

Registration number: 08608287

HORIZONS SPECIALIST ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Horizons Specialist Academy Trust

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Horizons Specialist Academy Trust

Reference and Administrative Details

Members	M Clinton (resigned 24 May 2021) Dame D Smith Prof. I Cunningham M D Jones (resigned 24 May 2021) B Kirby L Laidler (appointed 1 September 2021)
Trustees (Directors)	E A Horne CBE C J Whittaker L Laidler (resigned 11 July 2021) Dr B N P Sinha J Bromiley M D Jones S Richardson (resigned 7 November 2020) S Wilson D Walker D New (appointed 1 September 2021) R Nicholls (appointed 1 September 2021)
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 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 2021

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

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

- Abbey Hill Academy & Sixth Form – Ketton Road, Stockton on Tees, TS19 8BU
- 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. From February 2021 - Corporation Road, Redcar, Cleveland TS10 1PA
- Westlands Academy – Eltham Crescent, Thornaby, Stockton on Tees, TS17 9RA

Coronavirus pandemic operational context – Key Priorities, Issues and Developments of note

During this academic year, schools across the UK have continued to be affected by the impact of the Coronavirus pandemic. As a consequence, as the term began, there were added issues of managing the many anxieties that emerged from students, parents and carers, and staff. The main priority was to keep the children and young people safe, many of whom are considered clinically vulnerable. The CEO and senior leaders continued to show strong leadership in their ongoing management of Covid and its impact: quickly interpreting guidance and ensuring its' efficient dissemination and effective implementation; overseeing the staffing issues that have arisen; and ensuring deployment of appropriate support was in place. The health and wellbeing of staff and students continued to be a priority and the success of this priority has been evidenced in staff morale, attendance, and the quality of interaction with students. Within this context the Trust continued to grow and expand whilst all developments were well managed:-

- Successful negotiation with Stockton Borough Council with regard to the expansion of Autism Spectrum Disorder (ASD) provision brought over £300k of extra funding for the development of four class areas to accommodate 32 students with ASD
- The Trust prepared and submitted a Significant Change Request to the DfE for an increase in numbers at Abbey Hill Academy to 357, which was approved by the Regional Schools Commissioner
- The Mo Mowlam Academy new-build was successfully completed and the move into the new building in February 2021 was successfully managed for the whole school community
- Successful negotiation with a local authority PRU – Archway – in Redcar & Cleveland resulted in Archway, as a Good Alternative Provision, joining the Trust on 1 September 2021
- Plans were developed for long-term succession planning and sustainability of leadership in the Trust
- Plans were developed for further growth of the Trust, with exploration off the possibility of a free school project and/or the development of a HSAT Hub.

It is a testament to the strength and quality of the Trust that it continues to drive forward developments whilst managing effectively the ongoing educational, social, care and health needs of pupils and students during this difficult year.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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.

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 holds a Member appointed position and shall be a Trustee for as long as he/she remains in that position.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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 (resigned 11.07.21)

Dr Baxi Sinha

James Bromiley

Sue Richardson (resigned 07.12.20)

Sian Wilson

David Walker

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. Two new Trustees have been recruited and will join the Board on 1 September 2021.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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

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

Trustees and Governors received safeguarding training during the 2020/21 session - ensuring that they are fully updated in terms of the revised 'Keeping Children Safe in Education' document. Due to Covid 19, Trustees' annual self-evaluation was deferred to the 2021/2022 session. Practically wise, individual training was provided on the use of Microsoft Teams to support the ongoing use of online meetings.

Organisational Structure

The leadership and management structure of the Trust has been further enhanced during 2020/2021 with Trustees identifying the value of having a Deputy CEO to join the Executive Leadership Team. The Deputy CEO will take up post from 1 September 2021.

The Trust Board is supported by an effective Committee structure comprising the 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.

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, HR Manager, IT Manager and Governance Operations Manager. Key leaders from these groups work closely with the CEO to inform strategic decision making. The addition of the Deputy CEO post will support the establishment of an enhanced Executive Leadership Team next school session.

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 Trustee.

The Board of Trustees has overall responsibility and is ultimately accountable for the academies within the Trust. They hold the Chief Executive to account, who in turn holds the Executive Leaders 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;

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

- 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.

Trade Union Facility Time - Relevant Union Officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
4	247.06

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£252.30
Total pay bill	£10,816,077
Percentage of the total pay bill spend on facility time	0.0023%

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Paid trade union activities

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

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

Engagement with employees (including disabled persons)

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

Good communication throughout any organisation is key and, 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. In October 2020, Investors in People reviewed the Trust's response to challenges of the pandemic, confirming that staff felt confident in the Trust's approach; and that they felt safe and secure through the establishment of protective measures and protocols. Approaches to learning and development evolved and staff accessed professional learning opportunities via a range of on-line platforms.

