



Horsforth School

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**for the year ended
31 August 2019**

Company Registration No. 07849654



Horsforth School

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Horsforth School

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Ray Agar
Jamie Bentley
Colin Booth
Rosemary Edwards
Paul Higgins
Martin Hughes
Jenny Share

Trustees

Rosemary Edwards (Chair)
Paul Bell
Keith Bothamley
Tessa Freer
Tom La Dell (appointed 2 October 2018)
Samantha Lightfoot (appointed 8 May 2019)
Damon Shaw
Helen Shearer
Ruth Stokes (appointed 26 February 2019)
Chris Townsley
Steve Wood

Senior Leadership Team

Paul Bell (Headteacher)
Zoe Cornisky (Deputy Headteacher)
Sarah Nowell (Deputy Headteacher)
Claire Wright (Deputy Headteacher)
Simon Jackson (Assistant Headteacher)
Oliver Watkins (Assistant Headteacher)
Tom Milner (Associate Assistant Headteacher)
Emma Dowson (Director of Business and Finance)
Lauren Robinson (Director of HR)
Katie McFadden (Assistant Headteacher)
Tracy Hartley (Executive Assistant to the Headteacher)

Company Secretary

Emma Dowson

Company Registration Number

07849654 (England & Wales)

Registered Office

Lee Lane East
Horsforth
Leeds
LS18 5RF

Independent Auditor

Murray Harcourt Limited
6 Queen Street
Leeds
LS1 2TW

Bankers

Lloyds Bank plc
Park Row Leeds Branch
PO Box 96
LS1 1NX

Solicitors

Ward Hadaway
1A Tower Square
Wellington Street
Leeds
LS1 4DL

Horsforth School TRUSTEES' REPORT

The Trustees (who are also the Directors of the company under company law) present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in North West Leeds. It has a pupil capacity of 1,425 and had a roll of 1,406 in the school census in October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Governance

Horsforth School was incorporated on 16 November 2011 and began trading on 1 January 2012.

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 trustees of Horsforth School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Horsforth School.

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

Members' liability

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

Trustees' indemnity provisions are described in note 9 to the financial statements.

Principal activities

The principal objective of Horsforth School is to advance, for the public benefit, education in the Horsforth Community.

Directors

The Articles of Association require the appointment of at least three Directors. The Directors of the Company are also Trustees of the Charity. The subscribing members of Horsforth School have appointed the members of the Trust Board to serve as Directors to the Company. The term of office for a Director is currently four years and any Director may be re-appointed.

Where necessary, Directors have received training on legal and financial matters to enable them to undertake their role as Directors.

The Directors are responsible for setting the strategic direction of Horsforth School.

Details of the organisation and management of Horsforth School are set out below. The day-to-day running of Horsforth School is delegated by the Trust Board to the Senior Leadership Team of Horsforth School.

Horsforth School

TRUSTEES' REPORT (continued)

Method of recruitment and appointment or election of the Trust Board

The Structure of the Trust Board (up to 31 August 2019)

The Trust Board was comprised of Community Trustees, a Staff Trustee and Parent Trustees. Trustees are appointed to serve a four-year term in accordance with an instrument of government agreed by the Trust Board. The Community Trustees and Staff Trustee were appointed at a meeting of the Trust Members. Parent Trustees were elected by Parents / Carers of the children attending Horsforth School.

All Trustees give their time freely and no remuneration or expenses were received for their role as Trustees in the year.

Policies and Procedures adopted for the Induction and Training of Trustees

Where appropriate, Trustees have received training on legal and financial matters to enable them to undertake their role as Trustees.

Organisational Structure

The Governance Structure at Horsforth School is made up of seven members and eleven Trustees.

As charitable companies limited by guarantee every trust has Members who have a similar role to the shareholders in a company limited by shares.

The Trustees are both charity trustees and company directors and they manage the business of the academy trust and may exercise all the powers of the academy trust.

The Members meet a minimum of two times throughout the year. The Trust Board meets a minimum of six times throughout the year.

The core functions of the Trust Board are:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and
- Overseeing the financial performance of the organisation and making sure its money is well spent.

Arrangements for setting pay and remuneration of key management personnel

The Trust Board determines the 8 point group range for the Headteacher, Deputy Headteachers and Assistant Headteachers when they propose to make a new appointment or at any time they consider it necessary. With effect from 1 September 2015, the maximum of the group must not exceed the maximum range agreed by the Trust Board. The Headteacher, Deputy and Assistant Headteachers are placed in a banding within the range determined by the Trust Board;

Headteacher

The Trust Board has discretion to take account of the additional responsibility and accountability associated with the provision of extended services on their site as part of the local authority's local area plan when determining the group.

The Trust Board has agreed that the Headteacher will be placed in Group 8 of the group range.

In accordance with paragraphs 48, 49 and 50 of the STPCD or in limited circumstances (e.g. school causing concern, substantial difficulties in recruiting or retaining a Headteacher, or where the Headteacher is appointed as a temporary Headteacher of one or more additional schools), the Trust Board has discretion to make additional payments to the Headteacher providing that the total sum of all payments made in any school year does not exceed 25% of the Headteacher's point in group 8 on the leadership pay spine and providing that in each case the Trust Board has not previously taken such reason into account when determining the group range under an earlier STPCD.

