

Company registration number 09896071 (England and Wales)

**HORIZONS EDUCATION TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

# HORIZONS EDUCATION TRUST

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# HORIZONS EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

J Browning  
A Upshall  
J Ward  
D Olney

### Trustees

L Adam (Resigned 29 March 2022)  
S Bailey (Chair of Trustees)  
R Bierton (Appointed 8 December 2021)  
T G Gidi (Resigned 4 January 2022)  
J Lancaster-Adlam (Appointed 19 October 2021 and resigned 10 February 2022)  
B Mollison (Appointed 8 December 2021)  
W Palmer (Resigned 31 August 2022)  
J Perry (Appointed 8 December 2021)  
K Taylor (Accounting Officer)  
A Upshall (Appointed 1 September 2022)  
R Ward  
M Westcott Rudd  
M Williams  
I Yoney (Resigned 18 September 2022)

### Senior management team

|  |  |
|--|--|
| - Executive Head of School                             | K Taylor   |
| - Head of School - Spring Common Academy               | J McIntosh (Resigned and retired 31 August 2022) |
| - Assistant Head of School - Spring Common Academy     | L Aitken   |
| - Assistant Head of School - Spring Common Academy     | S Paynter  |
| - Assistant Head of School - Spring Common Academy     | C Place  |
| - Head of School - Riverside Meadows Academy           | S Anderson-Rawlins (Resigned 31 August 2022)     |
| - Assistant Head of School - Riverside Meadows Academy | H Gering   |
| - Assistant Head of School - Riverside Meadows Academy | L Downton (Resigned 31 August 2022)              |
| - Accounting Officer                                   | K Taylor   |

### Company registration number

09896071 (England and Wales)

### Registered office

Spring Common Academy  
American Lane  
Huntingdon  
Cambridgeshire  
PE29 1TQ  
United Kingdom

### Academies operated

Spring Common Academy  
Riverside Meadows Academy

### Location

Huntingdon  
St Neots & Wisbech

### Head Of School

J McIntosh  
S Anderson-Rawlins

# HORIZONS EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Independent auditor**

Azets Audit Services  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
PE1 2SP  
United Kingdom

### **Bankers**

Lloyds Bank plc  
6 Market Hill  
Huntingdon  
Cambridgeshire  
PE18 6NR  
United Kingdom

# HORIZONS EDUCATION TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Horizons Education Trust operates as a MAT and currently includes Spring Common Academy, special school pupils aged 2 - 19 (195 pupils) and Riverside Meadows Academy, Secondary SEMH school at St Neots and Wisbech. (90 pupils).

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Horizons Education Trust.

The trustees of Horizons Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Method of recruitment and appointment or election of trustees

The Board of Trustees has set out in the articles of association that they must approve any new appointment of trustees to Horizons Education Trust and involve members. In the case of staff or parent representatives if more than one person is nominated an election for the post will be convened and that nominee will be subject to approval and adoption of the Board of Trustees. The Board of Trustees has contacted Academy Ambassadors and found additional trustees with supportive skills to strengthen the Trust and successfully recruited members in year.

##### Policies and procedures adopted for the induction and training of trustees

Policies and induction training for new Trustees is arranged with Cambridgeshire Local Authority Governor Services as a bought in professional service.

##### Organisational structure

The Executive Head of School is the Accounting Officer and leads day to day strategic work of the Trust, the Finance Manager is the Chief Financial Officer and Heads of School for Spring Common Academy and Riverside Meadows Academy are operational delivery with Academy Advisory Groups. Strategic decisions are made by the Full Board of Horizons Education Trust through their Trustees Strategic plan as advised by Finance, People and Premises which includes audit and health & Safety (FPP) and Teaching, learning & Welfare (which includes safeguarding TLW). Both schools have a governing Board called Academy Advisory Group (AAG) for the operational delivery.

# HORIZONS EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Arrangements for setting pay and remuneration of key management personnel

The Full Board of Trustees provides authorisation in relation to remuneration of key management personnel linked to the agreed staffing structure and budget. Horizons Education Trust adheres to the School Teachers Pay and Conditions Document and the pay scales therein and adopted Cambridgeshire Local Authority pay scales for all Support Staff. Remuneration for the Executive Head Teacher /CEO is determined by nominated Trustees with the support of an external adviser and approved by the Board of Trustees.

The Executive Head Teacher provides recommendations in relation to pay to the Finance, People and Premises Committee for authorisation using the salary scales approved by the Full Board of Trustees. For teachers pay, decisions are linked to a Pay Policy and career stage expectation profile that sets the expectations for teachers within main scale and upper pay scales. Objectives for leaders are set in relation to the advisory document 'National Standards of Excellence for Head of Schools' which uses four domains, qualities and knowledge, pupils and staff, systems and processes and the self - improving system.

### Engagement with employees

The Trust does not have 250 employees therefore does not have requirements for Companies (Miscellaneous Reporting) regulations 2019. Spring Common Academy and Riverside Meadows Academy has an Academy Advisory group that provides information to staff on matters related to them, consultation about the budget and financial performance and opportunities to get involved in the annual Equalities review.

### Related parties and other connected charities and organisations

Spring Common Academy Teaching School ceased with the introduction of a Teaching School regional super hub for Cambridgeshire and Peterborough in 2021. Our purpose is to deliver system leadership within our Trust and within local area and region.

Horizons Education Trust continues a good productive relationship with Cambridgeshire Local Authority and supports the local offer for SEND children and families. We strive to maintain quality standards and link to a wide range of external organisations for guidance and advice which includes support for the Local Offer. Riverside Meadows Academy makes admissions from neighbouring local Authorities when placements are available.

The Board of Trustees have authorised the development of the National Autistic Society standards for children with autism as a day school and the use of quality standards from Autism Education Trust and Spring Common Academy achieved reaccreditation.

Health training is provided by qualified nurses from NHS Cambridgeshire Community Services (CCS) and the team of special school nurses. We welcome children with medical conditions and disabilities who will be provided with friendly and dedicated staff who work in partnership with parents and health professionals. Staff are trained in moving and handling trainers accredited by Edge Training Ltd. We train staff in Rebound therapy provided by Hadrian's School in Newcastle upon Tyne using our own trainers to ensure the safe use of trampolines with therapeutic aims. Our staff are also trained as deaf / blind Interveners to support individual pupils.

Communication and interaction are an important part of Education, health and care plans and the school promotes the use of Makaton (Makaton UK) and PECS (Pyramid Education) as communication systems and has local and region trainers. We purchase these training programmes to enable staff to support the speech therapy aims of speech therapists. Pupils that require augmentative communication systems or support for eating and drinking will be provided with advice from speech therapists from CCS.

In terms of social and emotional and mental health the trust purchases courses to enable five staff to conduct TEAM TEACH training from Team - Teach Ltd to reduce risk of restraint in both schools. Access to CAMH services locally and social care and community support services (Cambridgeshire County Council) is embedded. The Trust as also uses Restorative Practice and solution circles and intends to introduce Cambridgeshire STEPS.

# HORIZONS EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Objectives and activities

##### Objects and aims

The Articles of Association of Horizons Education Trust determine that the objects are restricted to:

- a. To advance for the public benefit education in the UK. Establish, maintaining, carrying on, managing schools offering a broad and balanced curriculum appropriate to the needs of students who require special educational provision.
- b. To promote education for the benefit of inhabitants of which the Academy is situated with the object of improving the condition of life of pupils.
- c. Adhere to the Academies Handbook and terms and conditions of the commercial transfer agreement and funding agreement renewed on 01.05.2021 as part of the legal transfer of Riverside Meadows Academy.

##### Horizons Education Trust:

Our mission: We make a difference to the lives of children, young people and their families. We enrich the lives and educational experience of learners with special educational needs, preparing them for their future contributions to a dynamic society.

Our Values: Equality and respect, Excellence, Trust, aspiration and ownership, advocacy and inclusive Trust supports the NOLAN principles for public service.

Our Vision (used to create objectives with a 3-year plan):

- A central team with expertise and capacity for a growing Trust.
- 3 -year financial Plan.
- Schools with culture of belonging and community safety
- School improvement and quality assurance cycles for our schools.
- Staff capacity and competencies strategy to develop exceptional staff
- Build local, regional and national partnerships

##### Objectives, strategies and activities

At the start of the year, our Trust plan focused on Covid school recovery milestones from Covid 19 and risk assessment for protective measures. Other priorities: 1) Curriculum implementation and resource management 2) SEND provision and re- visioning due to Covid 19, 3) Staff training and leadership development strengthened 4) Teaching School action plan 5) Premises, facilities and resource management included Capital Build at Spring Common Academy and building design for Wisbech and Alconbury. The Trust strategy plan was reviewed by Trustees to clarify the vision statement and scheme of delegation for a growing Trust.