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

The Principal of the Trust's Sixth Form provision also leads on professional learning across this Trust with the support of two Assistant Vice Principals who work in different settings. All academies have a ring fenced staff development budget to invest in their employees – we are seeking to maximise the effective use of this by investing in programmes across our group of schools. There has been a mixture of online, face-to-face, group and off site training and Continuous Professional Development (CPD) events utilising both in-house and external training. HSAT have continued to run our internal CPD programmes, peer networks and work streams throughout the pandemic utilising remote and online technology.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

HSAT staff have continued to be signposted to the full suite of National Professional Qualification (NPQ) leadership qualifications often utilising funding through the opportunity area. There are specific achievements during 2020-21 such as one member of staff successfully completing the National Professional Qualification for Senior Leaders (NPQSL) and two staff completing National Professional Qualification for Middle Leaders (NPQML).

To support teachers at the early stage of their careers, HSAT delivered two training events for both a cohort of Primary and Secondary Teachers from York St John University and Campus Stockton Teaching Alliance.

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

As outlined in the Trust Single Equality Policy, the principles of equality of opportunity and positive action have distinctive implications for disability equality, particularly in relation to the concept of reasonable adjustment and the provision of auxiliary aids and services. This is particularly important for a Trust whose academies educate pupils and students with a wide range of Special Educational Needs (SEN) and disabilities. The Trust aims to improve the physical environment to enable those with SEN and disabilities to take better advantage of the facilities and services provided. An example of this is the new state-of-the-art building for Mo Mowlam Academy. The new building can accommodate up to 100 children and young people with Social, Emotional and Mental Health difficulties. This ensures that the Trust has greater capacity to support more students with special needs across the Tees Valley. Both Primary and Secondary aged students are now able to access modern, specialist classrooms, a large dining hall, a soft play and sensory spaces. In addition, the students have access to extensive external areas including playing pitches and multi-use games areas, which were not previously available at the Grangetown facility.

The establishment of an additional base for Year 7 students with autism went ahead as planned following funding from Middlesbrough Local Authority. Fairfax provision catered for 8 students with autism and moderate learning difficulties and plans for September 2021 include the addition of a further class group, following the positive feedback both from the LA, feeder school and parents/carers.

Engagement with Students

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.

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

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

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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Governors from each Academy Council have the opportunity to regularly visit the schools and talk directly to students to ensure they have their say. During 2020-21 some planned visits took place via virtual platforms, due to the Covid risk management procedures in place at the time.

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

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

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

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

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

Ofsted continue to review the education standards within Trust academies which includes direct involvement from Trustees.

Local Authority engagement during the year resulted in the approval of significant investment to refurbish an existing space attached to the gymnasium at Abbey Hill Academy. The refurbishment will lead to the development of four additional classrooms for students with autism.

The Board of Trustees aims to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of conduct and good governance expected for a multi Academy Trust. In light of Covid-19 and government guidance, suppliers affected by the reduced activities of our academies were contacted to ensure their businesses were not adversely affected. Consideration was also given to our staff during this period ensuring no individual was in a detrimental position due to the pandemic.

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

Trustees' Report for the Year Ended 31 August 2021 (continued)

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

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

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

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

Objectives, Strategies and Activities

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

Our **Core Values** include being:

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

The COVID-19 pandemic brought new meaning to these values and was a unique social problem for us all. From the outset, HSAT was determined to respond appropriately to national and local guidance in order to keep our staff, students and their families safe. This meant completely changing traditional ways of working. Whilst Special Schools were expected to remain open throughout each lockdown, many parents and carers felt it was more appropriate that their child remained at home. To ensure we were still able to effectively deliver an educational offer, remote learning was implemented. Students and their families had access to on-line learning and/or paper-based, physical resources.

Despite the circumstances relating to the Covid-19 pandemic, our core values remained as a guide to our improvement priorities. They continue to be 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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. In 2021, Abbey Hill Academy submitted a significant change request to expand the number of places the Academy could offer to 357 over the next two years. This request was made with the full support of Stockton Local Education Authority who also invested funds to support the creation of four additional classrooms.

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 – Trustees, the Chief Executive, Executive Leaders, Principals, senior managers and staff - are excited by its challenges and opportunities.

Public Benefit

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

Strategic Report

Achievements and Performance

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

- Ofsted evaluated 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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.

Structures have been further developed during the eighth year of operation of the Trust with the establishment of a Deputy CEO post 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 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 2020-21 school session has resulted in the improvement in provision of facilities for students across the Trust. Four of the five submissions were approved benefitting two academies with new boilers, one with improved fire safety and one with a new sports hall roof, generating over £500k in capital funding. Although delays have been experienced in completing capital projects, it is anticipated that all projects will be completed during the 2021/22 academic year.

Horizons' Executive Leadership Team continues to ensure that the self-evaluation of each Academy is effectively scrutinised and validated through internal processes, and external and independent professional scrutiny. The 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 level of expertise in the area of Special Educational Needs and is formally recognised as an Ofsted inspector.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Confirmation of the quality of the Trust's leadership and management and, in particular, its management of change and development is reflected in awards gained: Investors in People Gold 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). Abbey Hill Academy was also recognised as a Silver organisation as part of the Move Programme, which promotes activity-based practice that enables disabled young people to gain independent movement. The Academy was also recognised by Stockton Local Authority for the work undertaken to support Children and Young People in Care. In recognition of this, the Local Authority awarded Abbey Hill the Premium Plus Award. In addition to these achievements and of note is the Safeguarding Initiative Award gained by Abbey Hill Academy. This was awarded by the Global Centre for Safeguarding Excellence. To achieve this for the work undertaken to keep children safe at any time, but particularly when delivering education and care within the context of the Covid-19 (Coronavirus) global pandemic, is extremely noteworthy and commendable.