A new candidate to the role of Headteacher will normally be paid on the bottom 4 points of the group range.

Horsforth School

TRUSTEES' REPORT (continued)

Annual pay progression within the Headteacher's pay range is not automatic. The Headteacher must demonstrate sustained high-quality performance, with particular regard to leadership, management and student progress at the School and will be subject to a review of performance against objectives before any pay progression. The Trust Board set appraisal objectives for the Headteacher, will review Headteacher performance and determine any pay progression. They may choose to be assisted in any element of this process by an external advisor/consultant.

Deputy Heads and Assistant Headteachers

The same eight-point group range will be used for Deputies and Assistant Heads when they propose to make new appointments or where there is a significant change in the responsibilities of serving Deputy or Assistant Heads. They may determine the pay range as of 1 September or at any time of the year to reflect any changes in the circumstances or job description that lead to a change in the basis for calculating their pay, or at any time if they consider it necessary to retain a Deputy or Assistant Head (see STPCD).

A new Deputy or Assistant Headteacher may be paid on any one of the bottom 3 points of their pay range.

The Trust Board has agreed that Deputy Headteachers will be placed in Group 4 of the group range and Assistant Headteachers will be placed in Group 3 of the group range.

Annual pay progression within the pay ranges for these posts is not automatic. Deputies and Assistant Heads must demonstrate sustained high quality of performance in respect of school leadership and management and student progress and will be subject to a review of performance against their appraisal objectives before any pay progression.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time employee number
3	3

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£1k
Total pay bill	£6,184k
% of total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facilities time	0
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Horsforth School

TRUSTEES' REPORT (continued)

Related Parties and other Connected Charities and Organisations

The school is neither a sponsored academy, nor a member of an academy chain and is not part of any formal federation. Horsforth School is a stand-alone academy. We do enjoy, however, strong working relationships with the following organisations:

- Yorkshire Teaching School Alliance: Horsforth School is a core member of the alliance.
- Benton Park School: Developing collaborative Post 16 delivery.
- Horsforth Children's Services: "Cluster service" provision across the community.

Risk Management

The Audit Committee is responsible for the management of the risks faced by Horsforth School.

Risks are considered in detail, assisted by the Senior Leadership Team. Risks are identified and assessed and controls are established on an on-going basis.

The main risks to Horsforth School, as identified in the Risk Register, are:

- Insufficient Year 12 recruitment
- Future funding uncertainty

Through the risk management processes established for Horsforth School, the Audit Committee is satisfied that the major risks have been adequately mitigated where necessary. It is recognised that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The key controls used by Horsforth School are:

- Formal agendas for Trust Board and committee activity;
- Detailed and comprehensive terms of reference and Scheme of Delegation for the Trust Board and all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting and clearance procedures as required by law for the protection of children and young people.

OBJECTIVES AND ACTIVITIES

Objects, aims and activities

The key objectives and aims of Horsforth School are as follows:

- It is intended that Horsforth School will be a fully comprehensive school functioning within and serving its local community in accordance with an ethos of 'Opportunity and Achievement.
- The principles are as follows:
 - Respect for self, others and the environment.
 - To provide a curriculum content and context and approaches to learning and teaching that will enable all students to acquire and develop the skills, knowledge and personal qualities required for them to be:
 - Successful learners who enjoy learning and make progress and achieve;
 - Confident individuals who are able to live a safe, healthy and fulfilling life;
 - Responsible citizens who make a positive contribution to their communities and society.
 - To provide curriculum content and context and approaches to learning and teaching that will ensure students have opportunities to become effective leaders, employers, employees and entrepreneurs, as well as the ability to respond to an ever more rapidly changing world.
 - To provide the broadest possible support for all students' learning.
 - To endeavour that every student leaves Horsforth School with a positive and sustainable progression route.

Horsforth School

TRUSTEES' REPORT (continued)

Extra-curricular activities

An extensive range of extra-curricular activities have taken place over the past year to extend the learning experiences of students. These have included:

- Study visits to Japan, France and Spain;
- Exchange visits to Germany and France;
- Full Sports and Arts programmes; including an overseas Sports tour and Ski trip;
- Curriculum based out-of-school learning opportunities;
- Charity fund-raising events.

Public benefit

Volunteers

Through the Parent and Teacher Association, a number of Parents and Carers help in fund-raising activities throughout the year and volunteers support extra-curricular activities. The School's facilities are used regularly and widely by the local community, including an extensive daily Evening Class programme and a Saturday Music Centre. Sports facilities are used seven days a week by local groups.

The Directors are aware of and have complied with their duty to have due regard to the public benefit guidance published by the Charities Commission.