Following further Trust working party groups, discussions continued about the role for Executive Head and the central team supporting the growth of the Trust and preparedness. A decision was made by Trustees to advertise all new Head of School posts as Head Teacher Posts and this was implemented with new appointments after the retirement of Head of School at Spring Common Academy and resignation of Head of School at Riverside Meadows Academy. New Head Teacher appointments were secured for the Trust and this will provide wider capacity for strategic work for the Executive Head / CEO and central team.

The Trust working group continued to refine the monitoring of risk and the risk register, moving away from a previous dashboard. Trustee recruitment for succession planning was achieved to strengthen governance and more focus on School governor recruitment and efficiency at this tier of governance.

The April 2021 Equalities Plan was reviewed and evaluated following school consultation to determine new Equality objectives and an accessibility plan agreed by Trustees. Further work has been undertaken to review Safeguarding with external reviews in May 2022 and wider training for Staff, governors and Trustees that has included cyber – security and GDPR.

# HORIZONS EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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Trustees reviewed their remit to allow wider autonomy for school governance with local issues. Executive Head / CEO produces an overview and monitors standards to ensure there is appropriate challenge and support provided to schools. COVID continued to impact on staff capacity particularly from November 2021 to February 2022 and created challenges with continuity due to staff absences. However, quality assurance was maintained and scrutiny of standards including progress and targets for individual pupils linked to Education, Health and Care plan delivery. Trustees noted the vital role of bringing in external consultants to Riverside Meadows to match the provisions allocated of Spring Common with an established School Improvement Consultant model. Safeguarding reviews for both schools and Local Authority review of Riverside Meadows led to improvements.

#### Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

### **Strategic report**

#### **Achievements and performance**

Spring Common Academy was inspected by Ofsted in November 2018 and found to be outstanding in all respects. The school aspiration to recover from Covid to maintain these high standards has been sustained. Riverside Meadows Academy was inspected in June 2019 and rated good by Ofsted. Substantive audit and review of standards identified gaps in school evaluation and new Behaviour Policy was introduced. The emphasis on change to implement a productive learning culture had a positive impact on standards at end of year. After resignations of staff in the summer term 2022 a decision was made to replace support staff with teachers to lead groups to raise standards of education.

At Spring Common Academy outcomes for pupils continued to be maintained at a high standard of quality education in relation to starting points within key stages and school entry. More pupils achieved individual targets agreed with parents and completed accreditations. Prior results end of 2019 continue to act as benchmarks: 1) KS 1 90%, 2) KS 2 98%, KS 3 93%, KS4 98% met or exceeded in maths and English with no variation between vulnerable groups.

Pupil premium plans reviews were completed and enabled the Trust to understand the huge impact of Covid recovery and wellbeing upon restoring structures and routines for pupils. School Improvement partner was able to verify these outcomes. Despite constraints of Covid 19 all our leavers moved on to other providers to support independence and preparation for adulthood. Spring Common had no permanent or fixed term exclusions for 2021-22 and significantly reduced for Riverside Meadows.

#### Key performance indicators

1. The Equalities Plan 2020-21 included Accessibility objectives completed with Education Capital Programme at Spring Common and these works are now concluded with support from Cambridgeshire County Council. Riverside Meadows completed a consultation for an Equalities plan but the Trust focussed on purchase of two minibuses to support community access and repair and redecoration of premises.
2. Tracking pupil outcomes and performance overtime: Spring Common Academy despite Covid continued digital learning journeys appreciated by parents and Riverside Meadows continued with report formats led by the Head of School. Autism Accreditation renewed by National Autistic Society in 2021 and work to restore practice as part of Covid recovery.
3. Personal development and welfare: The 'crossing Borders' project with Sint Josef – Klein – Seminarie in St Niklass in Belgium continued online. This project continues to be valued to supports fundamental British values and appreciation of different cultures to enhance cultural capital for life in modern Britain. Both schools continued to focus on welfare of pupils and Riverside Meadows was awarded a Pearson bronze award for recognition of this work.
4. Discovery TSA as Teaching school closed as the super hub in Peterborough and Cambridgeshire was formed. Spring Common continue with outreach support and training for schools.
5. Progress made with design for new special schools at Alconbury Weald and Wisbech.
6. Coaching and mentoring of staff developed including that of emerging leaders SEF reviews for both schools using latest Ofsted guidance and health and safety and fire protection reviewed for compliance.
7. Governance strengthened with recruitment of new Trustees and separation of members and Trustees, Governors and Trustees and completed a new Vision and values within a revised Trustees Strategic Plan.



# HORIZONS EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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8. Parent questionnaires indicates a high level of satisfaction for the service delivery of Spring Common.
9. Pupil attendance this year was affected by government guidance related to Covid 19 and staff absences between November 2021 and February 2022.
10. Staff retention: Trust has successfully managed recruitment over the year building on reputation as a good employer that provides support and training for staff. Coaching culture is now a focus to enable collaborative working and reduction in workload which was an asset during the Covid restrictions.
11. Staff induction and supervision: Induction and Appraisals conducted and this has supported new Head Teacher to create priorities for school development.
12. Successful appointments for Head Teachers in both schools secured by Trustees.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### Protecting the success of the academy trust

Under Section 172(1) (a) to (f) of Companies Act 2006 the Trustees consider the consequences of decisions in the longer - term environment, interests of employees, business interests of suppliers, impact on community and environment, reputational standards and fairness between members of the company.

#### **Financial review**

##### Principal sources of funding and how expenditure has supported the key objectives

A budget for 1 September 2021 - 31 August 2022 was approved by Trustees in July 2021. The sources of funding included:

- Carry forward recorded 31 August 2021 as £339,084
- General Annual Grant Statement 2021 -22 of £2,750,000
- Restricted funds included Teaching School and Discovery Teaching School Alliance, Pupil premium, Catch up and Sports premium.
- Cambridgeshire Local Authority top up funding not part of GAG statement for additional funded placements.

Note: Spring Common Academy inherited the Local Government pension scheme (LGPS) on academy conversion in December 2015. Trustees determined to separate pension schemes for monitoring purposes and audit which means Riverside Meadows Academy Local Government scheme (LGPS) is separated for the Trust.

Pressures on this initial budget build included:

- Additional costs due to Covid 19 not covered by DFE schemes
- Increase in Local Government pension scheme for employees.
- No increase in top up values for individual pupils for delivery of Education Health and Care plans
- Additional costs for recruitment and HR advice.

The Trust completed the Financial Management and Governance Self - Assessment on 4 April 2016 followed up with a DfE audit in April 2016. The competitive tendering policy and Business Continuity Plan are still fit for purpose. The Trust risk log was reviewed in July 2022 and the Trust Board reviews this as a standing item. Trustees have read and understand the financial responsibilities in Academy Trust Handbook. All Trustees policies are updated on the Horizons Education Trust website.

The Trust is compliant with the review of the Teacher Pension Scheme in March 2022. A further review of the LGPS scheme was circulated to Azets Audit Services and for the Trust for audit in November 2022.

The Trust cash funds at 1 September 2022 was £1,485,393.

Trustees approved a budget from 1 September 2022 to 31 August 2023 based upon the trends of expenditure and staffing structure approved in July 2022. Trustees reviewed expenditure and submitted Finance budget control reports to the Education & Skills Funding Agency. Our Finance manager who is a qualified Accountant completed monthly accounts for Trustees and financial reports.

# HORIZONS EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Value for money statement:

Over the last year Trustees made due regard to regulations and considered best value for all purchases using an agreed scheme of delegation and best value principles. Specialist tendering ensured ICT strategic plan 2019 -2022 delivered. New ICT priorities implemented for both sites for Riverside Meadows Academy and infrastructure.

#### Budget September 2021 – End of August 2022:

The Annual budget was approved by Trustees for the period 1 September 2021 to 31 August 2022 in July 2021. A staffing structure for 2021 -2022 was approved based upon the pupil admissions and funding known at end of July 2021 and three -year projection discussion. Staffing structure implemented for Riverside Meadows subject to review and dependent upon receipt of out of county funding.

#### Reserves policy

In 2021 the Trustees agreed a reserves policy to maintain reserves of approximately £200,000 per school. It was agreed this reserve is required to provide a level of contingency funds against changes in pupil numbers and funding levels; delays in receiving funds for new pupils and any unforeseen but necessary expenditure. Trustees are mindful to show probity to retain funds to support the development of new special schools without recourse to other funding.

The trust brought forward £291,838 of unrestricted funds at the 1 September 2021 with most of these reserves from the conversion to an academy in January 2016. As the Teaching School has ceased and accounts subjected to audit by Accountants, funds added to training & Outreach. Due to reduced staff capacity schools were unable to use all Covid recovery funding allocated.

Total reserves of the academy trust were £1,182,838 at 31 August 2022 (excluding fixed assets and the pension deficit). This includes the £706,735 restricted general funds. The carry forward of funds was allocated to Trust priorities to support Trust growth of two new special schools by 2023 – 2024 and advanced recruitment.

