, the Trust seek opportunities to raise funds from recognised charities for the benefit of its students. In addition, the Trust worked with an external agency to support them in a number of bids and was successful in securing funding on a number of occasions.

Streamlined Carbon Energy Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	2,387,539
Energy consumption break down (kWh)	
• gas,	1,587,448
• electricity,	718,947
• transport fuel	87,144
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	290.67
Owned transport – mini-buses	13.04
Total scope 1	303.71

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Scope 2 emissions in metric tonnes CO2e Purchased electricity	167.51
Scope 3 emissions in metric tonnes CO2e Business travel in employee owned vehicles	8.65
Total gross emissions in metric tonnes CO2e	479.87
Intensity ratio Tonnes CO2e per pupil	0.833

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

- Increased video conferencing technology for staff meetings, to reduce the need for travel between sites.
- LED lights replacing normal lighting when old no longer serviceable.
- More efficient Boiler Plant installation program for Abbey Hill site.

Plans for Future Periods

HSAT has a new three-year strategic plan covering 2020-2023, with specific aims and objectives for the session 2020/21. There are 4 Key Objectives and Key Performance Indicators (KPIs) which have been set and should be achieved.

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 -

- Covid-19 Health and Safety Guidelines, Academy Risk Assessments, Trust Risk Register and Emergency Planning will be continually updated to ensure that the Trust complies with the guidance issues by the Government and Public Health England to be followed as a means of responding to the ongoing prevalence of Coronavirus within the context of special schools.
- Behaviour and Attitudes will be addressed - with all academies being effective in ensuring that children feel safe in school. They will report that issues are dealt with quickly and effectively when they occur. In addition, we would wish attendance in our SEMH academies to improve on the previous year.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

- Personal Development of our children and young people will be supported through 100% of pupils/students being offered and engaging in health and wellbeing programmes as part of the curriculum. This includes responding to the emotional needs which have arisen as a result of the impact of the Coronavirus pandemic on the ability to attend and engage at school during the summer term 2020, and any ongoing inability to attend, experienced by a small cohort of students, as a result of their being Clinically Extremely Vulnerable and being advised to remain at home by a health clinician.

Strategic Objective 2: To ensure every child and young person receives a high quality of education.

Quality of Education KPIs are as follows-

- 65% of pupils achieving or making good progress towards achieving the standard of phonics at the end of Key Stage 1 and making good progress in core subject at the end of Key Stage 2.
- 100% leavers at the end of Key Stage 4 and Key Stage 5 achieving appropriate accreditation in English and Maths.
- All pupils and students will be supported to make progress through an intelligently sequenced curriculum
- Evidence of at least *Good* evaluation of the Quality of Education in the Trust's academies which are subject to Ofsted inspection in the 2020/21 session.

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, will ensure that they are prepared for the next stage of learning and life - with at least 85% of leavers being engaged in learning, training or employment.
- All academies will develop an intelligently sequenced PSHE curriculum endorsed by the Trust's Quality Assurance (QA) Team and the Trust's independent School Development Partner.

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. In addition, the Award will 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, and enable surplus of at least 2% of all income to be accumulated at the end of each academic session.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2020 (continued)

Expansion of the Trust is planned to take place in 2020/21 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 both the Abbey Hill Academy and Hollis Academy sites and the opening of the new Mo Mowlam School building in Redcar which will specifically realise an increase in the number of SEMH students from 66 to 100. In addition, the Trust is currently engaged with an Alternative Provision which has expressed an interest in joining the Trust. This will result in the Trust expanding by one additional academy - bringing the size of the Trust to 6 Academies, including one Sixth Form.

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 Schools Commissioner's Head Teacher 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. 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.

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, if and when this may arise.

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.