Building developments

Over the last two years, significant building developments have included:

- Roof refurbishment
- Heating upgrade
- Upgrade to LED lighting
- Improved security and fire systems

STRATEGIC REPORT

Achievements and Performance

Once again, Horsforth School achieved excellent examination results for the 2018-19 academic year:

- 77% 4+ in English and maths at GCSE level and 59% of students achieved 5+ in English and maths. The School's progress 8 was an excellent +0.39. These maintain the school's history of excellent performance in external examinations and are one of the best results in Leeds.
- At A Level the pass rate was 97% with 71% of students achieving grades A* - C, 26% of all grades were at A*-A, again, one of the best in the region.
- Attendance figures for the 2018-19 academic year were our best ever at over 96.3%.
- Horsforth School was last inspected in May 2018 when it was judged as 'Good'.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that Horsforth School has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Horsforth School TRUSTEES' REPORT (continued)

FINANCIAL REVIEW

Financial report for the year

Horsforth School has had a healthy financially stable year. Net outgoing resources were £669k, primarily due to fixed asset depreciation charges, with free reserves standing at £1,301k, an increase of £91k from 2017-18.

The school continued to operate within current year income streams. As at 31 August 2019, Horsforth School had a cash balance of £1,311k.

The majority of Horsforth School's income is derived from grants provided by the ESFA (Education and Skills Funding Agency). In addition, income relating to SEN has also been received from the LA (Local Authority).

All of the grants received from the ESFA and the LA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The deficit on restricted general funds has increased to £2,476k from £809k at 31 August 2019 and principally represents Horsforth School's share of the Local Government Pension Scheme deficit. The calculation of this estimated long-term liability is based on assumptions which are subject to annual revision. The existence of a share of long-term pension scheme liabilities is common with other Academy schools and the Trustees continue to monitor the level of liability.

Reserves Policy

The Trustees review the reserve levels of Horsforth School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Trust Board is to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of Horsforth School whilst ensuring that excessive funds are not accumulated. As future pupil numbers are considered to be stable and through future Government funding, the Trustees are satisfied that current reserves, which are in line with the trust's target reserves level of £650k-£1,500k, will be sufficient to ensure a healthy financial position in the medium-term. Horsforth School's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,301k.

There is an overall deficit of £2,476k on restricted general funds, which principally represents Horsforth School's share of the Local Government Pension Scheme as outlined in the financial review above.

Investment Policy

A return on working capital should be optimised whilst allowing easy access to the funds. In balancing risk against return Horsforth School's policy is clearly geared towards avoiding risk rather than to maximising return.

Horsforth School operates an interest bearing current account with a bank approved by the Trust Board and maintains a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll and payment runs) and sufficient contingency (cash buffer) for unexpected payments.

Monies surplus to the working requirements may be invested in an account in the name of Horsforth School with the approved institutions authorised by the Trust Board. This may be a higher interest-bearing account operated by the same bank that Horsforth School operates its current account with, or an alternative approved institution.

Horsforth School will not take out any long-term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

Horsforth School TRUSTEES' REPORT (continued)

FUNDRAISING

Horsforth School raises funds through holding events and activities to support the students of Horsforth School. Any fundraising activity is linked to a specific cause which donors are made aware of e.g. to support students on school trips. Horsforth School also supports the activities of the PTA (Parent Teacher Association). Horsforth School does not use professional fundraisers or involve commercial participants.

Horsforth School conforms to the Fundraising Regulator's Code of Fundraising Practice. Direct marketing is limited and overseen by the Senior Management Team to ensure that it is not unreasonably intrusive or persistent. There have been no complaints about fundraising activity this year.

PLANS FOR FUTURE PERIODS

Our strategic priority continues to be to support our local community in all aspects of its learning.

Specific priorities are:

- To further develop our curriculum offer and embed the most recent evidence based practice.
- To continue to explore and develop innovative and transformational learning and teaching, so as to ensure access and engagement for all our learners.
- To improve the scope and quality of our already outstanding learner outcomes.
- To further engage students, parents and carers in the work of our school.
- To improve the already outstanding behaviour and attendance of our students.
- To continue to secure funding to provide appropriate accommodation for our existing and future students.
- To increase the use of our facility by the local community..
- To develop closer collaboration with our local primary schools.
- To develop closer collaboration with, and provide support for, educational partners.
- To support the Leeds City Council in meeting the demand for additional school places within Leeds North West.

AUDITOR

Murray Harcourt Limited has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 9 December 2019 and signed on the Board's behalf by:


Rosemary Edwards
Chair of Trustees

Horsforth School

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Trust Board has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Horsforth School and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board has formally met six times during the year.

Attendance during the year (1st September 2018 – 31st August 2019) at meetings of the Trust Board was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Keith Bothamley	6	6
Rosemary Edwards (Chair)	6	6
Tessa Freer (maternity leave)	2	2
Tom La Dell	5	5
Samantha Lightfoot (appointed 08.05.19)	1	2
Jenny Ryatt (term of office ended 02.12.18)	0	2
Damon Shaw	4	6
Helen Shearer	6	6
Steve Wood	5	6
Mr Chris Townsley	5	6
Mr Steve Wood	5	6

Teacher Trustee

Katie McFadden (term of office ended 02.12.18)	3	4
Ruth Stokes (appointed 26.02.19)	3	3

Headteacher Governor Trustee

Dr Paul Bell	4	4
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Audit Committee

The Audit Committee is a sub-committee of the main Trust Board. Its purpose is to:

- Assisting the Trust Board in meeting its responsibilities for financial reporting, internal and external auditing.
- Recommend appointment of Auditors to the Members.
- Agreeing a schedule of audit.
- Management of risk

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Rosemary Edwards	2	2
Tom La Dell	2	2
Steve Wood	1	1

Horsforth School

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that Horsforth School 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 taxpayers resources received.