The Trustees have in addition opened a designated fund for Staff training and recruitment to support schools within the Trust using unrestricted funds note 19 with investment of £445,268. This decision will be reviewed by Trustees as they appraise priorities within the Trust in 2023 and determine a new Reserves Policy.

#### Investment policy

Spring Common Academy and Riverside Academy do not have any investments because all funding is required to be available to the Board of Trustees and to be assigned to their strategic priorities. The investment income at 31 August 2022 of £239 was bank interest.

#### Principal risks and uncertainties

1. The trust acknowledges that a principal risk is the recruitment and retention of experienced staff to maintain the highest standards. For this reason, our trustees have created Sustainability and succession plan to prioritise staff training and coaching required to prepare staff for the next level of post from their current position. We shall plan for outreach services and training to mitigate and replace the previous Teaching School remit with partners.
2. The trust is aware that no uplift in top up or funding for pupils has occurred since 2009. Passporting of DfE funding was not provided in full to special schools in Cambridgeshire. Therefore, the Pay uplifts from teacher pay award and unresolved pay uplifts for support staff, pension and national insurance on-costs are a challenge and pressure to our three -year projection similar to other special schools.
3. The trust is actively preparing for growth and achieved approved sponsorship status with the DfE in 2017 to open a new special school at Alconbury Weald by Local Authority presumption. Due to inflation costs this project is delayed for completion in 2024. A new replacement SEMH school for Wisbech will open for 60 pupils by September 2023 and this is on track with Kier Construction and Cambridgeshire Local Authority.

#### **Fundraising**

The trust is compliant with the recognised standards of fundraising set out in the Code of Fundraising Practice. Horizons Education Trust does not use professional fundraisers and there have been no complaints received by the trust about fund raising activities carried out by the trust in the year.

# HORIZONS EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Streamlined energy and carbon reporting**

The Trust does not consume over 40,000 KWH of energy and is not required to report under Companies (Director's report) and Limited liability partnerships (Directors report) & Limited liabilities partnerships (Energy and carbon reporting) regulations 2018. The Trust does complete DEC certification and reviews energy consumption.

### **Plans for future periods**

Trustees agreed their 2022 -2024 Strategic Plan following extensive Strategy discussion including support from a representative of National Governance Association with intent to review the action plan on an annual basis. The priorities objectives as follows:

1. Central team with expertise and capacity for a growing trust for specialist provision.
2. 3-year financial plan
3. Culture of belonging and community safety in our schools
4. School improvement and quality assurance cycles for schools to thrive
5. Staff capacity and competencies to develop exceptional staff
6. Build local, regional and national partnerships.

The Trustees aim to continue positive relationships with Cambridgeshire Local Authority and their SEND Commissioning to enable placement planning and sufficiency duty to continue to meet parental demand for special school placements in the local area. The Trust will open a class facility at CRC Huntingdon Campus in November 2022 to enable additional 10 placement at Spring Common Academy to move pan to 205.

The Trust continues to build constructive relations with DFE and Regional Executive to support system leadership to support special educational needs provision as opportunities arise. Connections have begun with other Local Authorities to enable them to understand the Trust aims and expertise available. Our trustees will ensure due diligence that their ambitious plans for future growth will not be detrimental to the aims and values of current schools within the trust as they strive to develop as centres of excellence.


### **Auditor**

In so far 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.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 31/12/22 and signed on its behalf by:

  
S Bailey  
Chair of Trustees

# HORIZONS EDUCATION TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Horizons Education 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.

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

The board of trustees has delegated the day-to-day responsibility to the Head of School, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Horizons Education Trust and the Secretary of State for Education. The accounting officer is 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 six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| <b>Trustees</b>   | <b>Meetings attended</b> | <b>Out of possible</b> |
|---|--------------------------|------------------------|
| L Adam (Resigned 29 March 2022)   | 3                        | 4                      |
| S Bailey (Chair of Trustees)  | 6                        | 6                      |
| R Bieron (Appointed 8 December 2021)  | 4                        | 5                      |
| T G Gidi (Resigned 4 January 2022)  | 0                        | 2                      |
| J Lancaster-Adlam (Appointed 19 October 2021 and resigned 10 February 2022) | 2                        | 2                      |
| B Mollison (Appointed 8 December 2021)                                      | 3                        | 5                      |
| W Palmer (Resigned 31 August 2022)  | 5                        | 6                      |
| J Perry (Appointed 8 December 2021)   | 4                        | 5                      |
| K Taylor (Accounting Officer)   | 6                        | 6                      |
| A Upshall (Appointed 1 September 2022)                                      | 0                        | 0                      |
| R Ward  | 6                        | 6                      |
| M Westcott Rudd   | 3                        | 6                      |
| M Williams  | 6                        | 6                      |
| I Yoney (Resigned 18 September 2022)  | 1                        | 6                      |

Committee structures clarified in relation to strengthening the governor role in schools. This transfer of delegations for decision making to school Academy Advisory Groups now allows Trustees to become more strategic. Separation of members and Trustees completed and the Trust is compliant with the Academy Trust Handbook.

Chair of Trustees is accredited and leading on creating stronger governance capacity and separate tiers of governance - Members, Trustees, Academy Advisory groups and prioritisation of strategic issues for the Board of Trustees. Focus on recovery of specialist provision despite covid staff and pupil sickness Nov – Feb 2022.

### Conflicts of interest

The school actively manage potential conflicts of interest by completing annual governor declaration forms and raising it at the start of every governors meeting. The requirements set out by the ESFA on business and other interests are followed to ensure transparency.

### Review of value for money

As accounting officer, the Head of School 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 societal outcomes achieved in return for the taxpayer resources received.

# HORIZONS EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The accounting officer considers how the academy 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 academy trust has delivered improved value for money during the year by:

#### Review of staffing structure and recruitment of staff to meet pupil demand

A staffing plan for 2021-22 was delivered linking pupil needs to staff sufficiency. Detailed planning was undertaken by the Executive Head, Heads of School and Senior leadership team and then costed for affordability by the Finance Manager as the Chief Financial Officer and Executive Head of School. Our pupil outcome information indicated no variation in pupil's performance or detriment making use of specialist teaching assistants directly into the classroom to provide expertise. Some staffing during year was redirected to focus on remote learning and welfare calls to parents and to support increased mental health needs of pupils in covid recovery. Our feedback from new staff indicated that working with experienced staff supported them with Induction and extending their skills. The Trust therefore needs to maintain a strategy of entry qualifications on recruitment and recognise that real time experience and supervision creates the most responsive staff and staff retention.

#### Review of support staff roles in relation to administration and teaching school:

Over the last year again the school has reviewed the scope of administrative duties and begun to consider capacity for a wider central team for the growth of the Trust. The wider system leadership role of the Trust has placed additional administration, marketing and website maintenance and the Trust will go further with rationalisation before 2023.

#### Review of cover supply costs and policies:

The impact of the rolling year for tracking sickness after staff consultation continues to have impact positively on staff overall absence. The Trust offers an employee assistance scheme and has introduced Perk Box for all staff. From recruitment staff are provided with advice about maintaining wellbeing and introduced to a coaching and mentoring culture of discussing stressful situations that may arise as a result of working with special needs pupils that have behaviours that challenge. The impact of Covid 19 meant the school focussed on safeguarding and infection control and continued to reduce use of agency supply as a strategy compared to previous years when possible.

#### Benchmarking and Resource management:

The school makes effective use of the Resource management self – assessment tool and benchmarking costs to gain value for money compared to other schools and special schools. No comparative data available during Covid 19 but the Trust continues to monitor costs for cleaning, catering and curriculum and sufficiency of delivery with increased inflationary pressures on external providers.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Horizons Education Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

#### **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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# HORIZONS EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### The risk and control framework

The academy 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 with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the audit, finance, premises, and health & safety committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks and whether these can be mitigated.

The Board of Trustees has considered the need for a specific internal audit function and employed Days Financial Consulting as an internal auditor and internal scrutiny tests schedule completed and reported to the Board.

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

- reviewing trustees' expense claims
- reviewing trustees' business interests
- reviewing ESFA income and agreeing back to source documentation
- sample checking miscellaneous income
- sample checking expenditure including salaries
- reviewing bank reconciliations and balances
- reviewing petty cash

On a twice - yearly basis, the internal auditor reports to the board of trustees through the Finance, People and premises committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. The internal audits were concluded and reports provided to Trustees and remedial and minor actions followed.

### Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 audit, finance, premises, and health & safety committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 31/12/22 and signed on its behalf by:



S Bailey  
Chair of Trustees



K Taylor  
Accounting Officer

# HORIZONS EDUCATION TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

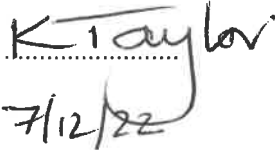
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As accounting officer of Horizons Education Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust's 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 Academy Trust Handbook 2021.