Funds Held as Custodian on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

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

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 11.12.20 and signed on its behalf by:


.....
M D Jones
Trustee

Horizons Specialist Academy Trust

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. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meeting attended	Out of a possible
Elizabeth Horne CBE	5	5
Helen Dyson	2	3
Colin Whittaker	3	5
Maurice Jones	5	5
Linda Laidler	5	5
Dr Baxi Sinha	3	5
James Bromiley	5	5
Sue Richardson	5	5
Sian Wilson	5	5
David Walker	3	5

Note – due to Covid-19, some planned meetings were cancelled in the initial stages of lockdown and Chair's emergency action was invoked.

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 Directors are in agreement 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 Finance, Risk & General Purposes 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.

The Finance, Risk and General Purposes 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 on the drive to improve Trust buildings. Also, the Committee fulfilled their 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 summer term 2020, the Committee was also scrutinising the impact of Covid-19 with regard to risk management, health and safety, staffing and specific expenditure.

Attendance during the year at meetings of the Finance, Risk and General Purposes Committee was as follows:

Trustee	Meetings attended	Out of a possible
Elizabeth Horne CBE	4	4
Maurice Jones	4	4
Linda Laidler	4	4
Colin Whittaker	3	4
Dr Baxi Sinha	3	4

Note – due to Covid-19, some planned meetings were cancelled in the initial stages of lockdown and Chair's emergency action was invoked.

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 Directors 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:

Horizons Specialist Academy Trust

Governance Statement (continued)

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.
- Providing a Spring revision school to help prepare students for formal assessments, in particular, GCSEs.
- Providing two new teaching spaces at Abbey Hill Academy, specifically designed and equipped to meet the interaction, communication and sensory needs of students with a diagnosis of Autism.
- Ensuring students accessed specialist equipment, provision of vocational opportunities and work experience and, where appropriate, procuring off-site provision.
- Providing access to after-school and Saturday clubs run throughout the year - providing students with further opportunities to develop and learn. Support Staff were carefully deployed during term time ensuring maximum flexibility for staff with minimal additional cost.
- 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.
- Appointing Specialist Leaders in Education to further support the implementation of learning and teaching whilst generating a modest amount of revenue for the Trust.
- Enabling two members of staff to access training as OFSTED inspectors – increasing future income generation alongside improved knowledge.
- Supporting the Executive Principal and one Principal in undertaking the National Professional Qualification for Executive Leadership (NPQEL), resulting in both being awarded the qualification.
- 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)

- Directors agreed to significant financial contributions to support three academy CIF applications, all of which were successful - resulting in £484k grant income to improve three academy buildings.
- 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 five 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 a number of contracts including Trust wide photocopiers and ICT.
- 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. Curriculum-led financial planning information was prepared and reviewed during a School Resource Management Adviser visit in December 2019. High-level information from published annual accounts for other Trusts has been reviewed and compared with our data, along with benchmarking reports provided by our external partners, 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 2020 and up to the date of approval of the annual report and financial statements.

Horizons Specialist Academy Trust

Governance Statement (continued)

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 2019 and ending 31 August 2020, and up to the date of approval of the annual report and financial statements. The Board of Trustees regularly reviews this process.

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 Finance, Risk and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance (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 Trustees has decided:

- to employ MHA Tait Walker to provide a programme of internal assurance

Following the revised FRC Ethical Standards which prohibited a firm providing external audit to an entity to also provide internal audit services, Azets have been appointed as internal assurance providers 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:

On a two termly basis, the auditor reports to the board of trustees, through the audit 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.

Horizons Specialist Academy Trust

Governance Statement (continued)


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 their review of the system of internal control by the Finance, Risk and General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on ^{11.12.20} and signed on its behalf by:


.....
E A Horne CBE
Accounting officer
Trustee


.....
M D Jones
Trustee

Horizons Specialist Academy Trust

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust Board of Trustees 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 Academies Financial Handbook 2019.

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



.....
E A Horne CBE
Accounting officer

Date: 11.12.20.....