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 2021, Trustees identified the need for a Deputy CEO, and the Principal of Abbey Hill was successfully appointed to this new position. This will take effect from September 2021.

As previously highlighted, 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 2021/22 session. In addition, plans to expand the existing provision for students with autism at the Abbey Hill site were approved and plans are in place to create four new classrooms. This will enable the provision to increase places by 16 in 2021-22 and a further 16 in 2022-23. Taking the roll to 357.

The Trust's Key Performance Indicators highlighted in the Strategic Plan, specifically the objectives for 2020/21 and the progress in achieving these highlight the key areas of performance. The following KPIs related to the 4 Strategic Objectives within the Strategic Plan were achieved across the Trust during the 2020/21 session:-

Strategic Objective 1 – To ensure vulnerable children and young people are protected from harm and supported to keep themselves safe

- All Academies achieved Attachment Friendly environments
- 100% of students offered and engaged in health and wellbeing programmes as part of the curriculum

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

- 100% of professionals engaged in bespoke professional development
- 65% primary pupils achieved or made progress towards achieving the standard of phonics at the end of Key Stage 1
- 100% of leavers at Key Stage 5 achieved accreditation in English, Maths and Personal and Social Development

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

- 100% pupils and students offered intelligently sequenced curriculum for core and non-core areas
- 90% satisfaction rates from student and parent/carer questionnaires regarding the support they receive from academies
- 65% of pupils at the end of Key Stage 2 made at least good progress in Reading and Writing
- At least 95% of leavers in Key Stage 4 in four out of five academies achieved a qualification in both English and Maths

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

- 100% students received high-quality careers education
- 100% students were offered at least one encounter with an employer – in many cases virtually
- All academies developed an intelligently sequenced PSHE curriculum endorsed by external validation
- By end of 2020/21 all academies achieved the Gatsby Benchmarks attainable during the pandemic
- Across the Trust, 85% of leavers are engaged in learning, training or employment
- ASD Accreditation maintained by Abbey Hill Academy
- Ofsted Inspections undertaken during 2019/20 confirm support from the Trust and improvement

Strategic Objective 4 – To maintain a strong MAT infrastructure and leadership which supports further development (Leadership and Management and Governance)

- 100% senior and executive leaders have been deployed in Quality Assurance and Support and Challenge roles
- 90% staff report they feel well supported in terms of their wellbeing
- Retention of IIP Gold at last evaluation
- Maintained ASD Accreditation
- Trust Board skills coverage is maintained and evidenced
- Trust has maintained 2 months' operating costs in reserves
- Trust did not spend more than 84% of all income on staffing (82.67%)
- Trust had at least 2% surplus in all academies (2.85%)
- Trust expansion achieved addition of one more Academy
- 2 Senior Leaders engaged as Ofsted inspectors
- Excellent financial probity measures – 0 red flags

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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, 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. 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'.

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 90 students accessing the space. To ensure that we could continue to meet the needs of this cohort, the Directors approved an extension to the existing Walker Building with a modular building providing an additional two classrooms. Additional funding has been sourced to create a further four classrooms as part of a conversion project due to start in the Autumn Term of 2021.

- 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

- 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 and is now recognised as a 'Silver' organisation. In August 2018 and subsequently in June 2021 the Academy was recognised by the National Autism Society and retained the NAS Award. The Academy has also been recognised by UNICEF for its commitment to embedding The Rights Respecting Schools programme and received the Gold Award November 2020.

Most recent Ofsted judgement

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

"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)

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. The Academy followed the guidance provided by Ofqual and the exam boards to ensure that all students received the grades and qualifications that they deserved. 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'.

Headline Outcomes:

Secondary Provision

100% of Formal Curriculum students achieved a qualification in English, Maths, Science, Art, PE and vocational option subjects.

94% of Pre-Formal and Semi-Formal learners achieved the Personal Progress Extended Certificate.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

96% of Formal Curriculum students achieved an RQF recognised qualification in Preparation for Adulthood at appropriate level.

Post-16

100% of students gained an English qualification

100% students gained a Maths qualification

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

85% of Pathway 4 students achieved 7 GCSE/Level 1-2 qualifications

100% of Pathway 2 (a) achieved 4 Entry Levels at target grades

100% of Pathway 2 (b) achieve 2 Entry Levels at target grades

100% of Pathway 1 achieved Diploma in Personal Progress

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)

COVID-19

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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

Headline Outcomes:

100% of students gained an English qualification

95% of students gained a Maths qualification

60% of students achieved at least one Level 2 qualification

95% of students achieved at least one Level 1 qualification

60% of students received 6+ L1 and/or L2 qualifications

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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Headline Outcomes:

End of Key Stage 2 Results

Reading (4 pupils in total)

Pupils meeting CAT score target - 100%

Pupils meeting DFE target - 100%

Maths (4 pupils in total)

Pupils meeting CAT score target - 100%

Pupils meeting DFE target - 50% (2 pupils)

Writing (4 pupils in total)

Pupils meeting CAT score target - 100%

Pupils meeting DFE target - 50% (2 pupils)

Hollis Academy

Background

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

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

(Ofsted 2019)

COVID-19

Hollis Academy made every effort to limit any negative impact the Covid pandemic may have had on students through regular communication 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. Year 11 students due to complete qualifications were not affected as the Academy followed the guidance provided 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.