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

K Taylor  
Accounting Officer

  
7/12/22

# HORIZONS EDUCATION TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2022**

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The trustees (who are also the directors of Horizons Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on .....7/12/22..... and signed on its behalf by:

S Bailey  
Chair of Trustees





# HORIZONS EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZONS EDUCATION TRUST

*FOR THE YEAR ENDED 31 AUGUST 2022*

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### **Opinion**

We have audited the accounts of Horizons Education Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# HORIZONS EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZONS EDUCATION TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

# HORIZONS EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZONS EDUCATION TRUST (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services

8/12/22

**Chartered Accountants**  
**Statutory Auditor**

Ruthlyn House  
90 Lincoln Road  
Peterborough  
United Kingdom  
PE1 2SP

# HORIZONS EDUCATION TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HORIZONS EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2022**

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In accordance with the terms of our engagement letter dated 30 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horizons Education Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Horizons Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Horizons Education Trust's funding agreement with the Secretary of State for Education dated 18 December 2015 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Trustees' meetings.

# HORIZONS EDUCATION TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HORIZONS EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2022*

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### 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 period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



### Reporting Accountant

Azets Audit Services  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
PE1 2SP  
United Kingdom

Dated: 8/12/22

# HORIZONS EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

|   | Notes    | Unrestricted funds<br>£ | Restricted funds:<br>General    Fixed asset<br>£            £ |                  | Total<br>2022<br>£ | Total<br>2021<br>£ |
|---|----------|-------------------------|---|------------------|--------------------|--------------------|
| <b>Income and endowments from:</b>                          |          |                         |   |                  |                    |                    |
| Donations and capital grants                                | 3        | 24,534                  | -   | 46,553           | 71,087             | 3,119,383          |
| Donations - transfer of existing academy into the trust     |          | -                       | -   | -                | -                  | 1,309,000          |
| Charitable activities:                                      |          |                         |   |                  |                    |                    |
| - Funding for educational operations                        | 4        | 53,775                  | 6,177,177   | -                | 6,230,952          | 4,837,832          |
| - Funding for teaching school                               |          | -                       | 3,829   | -                | 3,829              | 23,003             |
| Other trading activities                                    | 5        | 4,936                   | 8,914   | -                | 13,850             | 13,589             |
| Investments   | 6        | 239                     | -   | -                | 239                | 129                |
| <b>Total</b>  |          | <b>83,484</b>           | <b>6,189,920</b>  | <b>46,553</b>    | <b>6,319,957</b>   | <b>9,302,936</b>   |
| <b>Expenditure on:</b>                                      |          |                         |   |                  |                    |                    |
| Charitable activities:                                      |          |                         |   |                  |                    |                    |
| - Educational operations                                    | 9        | 43,010                  | 6,659,464   | 191,535          | 6,894,009          | 8,243,370          |
| - Teaching school   |          | -                       | 53,888  | -                | 53,888             | 8,886              |
| <b>Total</b>  | <b>8</b> | <b>43,010</b>           | <b>6,713,352</b>  | <b>191,535</b>   | <b>6,947,897</b>   | <b>8,252,256</b>   |
| <b>Net income/(expenditure)</b>                             |          | <b>40,474</b>           | <b>(523,432)</b>  | <b>(144,982)</b> | <b>(627,940)</b>   | <b>1,050,680</b>   |
| Transfers between funds                                     | 19       | -                       | (52,351)  | 52,351           | -                  | -                  |
| <b>Other recognised gains/(losses)</b>                      |          |                         |   |                  |                    |                    |
| Actuarial gains/(losses) on defined benefit pension schemes | 21       | -                       | 6,357,000   | -                | 6,357,000          | (1,387,000)        |
| <b>Net movement in funds</b>                                |          | <b>40,474</b>           | <b>5,781,217</b>  | <b>(92,631)</b>  | <b>5,729,060</b>   | <b>(336,320)</b>   |
| <b>Reconciliation of funds</b>                              |          |                         |   |                  |                    |                    |
| Total funds brought forward                                 |          | 404,794                 | (7,201,482)   | 8,780,086        | 1,983,398          | 2,319,718          |
| Total funds carried forward                                 |          | 445,268                 | (1,420,265)   | 8,687,455        | 7,712,458          | 1,983,398          |

# HORIZONS EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| Comparative year information<br>Year ended 31 August 2021 | Notes    | Unrestricted<br>funds<br>£ | Restricted funds:<br>General    Fixed asset<br>£            £ |                  | Total<br>2021<br>£ |
|---|----------|----------------------------|---|------------------|--------------------|
| <b>Income and endowments from:</b>                        |          |                            |   |                  |                    |
| Donations and capital grants                              | 3        | 3,863                      | -   | 3,115,520        | 3,119,383          |
| Donations - transfer of existing academy into the trust   |          | -                          | (766,000)   | 2,075,000        | 1,309,000          |
| <b>Charitable activities:</b>                             |          |                            |   |                  |                    |
| - Funding for educational operations                      | 4        | 39,098                     | 4,798,734   | -                | 4,837,832          |
| - Funding for teaching school                             |          | -                          | 23,003  | -                | 23,003             |
| Other trading activities                                  | 5        | 2,551                      | 11,038  | -                | 13,589             |
| Investments   | 6        | 129                        | -   | -                | 129                |
| <b>Total</b>  |          | <b>45,641</b>              | <b>4,066,775</b>  | <b>5,190,520</b> | <b>9,302,936</b>   |
| <b>Expenditure on:</b>                                    |          |                            |   |                  |                    |
| <b>Charitable activities:</b>                             |          |                            |   |                  |                    |
| - Educational operations                                  | 9        | 22,847                     | 5,090,547   | 3,129,976        | 8,243,370          |
| - Teaching school   |          | -                          | 8,886   | -                | 8,886              |
| <b>Total</b>  | <b>8</b> | <b>22,847</b>              | <b>5,099,433</b>  | <b>3,129,976</b> | <b>8,252,256</b>   |
| <b>Net income/(expenditure)</b>                           |          | <b>22,794</b>              | <b>(1,032,658)</b>  | <b>2,060,544</b> | <b>1,050,680</b>   |
| <b>Other recognised gains/(losses)</b>                    |          |                            |   |                  |                    |
| Actuarial losses on defined benefit pension schemes       | 21       | -                          | (1,387,000)   | -                | (1,387,000)        |
| <b>Net movement in funds</b>                              |          | <b>22,794</b>              | <b>(2,419,658)</b>  | <b>2,060,544</b> | <b>(336,320)</b>   |
| <b>Reconciliation of funds</b>                            |          |                            |   |                  |                    |
| Total funds brought forward                               |          | 382,000                    | (4,781,824)   | 6,719,542        | 2,319,718          |
| Total funds carried forward                               |          | 404,794                    | (7,201,482)   | 8,780,086        | 1,983,398          |

# HORIZONS EDUCATION TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

|  |       | 2022             |                  | 2021             |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  | Notes | £                | £                | £                | £                |
| <b>Fixed assets</b>                            |       |                  |                  |                  |                  |
| Tangible assets                                | 14    |                  | 8,656,620        |                  | 8,751,041        |
| <b>Current assets</b>                          |       |                  |                  |                  |                  |
| Debtors  | 16    | 195,638          |                  | 431,769          |                  |
| Cash at bank and in hand                       |       | 1,485,393        |                  | 746,033          |                  |
|  |       | <u>1,681,031</u> |                  | <u>1,177,802</u> |                  |
| <b>Current liabilities</b>                     |       |                  |                  |                  |                  |
| Creditors: amounts falling due within one year | 17    | (498,193)        |                  | (339,445)        |                  |
| <b>Net current assets</b>                      |       |                  | <u>1,182,838</u> |                  | <u>838,357</u>   |
| <b>Net assets excluding pension liability</b>  |       |                  | <u>9,839,458</u> |                  | <u>9,589,398</u> |
| Defined benefit pension scheme liability       | 21    |                  | (2,127,000)      |                  | (7,606,000)      |
| <b>Total net assets</b>                        |       |                  | <u>7,712,458</u> |                  | <u>1,983,398</u> |
| <b>Funds of the academy trust:</b>             |       |                  |                  |                  |                  |
| <b>Restricted funds</b>                        | 19    |                  |                  |                  |                  |
| - Fixed asset funds                            |       |                  | 8,687,455        |                  | 8,780,086        |
| - Restricted income funds                      |       |                  | 706,735          |                  | 404,518          |
| - Pension reserve                              |       |                  | (2,127,000)      |                  | (7,606,000)      |
| <b>Total restricted funds</b>                  |       |                  | <u>7,267,190</u> |                  | <u>1,578,604</u> |
| <b>Unrestricted income funds</b>               | 19    |                  | <u>445,268</u>   |                  | <u>404,794</u>   |
| <b>Total funds</b>                             |       |                  | <u>7,712,458</u> |                  | <u>1,983,398</u> |

The accounts on pages 20 to 46 were approved by the trustees and authorised for issue on 31/12/22 and are signed on their behalf by:

  
S Bailey  
Chair of Trustees

Company registration number 09896071



# HORIZONS EDUCATION TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

|  | Notes | 2022<br>£ | £                | 2021<br>£ | £              |
|--|-------|-----------|------------------|-----------|----------------|
| <b>Cash flows from operating activities</b>                              |       |           |                  |           |                |
| Net cash provided by/(used in) operating activities                      | 22    |           | 784,000          |           | (26,535)       |
| <b>Cash flows from investing activities</b>                              |       |           |                  |           |                |
| Dividends, interest and rents from investments                           |       | 239       |                  | 129       |                |
| Capital grants from DfE Group  |       | 22,009    |                  | 17,428    |                |
| Capital funding received from sponsors and others                        |       | 24,544    |                  | 98,092    |                |
| Purchase of tangible fixed assets  |       | (93,832)  |                  | (22,219)  |                |
| Proceeds from sale of tangible fixed assets                              |       | 2,400     |                  | -         |                |
| <b>Net cash (used in)/provided by investing activities</b>               |       |           | <b>(44,640)</b>  |           | <b>93,430</b>  |
| <b>Net increase in cash and cash equivalents in the reporting period</b> |       |           | <b>739,360</b>   |           | <b>66,895</b>  |
| Cash and cash equivalents at beginning of the year                       |       |           | 746,033          |           | 679,138        |
| <b>Cash and cash equivalents at end of the year</b>                      |       |           | <b>1,485,393</b> |           | <b>746,033</b> |
| <b>Relating to:</b>  |       |           |                  |           |                |
| Bank and cash balances   |       |           | 1,285,065        |           | 545,846        |
| Short term deposits  |       |           | 200,328          |           | 200,187        |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

Horizons Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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.

##### 1.1 Basis of preparation

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

The accounts are prepared in sterling, which is the functional currency of the academy trust. Monetary amounts in these financial statements are rounded to the nearest £.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

##### 1.3 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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Donations

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

###### 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.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

(Continued)

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are 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.

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Leasehold land and buildings that Spring Common Academy operate from were valued by the trustees on conversion and brought into the accounts at that valuation. During the previous year a valuation that was commissioned by the ESFA as at 31 August 2020 was received and the land and buildings have been impaired down to that valuation.

Leasehold land and buildings that Riverside Meadows Academy operate from are included in the accounts at an ESFA valuation from the date of joining the Trust.

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 that require 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/reducing balance basis over its expected useful life, as follows:

|                                |   |
|--------------------------------|---|
| Leasehold buildings            | 2% per annum on a straight line basis     |
| Fixtures, fittings & equipment | 15% per annum on a reducing balance basis |
| Motor vehicles                 | 20% per annum on a reducing balance basis |

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

##### 1.6 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.

##### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

The land and buildings from which the academy operate are leased from the Local Authority at £nil rent. A commercial value of the lease has not been included in these accounts as expenditure or donated income.

##### 1.8 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.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

(Continued)

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 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 chapter 3 part 11 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.

#### 1.10 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

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

#### 1.11 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.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

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

#### 1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments are received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use an allocation towards its own administration costs but has not done so in the year. The funds received and paid, and any balances held are disclosed in note 26.

### 2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Valuation of property:

Leasehold land and buildings that Spring Common Academy operate from have been included at an ESFA valuation as at 31 August 2020 of £3,700,000. Additions to leasehold buildings since that date relate to a donation of capital works including new classrooms from the Local Authority in the year ended 31 August 2021. This was brought in at £3,000,000 based on a management valuation of work done.

Leasehold land and buildings that Riverside Meadows Academy operate from are included in the accounts at an ESFA valuation of £2,075,000 from the date of joining the Trust.

### 3 Donations and capital grants

|                      | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Donated fixed assets | -                          | -                        | -                  | 3,000,000          |
| Capital grants       | -                          | 46,553                   | 46,553             | 115,520            |
| Other donations      | 24,534                     | -                        | 24,534             | 3,863              |
|                      | <u>24,534</u>              | <u>46,553</u>            | <u>71,087</u>      | <u>3,119,383</u>   |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 4 Funding for the academy trust's charitable activities

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE/ESFA grants</b>                        |                            |                          |                    |                    |
| General annual grant (GAG)                    | -                          | 2,859,836                | 2,859,836          | 2,216,667          |
| Other DfE/ESFA grants:                        |                            |                          |                    |                    |
| - UIFSM                                       | -                          | 10,107                   | 10,107             | 6,389              |
| - Pupil premium                               | -                          | 138,763                  | 138,763            | 102,772            |
| - Start up grants                             | -                          | -                        | -                  | 25,000             |
| - PE and sports grant                         | -                          | 16,830                   | 16,830             | 16,830             |
| - Others                                      | -                          | 50,209                   | 50,209             | 6,277              |
|   | -                          | 3,075,745                | 3,075,745          | 2,373,935          |
| <b>Other government grants</b>                |                            |                          |                    |                    |
| Local authority grants                        | -                          | 3,069,655                | 3,069,655          | 2,314,756          |
| <b>COVID-19 additional funding (DfE/ESFA)</b> |                            |                          |                    |                    |
| COVID catch-up premium                        | -                          | -                        | -                  | 56,040             |
| COVID emergency support funding               | -                          | -                        | -                  | (11,050)           |
| Other COVID-19 funding                        | -                          | 18,606                   | 18,606             | 61,155             |
|   | -                          | 18,606                   | 18,606             | 106,145            |
| Other incoming resources                      | 53,775                     | 17,000                   | 70,775             | 65,999             |
| <b>Total funding</b>                          | <b>53,775</b>              | <b>6,181,006</b>         | <b>6,234,781</b>   | <b>4,860,835</b>   |

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

The Trust received £nil (2021 - £56,040) of funding for COVID catch-up premium which was spent in the year.

The amount of £nil (2021 - (£11,050)) for COVID emergency support funding relates to a claim that was accrued in 2020 that was not paid by the ESFA.

The Trust received £18,606 (2021 - £61,155) of funding for COVID mass testing and vaccination which has been spent in the year.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| 5 | Other trading activities          | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|---|-----------------------------------|-------------------------|-----------------------|--------------------|--------------------|
|   | Hire of facilities                | 1,979                   | -                     | 1,979              | -                  |
|   | Catering income                   | 1,541                   | -                     | 1,541              | 1,145              |
|   | Supply teacher insurance receipts | -                       | 8,914                 | 8,914              | 11,038             |
|   | Other income                      | 1,416                   | -                     | 1,416              | 1,406              |
|   |                                   | <u>4,936</u>            | <u>8,914</u>          | <u>13,850</u>      | <u>13,589</u>      |

| 6 | Investment income   | Unrestricted funds<br>£ | Restricted funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|---|---------------------|-------------------------|-----------------------|--------------------|--------------------|
|   | Short term deposits | 239                     | -                     | 239                | 129                |
|   |                     | <u>239</u>              | <u>-</u>              | <u>239</u>         | <u>129</u>         |

### 7 Central services

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

- property management;
- HR;
- payroll;
- finance systems;
- governance;
- audit.

The amounts charged during the year were as follows:

|                           | 2022<br>£      | 2021<br>£     |
|---------------------------|----------------|---------------|
| Spring Common Academy     | 152,676        | 64,453        |
| Riverside Meadows Academy | 152,675        | 32,226        |
|                           | <u>305,351</u> | <u>96,679</u> |



# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 8 Expenditure

|                                  | Staff costs      | Non-pay expenditure |                | Total            | Total            |
|----------------------------------|------------------|---------------------|----------------|------------------|------------------|
|                                  | £                | Premises            | Other          | 2022             | 2021             |
|                                  | £                | £                   | £              | £                | £                |
| Academy's educational operations |                  |                     |                |                  |                  |
| - Direct costs                   | 4,459,246        | -                   | 219,147        | 4,678,393        | 3,838,765        |
| - Allocated support costs        | 1,266,991        | 498,304             | 450,321        | 2,215,616        | 4,404,605        |
| Teaching School                  |                  |                     |                |                  |                  |
| - Direct costs                   | 53,888           | -                   | -              | 53,888           | 8,886            |
|                                  | <u>5,780,125</u> | <u>498,304</u>      | <u>669,468</u> | <u>6,947,897</u> | <u>8,252,256</u> |

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

|  | 2022           | 2021          |
|--|----------------|---------------|
|  | £              | £             |
| Fees payable to auditor for:                         |                |               |
| - Audit  | 8,000          | 6,750         |
| - Other services                                     | 3,630          | 1,702         |
| Depreciation and impairment of tangible fixed assets | 188,253        | 3,025,163     |
| Gain on disposal of fixed assets                     | (2,400)        | -             |
| Net interest on defined benefit pension liability    | 131,000        | 93,000        |
|  | <u>131,000</u> | <u>93,000</u> |