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 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 11.12.20 and signed on its behalf by:


.....
M D Jones
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 trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating 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 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2019 to 2020.

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's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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.

Horizons Specialist Academy Trust

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

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 31, 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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 trust'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 trust'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 trust and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2020*

MHA Tait Walker is a trading name of Tait Walker LLP.

Horizons Specialist Academy Trust

Independent Reporting Accountant's 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 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizons Specialist Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated 1 August 2015 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

Horizons Specialist Academy Trust

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

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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.

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2020*

MHA Tait Walker is a trading name of Tait Walker LLP.

Horizons Specialist Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	5	-	228	233
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	9	12,615	-	12,624
Other trading activities	4	124	72	-	196
Investments	5	10	-	-	10
Total		148	12,687	228	13,063
Expenditure on:					
Raising funds	6	-	19	-	19
<i>Charitable activities:</i>					
Academy trust educational operations	7	176	13,111	560	13,847
Total		176	13,130	560	13,866
Net expenditure		(28)	(443)	(332)	(803)
Transfers between funds		-	(262)	262	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(1,450)	-	(1,450)
Net movement in deficit		(28)	(2,155)	(70)	(2,253)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		1,218	(6,677)	15,675	10,216
Total funds/(deficit) carried forward at 31 August 2020		1,190	(8,832)	15,605	7,963

Horizons Specialist Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	7	-	139	146
Transfer from local authority on conversion		-	26	46	72
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	11	11,064	-	11,075
Other trading activities	4	111	60	-	171
Investments	5	11	-	-	11
Total		140	11,150	185	11,475
Expenditure on:					
Raising funds	6	-	32	-	32
<i>Charitable activities:</i>					
Academy trust educational operations	7	84	11,353	510	11,947
Total		84	11,385	510	11,979
Net income/(expenditure)		56	(235)	(325)	(504)
Transfers between funds		-	(337)	337	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(3,074)	-	(3,074)
Net movement in funds/(deficit)		56	(3,646)	12	(3,578)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		1,162	(3,031)	15,663	13,794
Total funds/(deficit) carried forward at 31 August 2019		1,218	(6,677)	15,675	10,216

Horizons Specialist Academy Trust

(Registration number: 08608287)

Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	12	15,283	15,654
Current assets			
Stocks	13	5	5
Debtors	14	427	361
Cash at bank and in hand		<u>3,028</u>	<u>2,618</u>
		3,460	2,984
Creditors: Amounts falling due within one year	15	<u>(598)</u>	<u>(645)</u>
Net current assets		<u>2,862</u>	<u>2,339</u>
Total assets less current liabilities		<u>18,145</u>	<u>17,993</u>
Net assets excluding pension liability		18,145	17,993
Pension scheme liability	25	<u>(10,182)</u>	<u>(7,777)</u>
Net assets including pension liability		<u>7,963</u>	<u>10,216</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	1,350	1,100
Restricted fixed asset fund	16	15,605	15,675
Restricted pension fund	16	<u>(10,182)</u>	<u>(7,777)</u>
		6,773	8,998
Unrestricted funds			
Unrestricted income fund	16	<u>1,190</u>	<u>1,218</u>
Total funds		<u>7,963</u>	<u>10,216</u>

The financial statements on pages 37 to 65 were approved by the Trustees, and authorised for issue on 11.12.20 and signed on their behalf by:


.....
E A Horne CBE
Trustee


.....
M D Jones
Trustee

Horizons Specialist Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	361	419
Cash flows from investing activities	21	<u>49</u>	<u>(305)</u>
Change in cash and cash equivalents in the year		410	114
Cash and cash equivalents at 1 September		<u>2,618</u>	<u>2,504</u>
Cash and cash equivalents at 31 August	22	<u><u>3,028</u></u>	<u><u>2,618</u></u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 (FRS 102)), the Academies Accounts Direction 2019 to 2020 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 2020 (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.