Headline Outcomes:

100% of students received a qualification

96% of students received a qualification in either English or Maths

96% of students received both an English and Maths Qualification

96% of students received a Maths qualification

96% students received an English qualification

33% of students received a Level 2 qualification

87% of students received a Level 1 qualification or higher

29% of students received 5+ at GCSE, L1 and or L2 qualifications

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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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.

COVID-19

Due to the Covid 19 Pandemic 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 the vast majority of young people leaving the school in summer 2021 achieved the qualifications they were on track to achieve prior to the pandemic.

Headline Outcomes:

80% of students received at least 2 qualifications

80% of students received a qualification in either English or Maths

70% of students received both an English and Maths Qualification

80% of students received a Maths qualification

70% of students received an English qualification

50% of students achieved 4 or more qualifications including English and Maths

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.

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

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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. This is evident in the Fairfax Provision and Asher Annexe, both areas of expansion involving two Local Authorities.

Financial Review

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

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

During the period 1 September 2020 to 31 August 2021 total expenditure of £15,025,000 was in excess of grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £375,000.

At 31 August 2021 the net book value of fixed assets was £15,101,000. 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 £10,527,000 which has been carried forward to 2021/22. It should be noted that this does not present a liquidity problem for the Trust, but may result in increased contributions in future years. At the request of the Secretary of State for Education, Parliament agreed to meet any outstanding Local Government Pension liabilities in the event of an Academy closure.

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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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 2021, the value of unrestricted reserves (freely available to the Trust) was £1,272,000. Restricted funds as at 31 August 2021 were £1,303,000 (excluding pension and fixed assets) making the total reserves £2,575,000. Trustees are committed to implementing an estate improvement plan along with annual capital investments from reserves to make use of reserves above the agreed minimum.

Investment Policy

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

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 25 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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

Fundraising

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

Streamlined Carbon Energy Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	
Energy consumption used to calculate emissions (kWh)	2,378,933
Energy consumption break down (kWh) <ul style="list-style-type: none">• gas,• electricity,• transport fuel	1,696,519 640,039 73,675
Scope 1 emissions in metric tonnes CO ₂ e Gas consumption Owned transport – mini-buses Total scope 1	319.73 8.76 328.49
Scope 2 emissions in metric tonnes CO ₂ e Purchased electricity	135.89
Scope 3 emissions in metric tonnes CO ₂ e Business travel in employee owned vehicles	9.39
Total gross emissions in metric tonnes CO ₂ e	473.77
Intensity ratio Tonnes CO ₂ e per pupil	0.820

Quantification and reporting methodology

We have followed the HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Measures taken to improve energy efficiency

- LED lights replacing normal lighting when old no longer serviceable.
- More efficient boiler plant installations planned at various sites (successful CIF bids).
- Single glazed window and door replacements.
- Improved BMS software for improved control of heating in new build.
- New insulated gym roof (successful CIF bid).

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.
- 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, 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-

- 75% of pupils at the end of key stage one make progress towards expected standard (reading/writing and maths combined)
- 65% of pupils at the end of key stage two achieve targets based upon key stage one data and or CAT 4 tests in final SAT Tests (Reading/ Spelling, Punctuation and Grammar/Maths combined)
- 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

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Strategic Objective 3: To provide opportunities for children and young people to become confident in their interaction with others and to fully participate in society.

Personal Development KPIs are as follows-

- National Gatsby benchmarks being achieved and 100% of students receiving high-quality careers education, including having encounters with employers, 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 and fully implement an intelligently sequenced PSHE curriculum, including the programme requirements in relation to RSHE, endorsed by Trust QA Team/VSE.

Strategic Objective 4: To maintain a strong MAT infrastructure which supports further development.

Leadership and Management KPIs are as follows:-

- Ofsted grades for all academies will be Good within 5 years of joining the Trust as evidenced in Ofsted inspections in 2021/22.
- 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.
- Expansion of the Trust continues to take place in 2021-22 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 following 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 September 2021, an Alternative Provision will join 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.
- An additional academy will be identified to join the Trust by end of 2021/22.

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.

Horizons Specialist Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are centred on the on-going changes to High Needs Funding - the processes by which the Academies receive their primary source of income from the ESFA and local commissioners of Special Educational Needs places. This is a key area that is being strictly monitored, reviewed and managed by the Trust to understand the financial implications and take action to address, 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.