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

Raising student attainment

- 77% 4+ in English and maths at GCSE level and 59% of students achieved 5+ in English and maths. The School's progress 8 was an excellent +0.39. These maintain the school's history of excellent performance in external examinations and are one of the best results in Leeds.
- Income for Pupil Premium students has been effectively used, with gaps between cohorts closing rapidly. Details are available on our website.
- Tracking student progress regularly and accurately allows us to identify the most effective use of intervention resources (for example one-to-one English tuition).
- Attendance figures for the 2018-19 academic year were our best ever at over 96%, contributing to excellent attainment across the school.
- External data analysis shows that student attainment at Horsforth is significantly higher than average performance across the country.
- We regularly review the staffing structure to ensure efficient and effective deployment, leading to both high quality teaching and learning and value for money, e.g. increased use of staff delivering literacy and numeracy intervention to low prior attaining students.
- Ofsted inspection in May 2018, again judged student behaviour to be outstanding (fifth successive occasion for this).
- To both improve the range of high-quality Level 3 provision and to reduce Post 16 staffing costs, we operate collaborative delivery of a range of A-level subjects with Benton Park.

Financial Performance

- Financial governance and oversight is strong.
- The school remains in a healthy financial position currently, continuing to operate within annual grant and income streams, whilst retaining a contingency fund to be able to mitigate risk. However, the school is aware of future years' challenges and is taking account of these when making financial decisions.
- We operate strong internal controls to support the school in achieving value for money including:
 - Adherence to the school procurement policy that states that a minimum of three quotes be obtained for certain levels of expenditure.
 - Annual review of contracts to assess value for money.
- All expenditure decisions are made in line with school objectives, known risks and priorities.
- School initiatives are appraised by assessing pupil outcomes in comparison to cost.
- Drive to increase the use of the school for community benefits and to increase lettings income
- The school also takes advantage of procurement consortiums e.g. YPO.
- Medium-term financial planning ensuring the school remains a going concern and both initiatives and investments are sustainable.
- Investment in staff CPD.

Horsforth School

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Horsforth School 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 Horsforth School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which Horsforth School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing Horsforth School's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

Horsforth School'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 Trust Board;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Trust Board has considered the need for a specific internal audit function and has decided to appoint Leeds City Council as internal audit

Leeds City Council provides advice on financial matters and performs a range of checks on the school's financial systems. In particular, the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of bank reconciliation

The auditor reports to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Horsforth School
GOVERNANCE STATEMENT (continued)

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibilities 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 work of senior leaders within school 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2019 and signed on its behalf by:



Rosemary Edwards
Chair of Trustees



Dr Paul Bell
Accounting Officer

Horsforth School**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Horsforth School, I have considered my responsibility to notify Horsforth School's 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 Horsforth School, under the funding agreement in place between Horsforth School and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and Horsforth School's Board of Trustees are able to identify any material irregular or improper use of all funds by Horsforth School, or material non-compliance with the terms and conditions of funding under Horsforth School's funding agreement and the Academies Financial Handbook 2018.

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.



Dr Paul Bell
Accounting Officer

Date: 9 December 2019

Horsforth School

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 9 December 2019 and signed on its behalf by:



Rosemary Edwards
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSFORTH SCHOOL

Opinion

We have audited the financial statements of Horsforth School (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

However, it is not possible to predict with certainty the potential impact of future developments in both the Academy Trust's trading environment or in the broader economy. Because of this, the above statements should not be interpreted as a guarantee that the Academy Trust will continue to operate as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSFORTH SCHOOL (continued)

Other information

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

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

We have nothing to report in this regard.

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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSFORTH SCHOOL (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of this report

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



Mark Hunter FCA (Senior Statutory Auditor)
For and on behalf of Murray Harcourt Limited, Statutory Auditor

6 Queen Street
Leeds
LS1 2TW

Date: 17 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HORSFORTH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Horsforth School during the period from 1 September 2018 to 31 August 2019 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 Horsforth School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Horsforth School 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 Horsforth School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Horsforth School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Horsforth School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2018;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY- TO HORSFORTH SCHOOL AND THE EDUCATION AND SKILLS
FUNDING AGENCY (continued)**

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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Murray Harcourt Ltd

Reporting Accountant
Murray Harcourt Limited

Date: *17 December 2019*

Horsforth School
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 August 2019