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 2020 (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	Depreciation method and rate
Leasehold land and buildings	50 years straight line
Leasehold improvements	up to 20 years straight line
Furniture and equipment	7 years straight line
Computer equipment	3 years straight line
Motor vehicles	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.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Leased assets

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

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 15. 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.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 £560,000 (2019 - £510,000).

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 27.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Other voluntary income					
Capital grants	-	-	228	228	139
Other donations	5	-	-	5	7
	<u>5</u>	<u>-</u>	<u>228</u>	<u>233</u>	<u>146</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>7</u>	<u>-</u>	<u>139</u>	<u>146</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	5,986	-	5,986	5,655
Other ESFA Group grants	-	860	-	860	561
	<u>-</u>	<u>6,846</u>	<u>-</u>	<u>6,846</u>	<u>6,216</u>
Other government grants					
Local authority grants	-	5,733	-	5,733	4,822
	<u>-</u>	<u>5,733</u>	<u>-</u>	<u>5,733</u>	<u>4,822</u>
Non-government grants and other income					
Other income from the academy trusts educational operations	9	36	-	45	37
	<u>9</u>	<u>36</u>	<u>-</u>	<u>45</u>	<u>37</u>
Total grants	<u>9</u>	<u>12,615</u>	<u>-</u>	<u>12,624</u>	<u>11,075</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>11</u>	<u>11,064</u>	<u>-</u>	<u>11,075</u>	

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Catering income	30	-	-	30	43
Other sales	-	72	-	72	60
Sundry income	89	-	-	89	58
School fund	5	-	-	5	10
	<u>124</u>	<u>72</u>	<u>-</u>	<u>196</u>	<u>171</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>111</u>	<u>60</u>	<u>-</u>	<u>171</u>	

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Short term deposits	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>11</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>	

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure

	Non Pay Expenditure			Total 2020 £ 000	Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	19	19	32
Academy's educational operations					
Direct costs	8,969	-	434	9,403	8,114
Allocated support costs	2,444	1,008	992	4,444	3,833
	<u>11,413</u>	<u>1,008</u>	<u>1,445</u>	<u>13,866</u>	<u>11,979</u>

	Non Pay Expenditure			Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2019	<u>9,658</u>	<u>933</u>	<u>1,388</u>	<u>11,979</u>

Net income/(expenditure) for the year includes:

	2020 £ 000	2019 £ 000
Operating lease rentals	19	4
Depreciation	560	510
Fees payable to auditor - audit	7	7
Fees payable to auditor - other audit services	<u>4</u>	<u>3</u>

7 Charitable activities

	2020 £ 000	2019 £ 000
Direct costs - educational operations	9,403	8,114
Support costs - educational operations	4,444	3,833
	<u>13,847</u>	<u>11,947</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities (continued)

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	2,444	2,444	1,970
Depreciation	560	560	510
Technology costs	222	222	206
Premises costs	448	448	423
Legal costs	1	1	1
Other support costs	708	708	598
Governance costs	61	61	125
Total support costs	<u>4,444</u>	<u>4,444</u>	<u>3,833</u>

8 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	7,940	7,054
Social security costs	725	650
Operating costs of defined benefit pension schemes	<u>2,349</u>	<u>1,678</u>
	11,014	9,382
Supply staff costs	388	269
Staff restructuring costs	<u>11</u>	<u>7</u>
	<u>11,413</u>	<u>9,658</u>
	2020	2019
	£ 000	£ 000
Staff restructuring costs comprise:		
Severance payments	<u>11</u>	<u>7</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11,124 (2019: £7,321). Individually, the payments were:

Non-contractual payments £11,241

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Staff numbers

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

	2020 No.	2019 No.
Charitable Activities		
Teachers and teaching assistants	203	183
Administration and support	113	109
Management	10	9
	<u>326</u>	<u>301</u>

Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	2	-
£80,001 - £90,000	2	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

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 £902,935 (2019 - £765,285).