Auditor

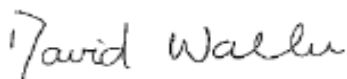
Insofar as the Trustees are aware:

- 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 10 December 2021 and signed on its behalf by:



.....
D Walker
Trustee

Horizons Specialist Academy Trust

Governance Statement

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Trust's Chief Executive, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. 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 seven times during the year and attendance was as follows:

Trustee	Meeting attended	Out of a possible
Elizabeth Horne CBE	7	7
Colin Whittaker	6	7
Maurice Jones	6	7
Linda Laidler	4	6
Dr Baxi Sinha	6	7
James Bromiley	6	7
Sue Richardson	2	2
Sian Wilson	6	7
David Walker	6	7

There is a whole host of data utilised by the Board, its Committees and the Academy Councils throughout the course of its business. As requested by the Board, the way in which data is presented to Trustees - and in particular the Standards Committee - has been further developed, and Trustees 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.

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.

Horizons Specialist Academy Trust

Governance Statement (continued)

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 2020-2021 session, 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	5	5
Maurice Jones	5	5
Linda Laidler	4	5
Colin Whittaker	5	5
Dr Baxi Sinha	4	5
James Bromiley	4	5

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social outcomes achieved in return for the taxpayer resources received.

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

Improving Educational Outcomes

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

- Offering a diverse curriculum ensuring all students have had the opportunity to raise their individual levels of attainment as well as accessing a greater range of qualifications.
- Implementing a robust Remote Learning Policy and subsequent procedures which results in all students being able to access well-planned and sequenced lessons despite not always being able to be in school.

Horizons Specialist Academy Trust

Governance Statement (continued)

- Providing a Summer Schools programme in response to the impact that the coronavirus (COVID-19) pandemic had on students learning. The aim of the summer schools programme was to provide students with academic education and enrichment activities in order to mitigate the impact of lost learning, particularly with regard to reading and mathematics.
- Positive feedback from external awarding bodies with regards to student work and teacher assessment. Grades awarded reflected predicted grades.
- Providing regular and robust training and development which underpinned the appraisal process and whereby staff continued to be encouraged and supported in their personal professional development despite the challenges of the Covid-19 pandemic. The Professional Learning Lead for the Trust planned programmes across all academies, ensuring best value in terms of economies of scale in relation to the cost of professional development opportunities.
- Use of external benchmarks such as the National Autistic Society quality mark, MOVE programme and Rights Respecting Schools Award ensures that each school offer is pertinent to the needs of the students and demonstrates high standards for student achievement with an effective curriculum, good use of resources, successful staff teams and strong partnerships.
- Enabling two members of staff to continue to access training as OFSTED inspectors – increasing future income generation alongside improved knowledge.
- Supporting the Chief Executive's continued involvement in the Head Teachers Board – generating additional income for the Trust as well as providing a valuable contribution to the Regional Schools Commissioner.

Financial Performance

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

- Staffing costs were reviewed and the need for specific posts challenged when vacancies arose - and only filled if necessary and affordable. As a result, a number of support staff posts were advertised at different grades or newly defined posts appointed, resulting in cost savings.
- Existing Trust and Academy staff were utilised in supporting individual academies in key areas during the year. Certain roles are shared with staff employed to work across multiple sites. This has been a particular success - providing cost savings and opportunities for staff development.
- Trustees agreed to significant financial contributions to support five Academy CIF applications, of which four were successful - resulting in £510k grant income to improve four 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.

Horizons Specialist Academy Trust

Governance Statement (continued)

- 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.
- A major furniture procurement exercise was carried out, resulting in high quality furniture at a competitive price to furnish a newly opened Academy.
- All staff with budget responsibility, regardless of the amounts involved, were supported and encouraged to achieve value for money from the Finance team. The Finance Policy continues to be regularly reviewed and clearly outlines ways to ensure the integrity of public funds and how they can be maintained by following the principles of probity, accountability and fairness.
- The Trust continues to benchmark its costs against similar organisations to identify potential areas for savings. High-level information from published annual accounts for other Trusts has been reviewed and compared with our data, along with 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 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy 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 2020 and ending 31 August 2021, 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

Horizons Specialist Academy Trust

Governance Statement (continued)

- identification and management of risks.

The Board of Trustees has decided:

- to employ Azets as internal auditor

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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

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.

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:

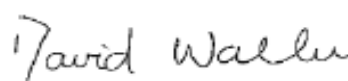
- the work of internal assurance;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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 10 December 2021 and signed on its behalf by:



.....
E A Horne CBE
Trustee



.....
D Walker
Trustee

Horizons Specialist Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Horizons Specialist Academy Trust I have considered my responsibility to notify the academy trust Board 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 2020.

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 2020.

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

10 December 2021

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:

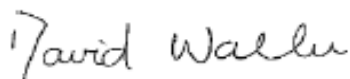
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 10 December 2021 and signed on its behalf by:



.....
D Walker
Trustee

Horizons Specialist Academy Trust

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

Opinion

We have audited the financial statements of Horizons Specialist Academy Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2020 to 2021.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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 35], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Horizons Specialist Academy Trust

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

Auditor'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.

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

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

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

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

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

Horizons Specialist Academy Trust

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

Use of our report

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



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

Date: 15 December 2021.

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

Horizons Specialist Academy Trust

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

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizons Specialist Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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;

Horizons Specialist Academy Trust

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

- Evaluation of internal control procedures and reporting lines;
- Review 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Date: 15 December 2021.