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2019 £'000	Total 2018 £'000
INCOME AND ENDOWMENTS						
FROM:						
Donations and capital grants	1	-	1	105	106	346
Charitable activities:						
Funding for Horsforth School's educational operations	2	861	6,725	-	7,586	7,419
Other trading activities	3	164	-	-	164	131
Investments	4	1	-	-	1	1
Total		1,026	6,726	105	7,857	7,897
EXPENDITURE ON:						
Raising funds	5	41	-	-	41	39
Charitable activities:						
Horsforth School's educational operations	6	691	7,217	577	8,485	8,063
Total		732	7,217	577	8,526	8,102
NET INCOME/(EXPENDITURE)		294	(491)	(472)	(669)	(205)
Gross transfers between funds	14	(203)	203	-	-	-
OTHER RECOGNISED GAINS AND (LOSSES)						
Actuarial (losses) / gains on defined benefit pension scheme	23	-	(1,379)	-	(1,379)	654
NET MOVEMENT IN FUNDS		91	(1,667)	(472)	(2,048)	449
RECONCILIATION OF FUNDS						
Total funds brought forward		1,210	(809)	9,685	10,086	9,637
TOTAL FUNDS CARRIED FORWARD	14	1,301	(2,476)	9,213	8,038	10,086

All of Horsforth School's activities derive from continuing operations during the above two financial periods.

Horsforth School
BALANCE SHEET
As at 31 August 2019

Registration number: 07849654

	<i>Notes</i>	2019 £'000	2019 £'000	2018 £'000	2018 £'000
FIXED ASSETS					
Tangible assets	10		<u>9,187</u>		<u>9,626</u>
			9,187		9,626
CURRENT ASSETS					
Stock	11	4		4	
Debtors	12	248		413	
Cash at bank and in hand	20	<u>1,311</u>		<u>1,408</u>	
Total current assets		1,563		1,825	
Liabilities:					
CREDITORS: Amounts falling due within one year	13	<u>(226)</u>		<u>(556)</u>	
NET CURRENT ASSETS			1,337		1,269
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,524</u>		<u>10,895</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>10,524</u>		<u>10,895</u>
Pension scheme liability	23		<u>(2,486)</u>		<u>(809)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>8,038</u>		<u>10,086</u>
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset funds	14		9,213		9,685
General funds	14		10		-
Pension reserve	14		<u>(2,486)</u>		<u>(809)</u>
TOTAL RESTRICTED FUNDS			<u>6,737</u>		<u>8,876</u>
UNRESTRICTED FUNDS					
General funds	14		<u>1,301</u>		<u>1,210</u>
TOTAL UNRESTRICTED FUNDS			<u>1,301</u>		<u>1,210</u>
TOTAL FUNDS			<u>8,038</u>		<u>10,086</u>

The financial statements on pages 20 to 41 were approved by the Trustees and authorised for issue on 9 December 2019, and are signed on their behalf by:


 Rosemary Edwards
 Chair of Trustees

Horsforth School
CASH FLOW STATEMENT
for the year ended 31 August 2019

	Notes	2019 £'000	2018 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	18	121	481
CASH FLOWS FROM INVESTING ACTIVITIES	19	(218)	(269)
		<hr/>	<hr/>
(DECREASE) / INCREASE IN CASH IN THE YEAR		(97)	212

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

NET FUNDS AT 1 SEPTEMBER		1,408	1,196
(Decrease) / Increase in cash in the year		(97)	212
		<hr/>	<hr/>
NET FUNDS AT 31 AUGUST	20	1,311	1,408

Horsforth School
ACCOUNTING POLICIES
for the year ended 31 August 2019

Statement of accounting policies

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

Basis of preparation

The financial statements of Horsforth School, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Horsforth School meets the definition of a public benefit entity under FRS 102.

Going concern

The financial statements are prepared on a going concern basis. Having carried out a detailed review of Horsforth School's resources and the challenges presented by the current economic climate, the Trustees are confident that Horsforth School has sufficient resources to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Income

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

Grants receivable

Grant income is 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.

The General Annual Grant from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 hire of facilities, catering income and miscellaneous income, is recognised in the period it is receivable and to the extent Horsforth School has provided the goods or services.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Horsforth School
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2019

Expenditure

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

Expenditure on Raising Funds

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised at cost, and are carried at cost net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long leasehold land and buildings	2% to 10% straight line basis
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Inherited buildings are depreciated on a 4% straight line basis. Additions are depreciated based on estimated lifespan. E.g. EBACC build is depreciated on a 2% straight line basis, the Astro Turf on a 7% straight line basis and certain building improvements between 10% and 20% straight line basis.

Fixtures, fittings and equipment	10% to 33% straight line basis
Computer equipment	20% to 25% straight line basis
Motor vehicles	20% straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Stock

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

Horsforth School
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2019

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 Horsforth School 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.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security creditors are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pension benefits

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

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

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

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

Horsforth School
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2019

Fund accounting

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

Restricted Fixed Asset Funds are resources which are to be applied to specific capital purposes imposed by the Department for Education, where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

Horsforth School 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.

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

The carrying value of tangible fixed assets is £9,187,000 (2018 - £9,626,000) and the useful economic life of each category of fixed asset is set out in the accounting policies, under "Tangible fixed assets", above.

Local Government Pension Scheme liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will affect the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Agency arrangements

Horsforth School acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that Horsforth School does not have a beneficial interest in the individual transactions.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2019

1 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
ESFA capital grants	-	104	104	346
Other donations	-	2	2	-
	-	106	106	346

Income from donations and capital grants was £106,000 (2018 - £346,000). All income from donations and capital grants was restricted in both reporting periods.