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

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Finance
- HR
- ICT
- Safeguarding
- Premises and Facilities
- Health and Safety

Each academy also receives support from the Chief Executive, Executive Principal, Head of Finance and Head of Operations (part year).

The academy trust charges for these services using a 6% top-slice. As all academy reserves are held centrally by the trust, discretion can be applied to reduce this percentage on an exceptional basis. The amounts charged between 1 September 2019 to 31 August 2020 were as follows:

	2020	2019
	£ 000	£ 000
Abbey Hill	350	373
Westlands	46	105
Green Gates	57	58
Hollis	114	115
Mo Mowlam	101	-
	<u>668</u>	<u>651</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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: £135,000 - £140,000 (2019 - £125,000 - £130,000)

Employer's pension contributions: £30,000 - £35,000 (2019 - £20,000 - £25,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £272 (2019 - £520) were reimbursed or paid directly to 1 Trustees (2019 - 1).

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

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 2020 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Total £ 000
Cost						
At 1 September 2019	16,489	291	128	648	175	17,731
Additions	34	74	-	81	-	189
At 31 August 2020	16,523	365	128	729	175	17,920
Depreciation						
At 1 September 2019	1,383	125	87	424	58	2,077
Charge for the year	341	45	14	135	25	560
At 31 August 2020	1,724	170	101	559	83	2,637
Net book value						
At 31 August 2020	14,799	195	27	170	92	15,283
At 31 August 2019	15,106	166	41	224	117	15,654

During the prior year, the academy trust has taken up a 125 year leasehold on the site of the new Mo Molam academy. However, the lease will only commence on the completion of the new building as stipulated by the Local Authority. Until said time, the Local Authority has granted a licence to occupy over the old building. As a result of this, the value of the old building has not been recognised and the new building will be recognised as a donated fixed asset once the build is complete.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Stock

	2020	2019
	£ 000	£ 000
Stock	<u>5</u>	<u>5</u>

14 Debtors

	2020	2019
	£ 000	£ 000
Trade debtors	9	3
VAT recoverable	12	66
Prepayments and accrued income	114	111
Accrued grant and other income	<u>292</u>	<u>181</u>
	<u>427</u>	<u>361</u>

15 Creditors: amounts falling due within one year

	2020	2019
	£ 000	£ 000
Trade creditors	47	177
Other taxation and social security	177	178
Accruals	147	86
Deferred income	47	53
Pension scheme creditor	<u>180</u>	<u>151</u>
	<u>598</u>	<u>645</u>

	2020	2019
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2019	53	8
Resources deferred in the period	47	53
Amounts released from previous periods	<u>(53)</u>	<u>(8)</u>
Deferred income at 31 August 2020	<u>47</u>	<u>53</u>