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 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Donations and capital grants	2	8	-	888	896
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	10	13,391	-	13,401
Other trading activities	4	103	58	-	161
Investments	5	3	-	-	3
Total		<u>124</u>	<u>13,449</u>	<u>888</u>	<u>14,461</u>
Expenditure on:					
Raising funds	6	-	13	-	13
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>42</u>	<u>14,367</u>	<u>603</u>	<u>15,012</u>
Total		<u>42</u>	<u>14,380</u>	<u>603</u>	<u>15,025</u>
Net income/(expenditure)		82	(931)	285	(564)
Transfers between funds		-	(339)	339	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	<u>-</u>	<u>878</u>	<u>-</u>	<u>878</u>
Net movement in funds/(deficit)		82	(392)	624	314
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		<u>1,190</u>	<u>(8,832)</u>	<u>15,605</u>	<u>7,963</u>
Total funds/(deficit) carried forward at 31 August 2021		<u><u>1,272</u></u>	<u><u>(9,224)</u></u>	<u><u>16,229</u></u>	<u><u>8,277</u></u>

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:					
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

(Registration number: 08608287)

Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	12	15,101	15,283
Current assets			
Stocks	13	5	5
Debtors	14	1,231	427
Cash at bank and in hand		<u>3,262</u>	<u>3,028</u>
		4,498	3,460
Creditors: Amounts falling due within one year	15	<u>(795)</u>	<u>(598)</u>
Net current assets		<u>3,703</u>	<u>2,862</u>
Total assets less current liabilities		<u>18,804</u>	<u>18,145</u>
Net assets excluding pension liability		18,804	18,145
Pension scheme liability	25	<u>(10,527)</u>	<u>(10,182)</u>
Net assets including pension liability		<u>8,277</u>	<u>7,963</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	1,303	1,350
Restricted fixed asset fund	16	16,229	15,605
Restricted pension fund	16	<u>(10,527)</u>	<u>(10,182)</u>
		7,005	6,773
Unrestricted funds			
Unrestricted income fund	16	<u>1,272</u>	<u>1,190</u>
Total funds		<u>8,277</u>	<u>7,963</u>

The financial statements on pages 42 to 69 were approved by the Trustees, and authorised for issue on 10 December 2021 and signed on their behalf by:

Elizabeth Horne

.....
E A Horne CBE
Trustee

David Walker

.....
D Walker
Trustee

Horizons Specialist Academy Trust

Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(199)	361
Cash flows from investing activities	21	<u>433</u>	<u>49</u>
Change in cash and cash equivalents in the year		234	410
Cash and cash equivalents at 1 September		<u>3,028</u>	<u>2,618</u>
Cash and cash equivalents at 31 August	22	<u><u>3,262</u></u>	<u><u>3,028</u></u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 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 2021 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Donated fixed assets

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

Investment income

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

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

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

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

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

Asset class

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

Depreciation method and rate

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

Liabilities

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

Provisions

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

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

Leased assets

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

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Financial Instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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.

Pension benefits

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

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from Education Skills and Funding Agency and the Department for Education Group.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £603,000 (2020 - £560,000).

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.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Capital grants	-	-	851	851	228
Other donations	8	-	-	8	5
Donated fixed assets	-	-	37	37	-
	<u>8</u>	<u>-</u>	<u>888</u>	<u>896</u>	<u>233</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>5</u>	<u>-</u>	<u>228</u>	<u>233</u>	

Included within Capital Grants above is £805,594 (2020 - £189,031) of Condition Improvement Funding ('CIF') which had not been received at the balance sheet date.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	5,990	-	5,990	5,986
Other ESFA Group grants	-	832	-	832	860
	<u>-</u>	<u>6,822</u>	<u>-</u>	<u>6,822</u>	<u>6,846</u>
Other government grants					
Local authority grants	-	6,265	-	6,265	5,733
	<u>-</u>	<u>6,265</u>	<u>-</u>	<u>6,265</u>	<u>5,733</u>
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	145	-	145	-
Other DfE/ESFA COVID-19 funding	-	21	-	21	-
	<u>-</u>	<u>166</u>	<u>-</u>	<u>166</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)					
Other Coronavirus funding	-	85	-	85	-
	<u>-</u>	<u>85</u>	<u>-</u>	<u>85</u>	<u>-</u>
Non-government grants and other income					
Other income from the academy trusts educational operations	10	53	-	63	45
Total grants	<u>10</u>	<u>13,391</u>	<u>-</u>	<u>13,401</u>	<u>12,624</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	<u>9</u>	<u>12,615</u>	<u>-</u>	<u>12,624</u>

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

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Student Support Services (per statement) (also known as Academy Post 16 Bursary Funding)	14	16
Pupil Premium and Service Premium	327	337
PE and Sports Grant	31	33
Year 7 Catch Up Grant	-	36
Other	25	10
Teachers' Pay Grant	<u>435</u>	<u>428</u>
	<u>832</u>	<u>860</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Catering income	31	-	-	31	30
Other sales	-	58	-	58	72
Sundry income	66	-	-	66	89
School fund	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>5</u>
	<u>103</u>	<u>58</u>	<u>-</u>	<u>161</u>	<u>196</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>124</u>	<u>72</u>	<u>-</u>	<u>196</u>	