2 FUNDING FOR HORSFORTH SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
DfE/ESFA GRANTS				
General Annual Grant (GAG)	-	6,374	6,374	6,415
Other DfE/ESFA grants	-	299	299	234
	-	6,673	6,673	6,649
OTHER GOVERNMENT GRANTS				
SEN from Local Authority	-	12	12	-
Other Local Authority grants	-	1	1	-
	-	13	13	-
OTHER INCOME				
School trips	310	-	310	294
Catering	344	-	344	296
Cluster	45	-	45	46
Other	162	39	201	134
	861	39	900	770
	861	6,725	7,586	7,419

Funding for Horsforth School's educational operations amounted to £7,586,000 (2018 - £7,419,000) of which £6,725,000 (2018 - £6,649,000) was attributable to restricted and £861,000 (2018 - £770,000) was attributable to unrestricted funds.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

3 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
Hire of facilities	164	-	164	131
	<u>164</u>	<u>-</u>	<u>164</u>	<u>131</u>

Income from other trading activities was £164,000 (2018 - £131,000). All income from other trading activities was unrestricted in both reporting periods.

4 INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	2018 Total £'000
Deposit interest	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

Income from investments was £1,000 (2018 - £1,000). All income from investments was unrestricted in both reporting periods.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

5 EXPENDITURE

	Non-Pay Expenditure			2019 Total £'000	2018 Total £'000
	Staff costs £'000	Premises £'000	Other £'000		
Expenditure on raising funds	38	-	3	41	39
Horsforth School's educational operations:					
Direct costs	5,441	519	507	6,467	6,252
Allocated support costs	705	443	870	2,018	1,811
	6,146	962	1,377	8,485	8,063
	6,184	962	1,380	8,526	8,102

Expenditure on raising funds was £41,000 (2018 - £39,000). All expenditure on raising funds was unrestricted in both reporting periods.

Net income/(expenditure) for the period includes:

	2019 £'000	2018 £'000
Depreciation	577	581
Operating lease rentals	17	11
Fees payable to auditor for:		
Audit	7	7
Other services	2	1

Included within expenditure for the period were irrecoverable debt write-offs amounting to £1,386.

6 CHARITABLE ACTIVITIES

CHARITABLE ACTIVITIES		2019 Total £'000	2018 Total £'000
Direct costs – educational operations		6,467	6,252
Support costs – educational operations		<u>2,018</u>	<u>1,811</u>
		<u>8,485</u>	<u>8,063</u>
Analysis of support costs			
	Educational operations £'000	2019 Total £'000	2018 Total £'000
Staff costs	705	705	570
Depreciation	58	58	59
Premises costs	443	443	358
Catering supplies	215	215	206
Trip costs	342	342	286
Other support costs	241	241	319
Governance costs	<u>14</u>	<u>14</u>	<u>13</u>
Total support costs	2,018	2,018	1,811

Expenditure on Horsforth School's educational operations amounted to £8,485,000 (2018 - £8,063,000) of which £7,794,000 (2018 - £7,435,000) was attributable to restricted and £691,000 (2018 - £628,000) was attributable to unrestricted funds.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

7 STAFF COSTS

	2019 £'000	2018 £'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	4,570	4,460
Social security costs	445	426
Other pension cost	974	850
Apprenticeship levy	8	7
	<u>5,997</u>	<u>5,743</u>
Supply teacher costs	155	117
Staff restructuring costs	32	-
	<u>6,184</u>	<u>5,860</u>
Staff restructuring costs comprise:		
Redundancy payments	25	-
Severance payments	7	-
	<u>32</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs in was one non-statutory/non-contractual severance payment totalling £6,895.

c. Staff numbers

The average number of persons employed by Horsforth School during the period was as follows:

	2019 No.	2018 No.
Charitable activities		
Teachers	84	89
Administration and support	80	77
Management	11	8
	<u>175</u>	<u>174</u>

d. Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	2	2
£100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these individuals amounted to £38,715 (2018 - £38,491).

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

7 STAFF COSTS (continued)

e. Key management personnel

The key management personnel of Horsforth School comprise the Trustees and the Senior Leadership 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 Horsforth School was £839,911 (2018 - £837,941).

8 RELATED PARTY TRANSACTIONS – Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with Horsforth School. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

P Bell (Headteacher)

Remuneration: £100,000 - £105,000 (2018: £100,000 - £105,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £15,000 - £20,000)

K McFadden (staff Trustee until 2 December 2018)

Remuneration: £10,000 - £15,000 (2018: £50,000 - £55,000)

Employer's pension contributions: £0 - £5,000 (2018: £5,000 - £10,000)

N Akal (staff Trustee until 31 August 2018)

Remuneration: - (2018: £10,000 - £15,000)

Employer's pension contributions: - (2018: £0 - £5,000)

T Freer (staff Trustee)

Remuneration: £10,000 - £15,000 (2018: £20,000 - £25,000)

Employer's pension contributions: £0 - £5,000 (2018: £0 - £5,000)

R Stokes (staff Trustee, appointed 26 February 2019)

Remuneration: £15,000 - £20,000

Employer's pension contributions: £0 - £5,000

The remuneration disclosed above relates to the amounts received during the period in which the individuals were Trustees of Horsforth School.