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

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	1,100	5,986	(5,474)	(262)	1,350
Other DfE/EFA	-	860	(860)	-	-
Other Government grants	-	5,733	(5,733)	-	-
Other income	-	108	(108)	-	-
	<u>1,100</u>	<u>12,687</u>	<u>(12,175)</u>	<u>(262)</u>	<u>1,350</u>
Restricted fixed asset funds					
Transfer on conversion	12,484	-	-	-	12,484
DfE/ESFA capital grants	2,616	228	(560)	262	2,546
Capital expenditure from GAG	575	-	-	-	575
	<u>15,675</u>	<u>228</u>	<u>(560)</u>	<u>262</u>	<u>15,605</u>
Restricted pension funds					
Pension reserve	<u>(7,777)</u>	-	(955)	(1,450)	<u>(10,182)</u>
Total restricted funds	8,998	12,915	(13,690)	(1,450)	6,773
Unrestricted funds					
Unrestricted funds	<u>1,218</u>	<u>148</u>	<u>(176)</u>	-	<u>1,190</u>
Total funds	<u><u>10,216</u></u>	<u><u>13,063</u></u>	<u><u>(13,866)</u></u>	<u><u>(1,450)</u></u>	<u><u>7,963</u></u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	1,024	5,656	(5,243)	(337)	1,100
Other DfE/EFA	-	560	(560)	-	-
Other income	-	4,908	(4,908)	-	-
	<u>1,024</u>	<u>11,124</u>	<u>(10,711)</u>	<u>(337)</u>	<u>1,100</u>
Restricted fixed asset funds					
Transfer on conversion	12,904	-	(420)	-	12,484
DfE/ESFA capital grants	2,165	185	(71)	337	2,616
Capital expenditure from GAG	594	-	(19)	-	575
	<u>15,663</u>	<u>185</u>	<u>(510)</u>	<u>337</u>	<u>15,675</u>
Restricted pension funds					
Pension reserve	<u>(4,055)</u>	<u>26</u>	<u>(674)</u>	<u>(3,074)</u>	<u>(7,777)</u>
Total restricted funds	12,632	11,335	(11,895)	(3,074)	8,998
Unrestricted funds					
Unrestricted funds	<u>1,162</u>	<u>140</u>	<u>(84)</u>	<u>-</u>	<u>1,218</u>
Total funds	<u>13,794</u>	<u>11,475</u>	<u>(11,979)</u>	<u>(3,074)</u>	<u>10,216</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

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 Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/EFA grants, other government grants and other restricted funds include Pupil Premium, sickness insurance income, 16-19 Bursary funding & PE teachers grant.

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 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.

Assets transferred from the Local Authority reflect the fixed assets acquired on conversion.

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

DfE/EFA capital grants – The income relates to capital funding which has been received from the DfE/EFA for utilisation on building improvements and refurbishments.

Transfers between funds represents fixed assets purchased out of GAG.

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£ 000	£ 000
Central Services	<u>2,540</u>	<u>2,318</u>
Total before fixed assets and pension reserve	2,540	2,318
Restricted fixed asset fund	15,605	15,675
Pension reserve	<u>(10,182)</u>	<u>(7,777)</u>
Total	<u><u>7,963</u></u>	<u><u>10,216</u></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.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Abbey Hill	5,332	93	83	643	6,151
Westlands	1,359	50	118	177	1,704
Green Gates	921	9	17	125	1,072
Hollis	1,397	152	95	254	1,898
Mo Mowlam	1,263	119	18	332	1,732
Central Services	718	-	-	31	749
Academy Trust	<u>10,990</u>	<u>423</u>	<u>331</u>	<u>1,562</u>	<u>13,306</u>

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
Abbey Hill	4,979	63	109	662	5,813
Westlands	1,213	57	91	184	1,545
Green Gates	808	1	17	112	938
Hollis	1,279	112	103	249	1,743
Mo Mowlam	464	43	15	122	644
Central Services	639	-	3	112	754
Academy Trust	<u>9,382</u>	<u>276</u>	<u>338</u>	<u>1,441</u>	<u>11,437</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	15,283	15,283
Current assets	1,190	1,948	322	3,460
Current liabilities	-	(598)	-	(598)
Pension scheme liability	-	(10,182)	-	(10,182)
Total net assets	<u>1,190</u>	<u>(8,832)</u>	<u>15,605</u>	<u>7,963</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	15,654	15,654
Current assets	1,218	1,745	21	2,984
Current liabilities	-	(645)	-	(645)
Pension scheme liability	-	(7,777)	-	(7,777)
Total net assets	<u>1,218</u>	<u>(6,677)</u>	<u>15,675</u>	<u>10,216</u>

18 Capital commitments

	2020 £ 000	2019 £ 000
Contracted for, but not provided in the financial statements	<u>595</u>	<u>480</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£ 000	£ 000
Amounts due within one year	19	4
Amounts due between one and five years	68	1
	<u>87</u>	<u>5</u>