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Short term deposits	3	-	-	3	10
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	10	-	-	10	

6 Expenditure

	Non Pay Expenditure			Total 2021 £ 000	Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	13	13	19
Academy's educational operations					
Direct costs	9,568	-	480	10,048	9,403
Allocated support costs	2,698	1,093	1,173	4,964	4,444
	<u>12,266</u>	<u>1,093</u>	<u>1,666</u>	<u>15,025</u>	<u>13,866</u>

	Non Pay Expenditure			Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2020	<u>11,413</u>	<u>1,008</u>	<u>1,445</u>	<u>13,866</u>

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	21	19
Depreciation	603	560
Fees payable to auditor - audit	7	7
Fees payable to auditor - other audit services	<u>2</u>	<u>4</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities

		2021	2020
		£ 000	£ 000
Direct costs - educational operations		10,048	9,403
Support costs - educational operations		4,964	4,444
		<u>15,012</u>	<u>13,847</u>
	Educational operations	Total 2021	Total 2020
	£ 000	£ 000	£ 000
Analysis of support costs			
Support staff costs	2,698	2,698	2,444
Depreciation	603	603	560
Technology costs	294	294	222
Premises costs	490	490	448
Legal costs	1	1	1
Other support costs	797	797	708
Governance costs	81	81	61
Total support costs	<u>4,964</u>	<u>4,964</u>	<u>4,444</u>

8 Staff

Staff costs

		2021	2020
		£ 000	£ 000
Staff costs during the year were:			
Wages and salaries		8,402	7,940
Social security costs		776	725
Operating costs of defined benefit pension schemes		2,721	2,349
		<u>11,899</u>	<u>11,014</u>
Supply staff costs		363	388
Staff restructuring costs		4	11
		<u>12,266</u>	<u>11,413</u>
		2021	2020
		£ 000	£ 000
Staff restructuring costs comprise:			
Severance payments		<u>15</u>	<u>11</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £4,162 (2020: £11,124). Individually, the payments were:

Non-contractual payments £4,162

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Staff numbers

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

	2021	2020
	No.	No.
Charitable Activities		
Teachers and teaching assistants	203	203
Administration and support	113	113
Management	9	10
	<u>325</u>	<u>326</u>

Higher paid staff

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

	2021	2020
	No.	No.
£60,001 - £70,000	6	3
£70,001 - £80,000	4	2
£80,001 - £90,000	-	2
£90,001 - £100,000	2	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

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 £884,021 (2020 - £902,935).

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

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

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Central services (continued)

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

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

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

	2021	2020
	£ 000	£ 000
Abbey Hill	363	350
Westlands	54	46
Green Gates	59	57
Hollis	109	114
Mo Mowlam	102	101
	<u>687</u>	<u>668</u>

10 Related party transactions - trustees' remuneration and expenses

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

E A Horne CBE (Chief Executive):

Remuneration: £145,000 - £150,000 (2020 - £135,000 - £140,000)

Employer's pension contributions: £35,000 - £40,000 (2020 - £30,000 - £35,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £46 (2020 - £272) were reimbursed or paid directly to 1 Trustees (2020 - 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 2021 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Plant and equipment £ 000	Assets under construction £ 000	Total £ 000
Cost							
At 1 September 2020	16,523	365	128	729	175	-	17,920
Additions	62	124	-	200	-	35	421
Disposals	-	-	-	(1)	-	-	(1)
At 31 August 2021	<u>16,585</u>	<u>489</u>	<u>128</u>	<u>928</u>	<u>175</u>	<u>35</u>	<u>18,340</u>
Depreciation							
At 1 September 2020	1,724	170	101	559	83	-	2,637
Charge for the year	344	50	11	174	24	-	603
Eliminated on disposals	-	-	-	(1)	-	-	(1)
At 31 August 2021	<u>2,068</u>	<u>220</u>	<u>112</u>	<u>732</u>	<u>107</u>	<u>-</u>	<u>3,239</u>
Net book value							
At 31 August 2021	<u>14,517</u>	<u>269</u>	<u>16</u>	<u>196</u>	<u>68</u>	<u>35</u>	<u>15,101</u>
At 31 August 2020	<u>14,799</u>	<u>195</u>	<u>27</u>	<u>170</u>	<u>92</u>	<u>-</u>	<u>15,283</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Stock

	2021 £ 000	2020 £ 000
Stock	5	5

14 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	11	9
VAT recoverable	71	12
Prepayments and accrued income	96	114
Accrued grant and other income	1,053	292
	<u>1,231</u>	<u>427</u>

15 Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	121	47
Other taxation and social security	196	177
Accruals	198	147
Deferred income	81	47
Pension scheme creditor	199	180
	<u>795</u>	<u>598</u>

Deferred income

	2021 £ 000	2020 £ 000
Deferred income at 1 September 2020	47	53
Resources deferred in the period	81	47
Amounts released from previous periods	(47)	(53)
Deferred income at 31 August 2021	<u>81</u>	<u>47</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 2021 (continued)

16 Funds

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

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	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/EFA 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>	<u>-</u>	<u>(955)</u>	<u>(1,450)</u>	<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>-</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 2021 (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 2021.