During the period ended 31 August 2019, travel and subsistence expenses totalling £516 (2018 - £2,246) were reimbursed or paid directly to two (2018 – two) Trustees. These expenses related to the provision of services as employees of the Academy and not for the role of Trustees.

9 TRUSTEES AND OFFICERS INSURANCE

In accordance with normal commercial practice Horsforth School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Horsforth School business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,000 (2018 - £1,000). The cost of this insurance is included in the total insurance cost.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

10 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2018	12,241	203	443	6	12,893
Additions	79	19	40	-	138
Disposals	-	-	-	-	-
At 31 August 2019	12,320	222	483	6	13,031
Depreciation					
At 1 September 2018	2,844	108	309	6	3,267
Charged in year	484	39	54	-	577
Disposals	-	-	-	-	-
At 31 August 2019	3,328	147	363	6	3,844
Net book values					
At 31 August 2019	8,992	75	120	-	9,187
At 31 August 2018	9,397	95	134	-	9,626

Leasehold land and buildings relate to the school building, which is occupied under a 125-year lease.

11 STOCK	2019 £'000	2018 £'000
Catering	<u>4</u>	<u>4</u>

The cost of catering stock recognised as an expense in the period was £187,000 (2018 - £174,000).

12 DEBTORS	2019 £'000	2018 £'000
Trade debtors	76	39
Accrued income	52	115
Prepayments	85	84
VAT recoverable	<u>35</u>	<u>175</u>
	248	413

Trade debtors and accrued income balances are classified as basic financial instruments and are measured at their settlement value.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

13	CREDITORS: Amounts falling due within one year	2019	2018
		£'000	£'000
	Trade creditors	100	347
	Other creditors	19	13
	Accruals and deferred income	107	196
		<u>226</u>	<u>556</u>

All financial liabilities are classified as basic financial instruments and are measured at their settlement value.

Deferred income	2019	2018
	£'000	£'000
Deferred income at 1 September 2018	153	99
Resources deferred in the year	96	153
Amounts released from previous years	(153)	(99)
Deferred income at 31 August 2019	<u>96</u>	<u>153</u>

At the balance sheet date, Horsforth School was holding funds received in advance for school trips and grants received relating to future periods.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

14 FUNDS

	Balance at 1 September 2018 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,374	(6,577)	203	-
Other DfE/ESFA grants	-	299	(299)	-	-
LEA and other grants	-	13	(13)	-	-
Other restricted	-	40	(30)	-	10
	-	6,726	(6,919)	203	10
Pension reserve	(809)	-	(298)	(1,379)	(2,486)
	(809)	6,726	(7,217)	(1,176)	(2,476)
Restricted fixed asset funds					
DfE/ESFA capital grants	2,134	104	(97)	-	2,141
Other restricted donations	-	1	-	-	1
Transferred on conversion	7,210	-	(400)	-	6,810
Capital expenditure from GAG	254	-	(33)	-	221
Capital expenditure from general funds	87	-	(47)	-	40
	9,685	105	(577)	-	9,213
Total restricted funds	8,876	6,831	(7,794)	(1,176)	6,737
Unrestricted funds					
Unrestricted funds	1,210	1,026	(732)	(203)	1,301
Total unrestricted funds	1,210	1,026	(732)	(203)	1,301
Total funds	10,086	7,857	(8,526)	(1,379)	8,038

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

- (i) The General Annual Grant must be used for recurrent expenditure of Horsforth School. Under the funding agreement with the Secretary of State, Horsforth School was not subject to a limit on the GAG that it could carry forward at 31 August 2019.
- (ii) Restricted Fixed Asset funds relate to income received from the DfE, other government grants and transfers from GAG income and unrestricted funds. The fund balance includes donated assets relating to school buildings. Depreciation relating to the assets procured is charged against these funds over the life of the assets.
- (iii) Unrestricted funds relate to surpluses brought across on conversion and self-generated income since conversion.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

14 FUNDS (continued)

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

	Balance at 1 September 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,415	(6,423)	8	-
Other DfE/ESFA grants	-	234	(234)	-	-
	-	6,649	(6,657)	8	-
Pension reserve	(1,266)	-	(197)	654	(809)
	(1,266)	6,649	(6,854)	662	(809)
Restricted fixed asset funds					
DfE/ESFA capital grants	1,864	346	(76)	-	2,134
Transferred on conversion	7,610	-	(400)	-	7,210
Capital expenditure from GAG	304	-	(50)	-	254
Capital expenditure from general funds	113	-	(55)	29	87
	9,891	346	(581)	29	9,685
Total restricted funds	8,625	6,995	(7,435)	691	8,876
Unrestricted funds					
Unrestricted funds	1,012	902	(667)	(37)	1,210
Total unrestricted funds	1,012	902	(667)	(37)	1,210
Total funds	9,637	7,897	(8,102)	654	10,086

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	9,187	9,187
Current assets	1,384	144	35	1,563
Current liabilities	(83)	(134)	(9)	(226)
Pension scheme liability	-	(2,486)	-	(2,486)
Total net assets	1,301	(2,476)	9,213	8,038