#### 9 Charitable activities

|                        | Unrestricted funds | Restricted funds | Total            | Total            |
|------------------------|--------------------|------------------|------------------|------------------|
|                        | £                  | £                | 2022             | 2021             |
|                        | £                  | £                | £                | £                |
| <b>Direct costs</b>    |                    |                  |                  |                  |
| Educational operations | 21,154             | 4,657,239        | 4,678,393        | 3,838,765        |
| Teaching School        | -                  | 53,888           | 53,888           | 8,886            |
| <b>Support costs</b>   |                    |                  |                  |                  |
| Educational operations | 21,856             | 2,193,760        | 2,215,616        | 4,404,605        |
|                        | <u>43,010</u>      | <u>6,904,887</u> | <u>6,947,897</u> | <u>8,252,256</u> |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| 9 Charitable activities                      | (Continued)      |                  |
|--|------------------|------------------|
| Analysis of costs                            | 2022             | 2021             |
|  | £                | £                |
| <b>Direct costs</b>                          |                  |                  |
| Teaching and educational support staff costs | 4,531,876        | 3,662,413        |
| Staff development                            | 27,867           | 20,579           |
| Technology costs                             | 37,371           | 95,118           |
| Educational supplies and services            | 104,371          | 48,515           |
| Other direct costs                           | 30,796           | 21,026           |
|  | <u>4,732,281</u> | <u>3,847,651</u> |
| <b>Support costs</b>                         |                  |                  |
| Support staff costs                          | 1,267,470        | 793,225          |
| Depreciation                                 | 185,853          | 3,129,976        |
| Technology costs                             | 50,275           | 13,479           |
| Maintenance of premises and equipment        | 74,942           | 55,387           |
| Rent, rates and other occupancy costs        | 237,509          | 139,190          |
| Security and transport                       | 16,589           | 5,688            |
| Catering                                     | 118,601          | 79,629           |
| Finance costs                                | 131,000          | 93,000           |
| Other support costs                          | 102,787          | 58,821           |
| Governance costs                             | 30,590           | 36,210           |
|  | <u>2,215,616</u> | <u>4,404,605</u> |
| <br>   |                  |                  |
| <b>10 Governance costs</b>                   | <b>Total</b>     | <b>Total</b>     |
| <b>All from restricted funds:</b>            | <b>2022</b>      | <b>2021</b>      |
|  | £                | £                |
| <b>Amounts included in support costs</b>     |                  |                  |
| Legal costs                                  | 5,086            | 21,066           |
| Auditor's remuneration                       |                  |                  |
| - Audit of financial statements              | 8,000            | 6,750            |
| - Other audit costs                          | 3,630            | 1,702            |
| Trustees' reimbursed expenses                | 1,059            | 897              |
| Other governance costs                       | 12,815           | 5,795            |
|  | <u>30,590</u>    | <u>36,210</u>    |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 11 Staff

#### Staff costs

Staff costs during the year were:

|   | 2022<br>£           | 2021<br>£           |
|---|---------------------|---------------------|
| Wages and salaries                      | 3,580,558           | 2,990,383           |
| Social security costs                   | 336,722             | 261,532             |
| Pension costs                           | 1,535,003           | 1,094,731           |
| Staff costs - employees                 | 5,452,283           | 4,346,646           |
| Agency staff costs                      | 299,742             | 108,992             |
| Staff restructuring costs               | 28,100              | -                   |
| Staff development and other staff costs | 5,780,125<br>47,088 | 4,455,638<br>20,579 |
| Total staff expenditure                 | 5,827,213           | 4,476,217           |

Staff restructuring costs comprise:

|                    |        |   |
|--------------------|--------|---|
| Severance payments | 28,100 | - |
|--------------------|--------|---|

#### Severance payments

The academy trust paid 1 severance payment in the year, disclosed in the following bands:

|                   |   |
|-------------------|---|
| £25,001 - £50,000 | 1 |
|-------------------|---|

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are severance payments totalling £28,100 (2021 - £nil). Individually, the payments were £28,100 (2021 - £nil).

#### Staff numbers

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

|                            | 2022<br>Number | 2021<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 37             | 38             |
| Administration and support | 97             | 103            |
| Management                 | 1              | 1              |
|                            | 135            | 142            |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 11 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

|                            | 2022<br>Number | 2021<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 36             | 36             |
| Administration and support | 78             | 84             |
| Management                 | 1              | 1              |
|                            | <u>115</u>     | <u>121</u>     |

#### Higher paid staff

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

|                      | 2022<br>Number | 2021<br>Number |
|----------------------|----------------|----------------|
| £60,001 to £70,000   | 2              | 1              |
| £70,001 to £80,000   | 1              | -              |
| £100,001 to £110,000 | 2              | 1              |
|                      | <u>5</u>       | <u>2</u>       |

Of the employees whose emoluments exceeded £60,000, 5 (2021 - 2) have retirement benefits accruing under defined benefit pension schemes. During the year pension contributions for these staff members amounted to £90,057 (2021 - £41,703).

#### 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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £785,965 (2021 - £528,509).

#### 12 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head of School and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head of School and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration for the year was as follows:

|   |
|---|
| K Taylor (Head of School of special school group 6 and trustee)               |
| Remuneration £100,001 - £110,000 (2021 - £100,001 - £110,000)                 |
| Employer's pension contributions £25,001 - £30,000 (2021 - £25,001 - £30,000) |

#### 13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £25,000,000 on any one claim and the cost for the year ended 31 August 2022 was included in the total insurance cost.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 14 Tangible fixed assets

|                       | Leasehold<br>buildings | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Total     |
|-----------------------|------------------------|--------------------------------------|-------------------|-----------|
|                       | £                      | £                                    | £                 | £         |
| <b>Cost</b>           |                        |                                      |                   |           |
| At 1 September 2021   | 8,797,219              | 23,523                               | 33,640            | 8,854,382 |
| Additions             | -                      | 35,407                               | 58,425            | 93,832    |
| At 31 August 2022     | 8,797,219              | 58,930                               | 92,065            | 8,948,214 |
| <b>Depreciation</b>   |                        |                                      |                   |           |
| At 1 September 2021   | 87,935                 | 8,229                                | 7,177             | 103,341   |
| Charge for the year   | 175,944                | 6,043                                | 6,266             | 188,253   |
| At 31 August 2022     | 263,879                | 14,272                               | 13,443            | 291,594   |
| <b>Net book value</b> |                        |                                      |                   |           |
| At 31 August 2022     | 8,533,340              | 44,658                               | 78,622            | 8,656,620 |
| At 31 August 2021     | 8,709,284              | 15,294                               | 26,463            | 8,751,041 |

Leasehold land and buildings that Spring Common Academy operate from have been included at an ESFA valuation as at 31 August 2020 of £3,700,000. Additions to leasehold buildings since that date include a donation of capital works including new classrooms from the Local Authority in the year ended 31 August 2021. This was brought in at £3,000,000 based on a management valuation of work done. Other additions have been brought in at cost.

Leasehold land and buildings that Riverside Meadows Academy operate from are included in the accounts at an ESFA valuation of £2,075,000 from the date of joining the Trust.

#### 15 Financial instruments

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| <b>Carrying amount of financial assets</b>      |           |           |
| Trade debtors                                   | 23,056    | 260,264   |
| Accrued income                                  | 108,361   | 51,184    |
| Bank and cash                                   | 1,485,393 | 746,033   |
|   | 1,616,810 | 1,057,481 |
| <b>Carrying amount of financial liabilities</b> |           |           |
| Trade creditors                                 | 96,484    | 1,444     |
| Other creditors                                 | 135,329   | 134,651   |
| Accruals  | 182,108   | 99,465    |
|   | 413,921   | 235,560   |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

| 16 Debtors  | 2022                  | 2021                  |
|---|-----------------------|-----------------------|
|   | £                     | £                     |
| Trade debtors                                     | 23,056                | 260,264               |
| VAT recoverable                                   | 23,995                | 53,619                |
| Prepayments and accrued income                    | 148,587               | 117,886               |
|   | <u>195,638</u>        | <u>431,769</u>        |
|   | <u><u>195,638</u></u> | <u><u>431,769</u></u> |
| 17 Creditors: amounts falling due within one year | 2022                  | 2021                  |
|   | £                     | £                     |
| Trade creditors                                   | 96,484                | 1,444                 |
| Other taxation and social security                | 81,467                | 82,215                |
| Other creditors                                   | 135,329               | 134,651               |
| Accruals and deferred income                      | 184,913               | 121,135               |
|   | <u>498,193</u>        | <u>339,445</u>        |
|   | <u><u>498,193</u></u> | <u><u>339,445</u></u> |
| 18 Deferred income                                | 2022                  | 2021                  |
|   | £                     | £                     |
| Deferred income is included within:               |                       |                       |
| Creditors due within one year                     | 2,805                 | 21,670                |
|   | <u>2,805</u>          | <u>21,670</u>         |
|   | <u><u>2,805</u></u>   | <u><u>21,670</u></u>  |
| Deferred income at 1 September 2021               | 21,670                | 10,628                |
| Released from previous years                      | (21,670)              | (10,628)              |
| Resources deferred in the year                    | 2,805                 | 21,670                |
|   | <u>2,805</u>          | <u>21,670</u>         |
| <b>Deferred income at 31 August 2022</b>          | <u><u>2,805</u></u>   | <u><u>21,670</u></u>  |