20 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2020	2019
	£ 000	£ 000
Net expenditure	(803)	(504)
Depreciation	6	510
Capital grants from DfE and other capital income	(228)	(139)
Assets transferred on conversion from Local Authority	-	(46)
Interest receivable	5	(11)
Defined benefit pension scheme obligation inherited	25	(26)
Defined benefit pension scheme cost less contributions payable	25	568
Defined benefit pension scheme finance cost	25	106
(Increase)/decrease in debtors	(66)	215
Decrease in creditors	(47)	(254)
Net cash provided by Operating Activities	<u>361</u>	<u>419</u>

21 Cash flows from investing activities

	2020	2019
	£ 000	£ 000
Dividends, interest and rents from investments	10	11
Purchase of tangible fixed assets	(189)	(455)
Capital funding received from sponsors and others	228	139
Net cash provided by/(used in) investing activities	<u>49</u>	<u>(305)</u>

22 Analysis of cash and cash equivalents

	2020	2019
	£ 000	£ 000
Cash at bank and in hand	<u>3,028</u>	<u>2,618</u>
Total cash and cash equivalents	<u>3,028</u>	<u>2,618</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	2,618	410	3,028
Total	2,618	410	3,028

24 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.

25 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 . Both are multi-employer defined benefit schemes.

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

Contributions amounting to £180,154 (2019 - £150,939) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2020 (continued)

25 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 £940,174 (2019: £592,470).

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

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 2020 was £778,000 (2019 - £670,000), of which employer's contributions totalled £580,000 (2019 - £495,000) and employees' contributions totalled £198,000 (2019 - £175,000). 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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.10
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	<u>2.30</u>	<u>2.10</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 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:

	2020	2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	23.50	23.80
Retiring in 20 years		
Males retiring in 20 years	23.20	23.60
Females retiring in 20 years	<u>25.30</u>	<u>25.70</u>
Sensitivity analysis		
	At 31	At 31
	August	August
	2020	2019
	£000	£000
Discount rate +0.1%	22,224	18,591
Discount rate -0.1%	23,316	19,497
Mortality assumption – 1 year increase	23,612	19,693
Mortality assumption – 1 year decrease	21,950	18,393
CPI rate +0.1%	22,861	19,208
CPI rate -0.1%	<u>22,679</u>	<u>18,872</u>

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

	2020	2019
	£ 000	£ 000
Equities	9,567	8,221
Property	1,007	867
Cash and other liquid assets	1,460	2,027
Other	<u>554</u>	<u>146</u>
Total market value of assets	<u>12,588</u>	<u>11,261</u>

The actual return on scheme assets was £779,000 (2019 - £409,000).

Amounts recognised in the statement of financial activities

	2020	2019
	£ 000	£ 000
Current service cost	1,392	855
Past service cost	-	208
Interest income	(219)	(293)
Interest cost	<u>362</u>	<u>399</u>
Total amount recognised in the SOFA	<u>1,535</u>	<u>1,169</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Pension and similar obligations (continued)

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

	2020	2019
	£ 000	£ 000
At start of period	19,039	14,170
Conversion of academy trusts	-	268
Current service cost	1,392	855
Interest cost	362	399
Employee contributions	198	175
Actuarial (gain)/loss	2,010	3,190
Benefits paid	(231)	(226)
Past service cost	-	208
At 31 August	<u>22,770</u>	<u>19,039</u>

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

	2020	2019
	£ 000	£ 000
At start of period	11,262	10,115
Conversion of academy trusts	-	294
Interest income	219	293
Actuarial gain/(loss)	560	116
Employer contributions	580	495
Employee contributions	198	175
Benefits paid	(231)	(226)
At 31 August	<u>12,588</u>	<u>11,262</u>

26 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.

No related party transactions took place in the period of account.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £16,299 and disbursed £18,739 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 2019 are £17,498 received, £15,968 disbursed and £Nil included in other creditors.