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

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

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	9,626	9,626
Current assets	1,355	139	331	1,825
Current liabilities	(145)	(139)	(272)	(556)
Pension scheme liability	-	(809)	-	(809)
Total net assets	1,210	(809)	9,685	10,086

16 CAPITAL COMMITMENTS

	2019 £'000	2018 £'000
Contracted for, but not provided in the financial statements	-	93

17 COMMITMENTS UNDER OPERATING LEASES

OPERATING LEASES

At 31 August 2019, the total of Horsforth School's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	18	11
Amounts due between one and five years	38	28
	56	39

18 RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019 £'000	2018 £'000
Net expenditure for the reporting period	(669)	(205)
Adjusted for:		
Depreciation (note 10)	577	581
Capital grants from DfE and other capital income	(105)	(346)
Interest receivable (note 4)	(1)	(1)
Defined benefit pension scheme cost less contributions payable (note 23)	278	168
Defined benefit pension scheme finance cost (note 23)	20	29
Decrease in stocks	-	1
Decrease in debtors	89	173
Decrease / Increase in creditors	(68)	81
Net cash provided by Operating Activities	121	481

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

19	CASH FLOWS FROM INVESTING ACTIVITIES	2019 £'000	2018 £'000
	Interest received	1	1
	Purchase of tangible fixed assets	(400)	(773)
	Capital grants from DfE/ESFA	181	503
	Net cash outflow from investing activities	(218)	(269)

20	ANALYSIS OF CASH AND CASH EQUIVALENTS	2019 £'000	2018 £'000
	Cash at bank and in hand	1,311	1,408
	Notice deposits	-	-
	Total cash and cash equivalents	1,311	1,408

21 **CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the ESFA the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Trust's assets held for the purpose of the Trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

22 **MEMBERS' LIABILITY**

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

23 PENSION AND SIMILAR OBLIGATIONS

Horsforth School'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 West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pensions 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

23 PENSION AND SIMILAR OBLIGATIONS (continued)

The employer's pension costs paid to TPS in the period amounted to £527,000 (2018 - £524,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £242,000 (2018 - £226,000) of which employer's contributions totalled £169,000 (2018 - £158,000) and employees' contribution totalled £73,000 (2018 - £68,000). The agreed rates for future years are 14.4 per cent for employers and ranging between 5.5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.35%	3.25%
Rate of increase for pensions in payment/inflation	2.10%	2.00%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.10%	2.00%
Commutation of pensions to lump sums	<u>75%</u>	<u>75%</u>

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	<u>27.2</u>	<u>27.1</u>

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Sensitivity analysis

The approximate impact of changing key assumptions on the present value of the funded defined benefit pension obligation is detailed below. In each case, only the assumption listed is altered; all other assumptions remain unchanged. A positive value represents an increase in the defined benefit pension obligation:

	At 31 August 2019 £'000	At 31 August 2018 £'000
Discount rate +0.1%	(171)	(130)
Discount rate -0.1%	174	132
Mortality assumption – 1-year increase	(270)	(180)
Mortality assumption – 1-year decrease	273	181
CPI rate +0.1%	117	89
CPI rate -0.1%	(115)	(88)

Horsforth School's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	4,423	4,034
Property	251	227
Government bonds	599	584
Corporate bonds	257	189
Cash	108	119
Other	63	254
Total market value of assets	5,701	5,407
Present value of scheme liabilities		
- Funded	(8,187)	(6,216)
Surplus/(deficit) in the scheme	(2,486)	(809)

The actual return on scheme assets was £245,000 (2018 - £280,000).

Amounts recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	313	326
Past service cost	134	-
Total service cost	447	326
Pension finance cost	20	29
Total amount recognised in the SOFA	467	355

Horsforth School
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2019

23 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in Other Comprehensive Income	2019 £'000	2018 £'000
Asset gains arising in the period	93	153
Liability (losses) / gains arising in the period	<u>(1,472)</u>	<u>501</u>
Total amount recognised in other comprehensive income	<u>(1,379)</u>	<u>654</u>

Changes in the present value of defined benefit obligations were as follows:	2019 £'000	2018 £'000
At 1 September	6,216	6,279
Current service cost	313	326
Interest cost	172	156
Employee contributions	73	68
Actuarial loss / (gain)	1,472	(501)
Benefits paid	(193)	(112)
Past service cost	<u>134</u>	<u>-</u>
At 31 August	<u>8,187</u>	<u>6,216</u>

Changes in the fair value of Academy Trust's share of scheme assets

At 1 September	5,407	5,013
Interest on assets	152	127
Actuarial gain/(loss)	93	153
Employer contributions	169	158
Employee contributions	73	68
Benefits paid	<u>(193)</u>	<u>(112)</u>
At 31 August	<u>5,701</u>	<u>5,407</u>

The estimated value of employer contributions for the year ended 31 August 2020 is £174,000.

24 RELATED PARTIES

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 8.

25 AGENCY ARRANGEMENTS

Horsforth School administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year, it received £17,560 (2018 - £19,667) and disbursed £21,625 (2018 - £19,746). At 31 August 2019 there was an unspent amount of £4,565 (2018 - £8,630), which is included in other creditors.