Deferred income relates to a grant received of £2,805 (2021 - £4,798) for Universal Infant Free School Meals for the first term of the next financial year and an NCTL grant of £nil (2021 - £16,872) for the teaching school for the next financial year.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Funds

|                                     | Balance at<br>1 September<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2022<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | 339,084                                | 2,859,836        | (2,452,851)        | (52,351)                               | 693,718                              |
| UIFSM                               | -                                      | 10,107           | (10,107)           | -                                      | -                                    |
| Pupil premium                       | -                                      | 138,763          | (138,763)          | -                                      | -                                    |
| PE and sports grant                 | -                                      | 16,830           | (16,830)           | -                                      | -                                    |
| Other Coronavirus funding           | -                                      | 18,606           | (18,606)           | -                                      | -                                    |
| Other DfE/ESFA grants               | -                                      | 50,209           | (50,209)           | -                                      | -                                    |
| Other government grants             | 50,059                                 | 3,069,655        | (3,119,714)        | -                                      | -                                    |
| Other restricted funds              | 15,375                                 | 25,914           | (28,272)           | -                                      | 13,017                               |
| Pension reserve                     | (7,606,000)                            | -                | (878,000)          | 6,357,000                              | (2,127,000)                          |
|                                     | <u>(7,201,482)</u>                     | <u>6,189,920</u> | <u>(6,713,352)</u> | <u>6,304,649</u>                       | <u>(1,420,265)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| Inherited on conversion             | 8,709,284                              | -                | (175,944)          | -                                      | 8,533,340                            |
| DfE group capital grants            | 29,045                                 | 46,553           | (3,282)            | (41,481)                               | 30,835                               |
| Capital expenditure from GAG        | 41,757                                 | -                | (12,309)           | 93,832                                 | 123,280                              |
|                                     | <u>8,780,086</u>                       | <u>46,553</u>    | <u>(191,535)</u>   | <u>52,351</u>                          | <u>8,687,455</u>                     |
| <b>Total restricted funds</b>       | <u>1,578,604</u>                       | <u>6,236,473</u> | <u>(6,904,887)</u> | <u>6,357,000</u>                       | <u>7,267,190</u>                     |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| General funds                       | 291,838                                | 61,855           | (21,381)           | (332,312)                              | -                                    |
| Discovery teaching school           | 112,956                                | -                | -                  | (112,956)                              | -                                    |
| After school club                   | -                                      | 17,899           | (17,899)           | -                                      | -                                    |
| Trips and events                    | -                                      | 3,730            | (3,730)            | -                                      | -                                    |
| Staff training and recruitment      | -                                      | -                | -                  | 445,268                                | 445,268                              |
|                                     | <u>404,794</u>                         | <u>83,484</u>    | <u>(43,010)</u>    | <u>-</u>                               | <u>445,268</u>                       |
| <b>Total funds</b>                  | <u>1,983,398</u>                       | <u>6,319,957</u> | <u>(6,947,897)</u> | <u>6,357,000</u>                       | <u>7,712,458</u>                     |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 19 Funds

(Continued)

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

**General Annual Grant (GAG):**

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

The restricted grant income in the year all relates to the provision of education for the students attending the academy.

The pension provision equates to the deficit on the Local Government Pension Scheme FRS102 valuation. 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.

Restricted fixed assets funds represent capital funding received from the ESFA and other sources. In accordance with the accounting policies set out in note 1, assets are capitalised where applicable, and depreciation is charged to this fund over the assets' useful economic life. Where costs are not capital in nature they are charged directly to this fund as an expense.

Designated funds have been set aside by the trustees for use in a variety of different areas.



# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 19 Funds

(Continued)

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

|                                     | Balance at<br>1 September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2021<br>£ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                  |                    |  |                                      |
| General Annual Grant (GAG)          | 81,264                                 | 2,216,667        | (1,958,847)        | -                                      | 339,084                              |
| Start up grants                     | -                                      | 25,000           | (25,000)           | -                                      | -                                    |
| UIFSM                               | -                                      | 6,389            | (6,389)            | -                                      | -                                    |
| Pupil premium                       | -                                      | 102,772          | (102,772)          | -                                      | -                                    |
| PE and sports premium               | 4,595                                  | 16,830           | (21,425)           | -                                      | -                                    |
| Other DfE/ESFA grants               | -                                      | 6,277            | (6,277)            | -                                      | -                                    |
| Other government grants             | -                                      | 2,397,898        | (2,397,898)        | -                                      | -                                    |
| Teaching school grant               | 35,942                                 | 23,003           | (8,886)            | -                                      | 50,059                               |
| COVID emergency support<br>funding  | -                                      | (11,050)         | 11,050             | -                                      | -                                    |
| COVID mass testing funding          | -                                      | 61,155           | (61,155)           | -                                      | -                                    |
| COVID catch up funding              | -                                      | 56,040           | (56,040)           | -                                      | -                                    |
| Other restricted funds              | 15,375                                 | 37,939           | (37,939)           | -                                      | 15,375                               |
| Pension reserve                     | (4,919,000)                            | (766,000)        | (534,000)          | (1,387,000)                            | (7,606,000)                          |
|                                     | <u>(4,781,824)</u>                     | <u>4,172,920</u> | <u>(5,205,578)</u> | <u>(1,387,000)</u>                     | <u>(7,201,482)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                  |                    |  |                                      |
| Inherited on conversion             | 6,627,913                              | 2,075,000        | (3,015,848)        | 3,022,219                              | 8,709,284                            |
| DfE group capital grants            | 40,557                                 | 115,520          | (104,813)          | (22,219)                               | 29,045                               |
| Capital expenditure from GAG        | 51,072                                 | -                | (9,315)            | -                                      | 41,757                               |
| Assets donated to academy           | -                                      | 3,000,000        | -                  | (3,000,000)                            | -                                    |
|                                     | <u>6,719,542</u>                       | <u>5,190,520</u> | <u>(3,129,976)</u> | <u>-</u>                               | <u>8,780,086</u>                     |
| <b>Total restricted funds</b>       | <u>1,937,718</u>                       | <u>9,363,440</u> | <u>(8,335,554)</u> | <u>(1,387,000)</u>                     | <u>1,578,604</u>                     |
| <b>Unrestricted funds</b>           |  |                  |                    |  |                                      |
| General funds                       | 269,044                                | 40,957           | (18,163)           | -                                      | 291,838                              |
| Discovery teaching school           | 112,956                                | -                | -                  | -                                      | 112,956                              |
| Trips and events                    | -                                      | 4,684            | (4,684)            | -                                      | -                                    |
|                                     | <u>382,000</u>                         | <u>45,641</u>    | <u>(22,847)</u>    | <u>-</u>                               | <u>404,794</u>                       |
| <b>Total funds</b>                  | <u>2,319,718</u>                       | <u>9,409,081</u> | <u>(8,358,401)</u> | <u>(1,387,000)</u>                     | <u>1,983,398</u>                     |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Funds (Continued)

#### Total funds analysis by academy

|  | 2022             | 2021             |
|--|------------------|------------------|
|  | £                | £                |
| Fund balances at 31 August 2022 were allocated as follows: |                  |                  |
| Spring Common Academy                                      | 626,989          | 627,853          |
| Riverside Meadows Academy                                  | 525,014          | 181,459          |
|  | <u>1,152,003</u> | <u>809,312</u>   |
| Total before fixed assets fund and pension reserve         | 1,152,003        | 809,312          |
| Restricted fixed asset fund                                | 8,687,455        | 8,780,086        |
| Pension reserve  | (2,127,000)      | (7,606,000)      |
|  | <u>7,712,458</u> | <u>1,983,398</u> |
| Total funds  | <u>7,712,458</u> | <u>1,983,398</u> |

#### Total cost analysis by academy

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

|                              | Teaching and<br>educational<br>support staff | Other support<br>staff costs | Educational<br>supplies | Other costs<br>excluding<br>depreciation | Total<br>2022    | Total<br>2021    |
|------------------------------|--|------------------------------|-------------------------|--|------------------|------------------|
|                              | £  | £                            | £                       | £  | £                | £                |
| Spring Common Academy        | 3,232,909                                    | 794,865                      | 48,768                  | 569,413                                  | 4,645,955        | 4,372,014        |
| Riverside Meadows<br>Academy | 1,150,094                                    | 361,844                      | 55,603                  | 243,197                                  | 1,810,738        | 733,400          |
| Central services             | 148,873                                      | 110,761                      | -                       | 45,717                                   | 305,351          | 121,679          |
|                              | <u>4,531,876</u>                             | <u>1,267,470</u>             | <u>104,371</u>          | <u>858,327</u>                           | <u>6,762,044</u> | <u>5,227,093</u> |