Other DfE/ESFA 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 2021 were allocated as follows:

	2021	2020
	£ 000	£ 000
Central services	<u>2,575</u>	<u>2,540</u>
Total before fixed assets and pension reserve	2,575	2,540
Restricted fixed asset fund	16,229	15,605
Pension reserve	<u>(10,527)</u>	<u>(10,182)</u>
Total	<u><u>8,277</u></u>	<u><u>7,963</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 2021 (continued)

16 Funds (continued)

Total cost analysis by academy

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 2021 £ 000
Abbey Hill	5,595	91	117	659	6,462
Westlands	1,464	146	139	199	1,948
Green Gates	978	38	16	136	1,168
Hollis	1,549	73	100	256	1,978
Mo Mowlam	1,537	47	38	299	1,921
Central Services	748	-	-	195	943
Academy Trust	<u>11,871</u>	<u>395</u>	<u>410</u>	<u>1,744</u>	<u>14,420</u>

Comparative information in respect of the preceding period is 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>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	15,101	15,101
Current assets	1,272	2,098	1,128	4,498
Current liabilities	-	(795)	-	(795)
Pension scheme liability	-	(10,527)	-	(10,527)
Total net assets	1,272	(9,224)	16,229	8,277

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	-	-	15,283	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	1,190	(8,832)	15,605	7,963

18 Capital commitments

	2021 £ 000	2020 £ 000
Contracted for, but not provided in the financial statements	566	595

19 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	21	19
Amounts due between one and five years	165	68
	186	87

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

		2021	2020
		£ 000	£ 000
Net expenditure		(564)	(803)
Depreciation	6	603	560
Capital grants from DfE and other capital income		(851)	(228)
Interest receivable	5	(3)	(10)
Defined benefit pension scheme cost less contributions payable	25	1,055	812
Defined benefit pension scheme finance cost	25	168	143
Increase in debtors		(804)	(66)
Increase/(decrease) in creditors		197	(47)
Net cash (used in)/provided by Operating Activities		<u>(199)</u>	<u>361</u>

21 Cash flows from investing activities

		2021	2020
		£ 000	£ 000
Dividends, interest and rents from investments		3	10
Purchase of tangible fixed assets		(421)	(189)
Capital funding received from sponsors and others		851	228
Net cash provided by investing activities		<u>433</u>	<u>49</u>

22 Analysis of cash and cash equivalents

		2021	2020
		£ 000	£ 000
Cash at bank and in hand		<u>3,262</u>	<u>3,028</u>
Total cash and cash equivalents		<u>3,262</u>	<u>3,028</u>

23 Analysis of changes in net debt

	At 1		At 31 August
	September	Cash flows	2021
	2020	£000	£000
	£000	£000	£000
Cash	<u>3,028</u>	<u>234</u>	<u>3,262</u>
Total	<u>3,028</u>	<u>234</u>	<u>3,262</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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 Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £199,218 (2020 - £180,154) were payable to the schemes at 31 August 2021 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.

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the period amounted to £1,027,234 (2020: £940,174).

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.

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Local government pension scheme

Teesside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £841,000 (2020 - £778,000), of which employer's contributions totalled £628,000 (2020 - £580,000) and employees' contributions totalled £213,000 (2020 - £198,000). 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

	2021	2020
	%	%
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.30</u>

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	23.60	23.50
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	<u>25.40</u>	<u>25.30</u>

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	25,858	22,224
Discount rate -0.1%	27,130	23,316
Mortality assumption – 1 year increase	27,501	23,612
Mortality assumption – 1 year decrease	25,487	21,950
CPI rate +0.1%	26,600	22,861
CPI rate -0.1%	<u>26,388</u>	<u>22,679</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

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

	2021	2020
	£ 000	£ 000
Equities	12,630	9,567
Property	1,166	1,007
Cash and other liquid assets	1,325	1,460
Other	846	554
Total market value of assets	<u>15,967</u>	<u>12,588</u>

The actual return on scheme assets was £2,753,000 (2020 - £779,000).

Amounts recognised in the statement of financial activities

	2021	2020
	£ 000	£ 000
Current service cost	1,683	1,392
Interest income	219	(219)
Interest cost	387	362
Total amount recognised in the SOFA	<u>2,289</u>	<u>1,535</u>

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

	2021	2020
	£ 000	£ 000
At start of period	22,770	19,039
Current service cost	1,683	1,392
Interest cost	387	362
Employee contributions	213	198
Actuarial (gain)/loss	1,656	2,010
Benefits paid	(215)	(231)
At 31 August	<u>26,494</u>	<u>22,770</u>

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

	2021	2020
	£ 000	£ 000
At start of period	12,588	11,262
Interest income	219	219
Actuarial gain/(loss)	2,534	560
Employer contributions	628	580
Employee contributions	213	198
Benefits paid	(215)	(231)
At 31 August	<u>15,967</u>	<u>12,588</u>

Horizons Specialist Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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.

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

27 Events after the end of the reporting period

On 1 September Archways, was granted academy status and joined the Trust as Archways Academy.

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £13,724 and disbursed £13,372 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 2020 are £16,299 received, £18,739 disbursed and £Nil included in other creditors.