### 20 Analysis of net assets between funds

|   | Unrestricted<br>Funds | Restricted funds:<br>General | Fixed asset      | Total<br>Funds   |
|---|-----------------------|------------------------------|------------------|------------------|
|   | £                     | £                            | £                | £                |
| Fund balances at 31 August 2022 are represented by: |                       |                              |                  |                  |
| Tangible fixed assets                               | -                     | -                            | 8,656,620        | 8,656,620        |
| Current assets                                      | 445,268               | 1,204,928                    | 30,835           | 1,681,031        |
| Current liabilities                                 | -                     | (498,193)                    | -                | (498,193)        |
| Pension scheme liability                            | -                     | (2,127,000)                  | -                | (2,127,000)      |
|   | <u>445,268</u>        | <u>(1,420,265)</u>           | <u>8,687,455</u> | <u>7,712,458</u> |
| Total net assets                                    | <u>445,268</u>        | <u>(1,420,265)</u>           | <u>8,687,455</u> | <u>7,712,458</u> |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 20 Analysis of net assets between funds

(Continued)

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£ | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| <b>Fund balances at 31 August 2021 are represented by:</b> |                            |                                   |                  |                     |
| Tangible fixed assets                                      | -                          | -                                 | 8,751,041        | 8,751,041           |
| Current assets   | 404,794                    | 743,963                           | 29,045           | 1,177,802           |
| Current liabilities  | -                          | (339,445)                         | -                | (339,445)           |
| Pension scheme liability                                   | -                          | (7,606,000)                       | -                | (7,606,000)         |
| <b>Total net assets</b>                                    | <b>404,794</b>             | <b>(7,201,482)</b>                | <b>8,780,086</b> | <b>1,983,398</b>    |

### 21 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 Cambridgeshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £89,592 were payable to the schemes at 31 August 2022 (2021 - £90,960) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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 academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

##### 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.

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £391,790 (2021 - £313,378).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23% for employers and 5.5% to 10.5% for employees.

The estimated value of employer contributions for the forthcoming year is £385,000.

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.

| <b>Total contributions made</b> | <b>2022</b>    | <b>2021</b>    |
|---------------------------------|----------------|----------------|
|                                 | <b>£</b>       | <b>£</b>       |
| Employer's contributions        | 389,000        | 354,000        |
| Employees' contributions        | 100,000        | 90,000         |
| <b>Total contributions</b>      | <b>489,000</b> | <b>444,000</b> |

| <b>Principal actuarial assumptions</b>             | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>%</b>    | <b>%</b>    |
| Rate of increase in salaries                       | 3.55        | 3.40        |
| Rate of increase for pensions in payment/inflation | 3.05        | 2.90        |
| Discount rate for scheme liabilities               | 4.25        | 1.65        |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 21 Pension and similar obligations

(Continued)

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

|                      | 2022<br>Years | 2021<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 22.0          | 22.2          |
| - Females            | 24.2          | 24.4          |
| Retiring in 20 years |               |               |
| - Males              | 22.9          | 23.2          |
| - Females            | 26.0          | 26.2          |

Scheme liabilities would have been affected by changes in assumptions as follows:

|  | 2022    | 2021    |
|--|---------|---------|
| 0.1% decrease in Real Discount Rate        | 186,000 | 320,000 |
| 0.1% increase in the Salary Increase Rate  | 17,000  | 28,000  |
| 0.1% increase in the Pension Increase Rate | 171,000 | 287,000 |

#### Defined benefit pension scheme net liability

|                    | 2022<br>£   | 2021<br>£    |
|--------------------|-------------|--------------|
| Scheme assets      | 5,101,000   | 4,725,000    |
| Scheme obligations | (7,228,000) | (12,331,000) |
| Net liability      | (2,127,000) | (7,606,000)  |

#### The academy trust's share of the assets in the scheme

|                              | 2022<br>Fair value<br>£ | 2021<br>Fair value<br>£ |
|------------------------------|-------------------------|-------------------------|
| Equities                     | 3,570,700               | 3,166,000               |
| Bonds                        | 663,130                 | 803,000                 |
| Property                     | 816,160                 | 662,000                 |
| Other assets                 | 51,010                  | 94,000                  |
| Total market value of assets | 5,101,000               | 4,725,000               |

The actual return on scheme assets was £(45,000) (2021: £668,000).

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

| 21 Pension and similar obligations                                      | (Continued)      |                   |
|---|------------------|-------------------|
| Amount recognised in the statement of financial activities              | 2022<br>£        | 2021<br>£         |
| Current service cost  | 1,136,000        | 795,000           |
| Interest income   | (81,000)         | (58,000)          |
| Interest cost   | 212,000          | 151,000           |
| <b>Total operating charge</b>   | <b>1,267,000</b> | <b>888,000</b>    |
| <br>  |                  |                   |
| Changes in the present value of defined benefit obligations             | 2022<br>£        | 2021<br>£         |
| At 1 September 2021   | 12,331,000       | 7,932,000         |
| Transferred in on existing academies joining the academy trust          | -                | 1,438,000         |
| Current service cost  | 1,136,000        | 795,000           |
| Interest cost   | 212,000          | 151,000           |
| Employee contributions  | 100,000          | 90,000            |
| Actuarial (gain)/loss   | (6,483,000)      | 1,997,000         |
| Benefits paid   | (68,000)         | (72,000)          |
| <b>At 31 August 2022</b>  | <b>7,228,000</b> | <b>12,331,000</b> |
| <br>  |                  |                   |
| Changes in the fair value of the academy trust's share of scheme assets | 2022<br>£        | 2021<br>£         |
| At 1 September 2021   | 4,725,000        | 3,013,000         |
| Transferred in on existing academies joining the academy trust          | -                | 672,000           |
| Interest income   | 81,000           | 58,000            |
| Actuarial loss/(gain)   | (126,000)        | 610,000           |
| Employer contributions  | 389,000          | 354,000           |
| Employee contributions  | 100,000          | 90,000            |
| Benefits paid   | (68,000)         | (72,000)          |
| <b>At 31 August 2022</b>  | <b>5,101,000</b> | <b>4,725,000</b>  |

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

| 22 Reconciliation of net (expenditure)/income to net cash flow from operating activities         | Notes | 2022<br>£      | 2021<br>£       |
|--|-------|----------------|-----------------|
| Net (expenditure)/income for the reporting period (as per the statement of financial activities) |       | (627,940)      | 1,050,680       |
| Adjusted for:  |       |                |                 |
| Net surplus on transfer of academy in the trust  |       | -              | (1,309,000)     |
| Capital grants from DfE and other capital income   |       | (46,553)       | (3,115,520)     |
| Investment income receivable   | 6     | (239)          | (129)           |
| Defined benefit pension costs less contributions payable   | 21    | 747,000        | 441,000         |
| Defined benefit pension scheme finance cost  | 21    | 131,000        | 93,000          |
| Depreciation of tangible fixed assets  |       | 188,253        | 3,025,163       |
| Profit on disposal of fixed assets   |       | (2,400)        | -               |
| Decrease/(increase) in debtors   |       | 236,131        | (349,665)       |
| Increase in creditors  |       | 158,748        | 137,936         |
| <b>Net cash provided by/(used in) operating activities</b>                                       |       | <b>784,000</b> | <b>(26,535)</b> |

| 23 Analysis of changes in net funds | 1 September<br>2021<br>£ | Cash flows<br>£ | 31 August<br>2022<br>£ |
|-------------------------------------|--------------------------|-----------------|------------------------|
| Cash                                | 545,846                  | 739,219         | 1,285,065              |
| Cash equivalents                    | 200,187                  | 141             | 200,328                |
|                                     | <b>746,033</b>           | <b>739,360</b>  | <b>1,485,393</b>       |

#### 24 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place during this period.

Currently none of the trustees have children who are pupils at the academy, therefore there are no transactions between those trustees and the academy in respect of their children's education.

#### 25 Members' liability

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

# HORIZONS EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period the academy trust received £5,044 (2021 - £2,977) and disbursed £5,044 (2021 - £2,977) from the fund. An amount of £nil (2021 - £nil) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

### 27 Teaching School trading account

|   | 2022   |           | 2021  |         |
|---|--------|-----------|-------|---------|
|   | £      | £         | £     | £       |
| <b>Direct income</b>                              |        |           |       |         |
| Government grants                                 |        | 3,829     |       | 23,003  |
| <b>Direct costs</b>                               |        |           |       |         |
| Other direct costs                                | 53,888 |           | 8,886 |         |
| <b>Total operating costs</b>                      |        | (53,888)  |       | (8,886) |
| Transfers between funds                           |        | (112,956) |       | -       |
| <b>Surplus/(deficit) from Teaching School</b>     |        | (163,015) |       | 14,117  |
| Teaching School balances at 1 September 2021      |        | 163,015   |       | 148,898 |
| <b>Teaching School balances at 31 August 2022</b> |        | -         |       | 163,015 |